



POSITIONED FOR STRENGTH

ANNUAL
REPORT
FY 2016/17

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 Mainboard of the Singapore Exchange Securities Trading Limited 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, Malaysia, China and Japan, valued at about S\$3,136.3 million as at 30 June 2017.

These comprise interests in Wisma Atria and Ngee Ann City on Orchard Road in Singapore; Myer Centre Adelaide, David Jones Building and Plaza Arcade in Adelaide and Perth, Australia; Starhill Gallery and Lot 10 Property in Kuala Lumpur, Malaysia; a retail property in Chengdu, China and three properties in Tokyo, Japan. 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 creative asset enhancements.

Starhill Global REIT is managed by an external manager, YTL Starhill Global REIT Management Limited. The Manager is a wholly-owned subsidiary of YTL Starhill Global REIT Management Holdings Pte. Ltd. which is in turn an indirect subsidiary of YTL Corporation Berhad.

CONTENTS

VISION

To be the most valued real estate investment trust in Singapore which is committed to delivering long-term superior returns to our Unitholders.

MISSION

To create and deliver superior returns to our investors through growth and value creation in our assets, products and services, unconstrained by boundary and reach.

To be the landlord of choice for our tenants and shoppers and be committed in our delivery of quality products and services.

To be a forward-thinking real estate company with strong management expertise and provide fulfilment for our people.

VALUES

The values to which we aspire can be summarised under six principles:

- Integrity
- Client Commitment
- Strive for Profitability
- Fulfilment for our People
- Teamwork
- Highest Standards





OVERVIEW /

- Our Strategy / **2**
- Financial Highlights / **3**
- Financial Summary / **10**
- Key Figures for 5 Years / **11**
- Our Geographical Reach / **12**
- Letter to Unitholders / **14**
- Trust Structure / **17**
- Significant Events in FY 2016/17 / **18**
- Board of Directors / **20**
- Executive Officers of REIT Manager / **22**
- Executive Officers of Property Manager / **24**

OPERATIONS REVIEW /

- Property Highlights / **26**
- Property Portfolio Summary / **28**
- Singapore Properties / **32**
- Australia Properties / **39**
- Malaysia Properties / **45**
- China Property / **49**
- Japan Properties / **50**

PERFORMANCE /

- Market Overview / **51**
- Financial Review / **53**
- Capital Management / **56**
- Risk Management / **58**
- Investor Relations and Communications / **59**

SUSTAINABILITY REPORT / 60

CORPORATE GOVERNANCE / 76

FINANCIALS /

- Financial Statements / **89**

OTHERS /

- Statistics of Unitholders / **137**
- Additional Information / **139**
- Glossary / **140**
- Corporate Directory / **142**
- Notice of Annual General Meeting and Proxy Form / **143**

OUR STRATEGY

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 creative asset enhancements, and maintaining a prudent capital management approach.

STRATEGY



ACTIVE ASSET MANAGEMENT

- / Balance of master tenancies and long-term leases, coupled with actively managed short-to medium-term tenancies for income stability with potential rental upside
- / Driving organic growth from existing portfolio through proactive leasing efforts
- / Focusing on established mid-to high-end retail tenant base and optimising tenant mix
- / Unlocking value through creative asset enhancements
- / Maintaining healthy and sustainable occupancy rates through economic cycles



ACQUISITION GROWTH

- / Investment portfolio primarily comprising prime real estate used mainly for retail and/or office purposes with strong fundamentals and strategic locations
- / Long-term yield accretive investments made in Singapore and overseas markets



CAPITAL MANAGEMENT

- / Managing capital to optimise Unitholders' returns with a mix of available capital sources
- / Employing appropriate interest rate and foreign exchange risk management strategies



FINANCIAL HIGHLIGHTS

GROSS REVENUE / FY 2016/17

S\$216.4^M

NET PROPERTY INCOME / FY 2016/17

S\$166.9^M

**INCOME AVAILABLE
FOR DISTRIBUTION** / FY 2016/17

S\$110.4^M

NET ASSET VALUE / AS AT JUN 2017

S\$2,009.3^M

RESILIENT OCCUPANCY / AS AT JUN 2017

95.5%

STABLE GEARING / AS AT JUN 2017

35.3%





PRIME EXPOSURE

Our portfolio comprises prime retail assets with unrivalled connectivity to transportation hubs.

PRESENCE IN **6** ASIA-PACIFIC CITIES

Starhill Global REIT's properties house some of the world's largest fashion groups with total market capitalisation in excess of US\$350 billion
(including LVMH, Coach, Richemont and H&M)

SINGAPORE PROPERTIES ENJOY UNRIVALLED CONNECTIVITY

6th
Most Visited City
in MasterCard's Global
Destination Cities
Index 2016

Approximately
1 in 2
tourists visits
Orchard Road

Over
12,500
mid-tier to luxury
hotel rooms
in Orchard Road

Concentration
of
top 10
global luxury brands
in Orchard Road

190 metres
of **prime** Orchard Road
street **frontage** for the
Singapore Properties

Direct basement
access to
Orchard MRT
Station

Wisma Atria
attracts
25 million
shoppers annually

AUSTRALIA PROPERTIES ARE LOCATED IN PREMIER SHOPPING DISTRICTS IN ADELAIDE AND PERTH

Situated on the
only **retail**
pedestrian streets
in the city centres

Concentration
of **international**
retailers within the
shopping districts

5 minutes'
walk from
central train stations

Properties anchored
by **David Jones**
and **Myer**
department stores

MALAYSIA PROPERTIES ARE LOCATED IN BUKIT BINTANG, KUALA LUMPUR'S PREMIER SHOPPING STRIP

Platinum Award

Lot 10 Hutong
Kuala Lumpur
Mayor's Tourism
Awards 2017

7th
Most Visited City
in MasterCard's Global
Destination Cities
Index 2016

Improved connectivity
with the
new MRT Station
in front of Lot 10,
complementing the
existing LRT Station

RESILIENCE @WORK



We have delivered resilient returns for our Unitholders through economic cycles by leveraging on the support of our strong sponsor, income stability from master and long-term leases, and sound financials.

DELIVERING SUSTAINABLE LONG-TERM VALUE FOR UNITHOLDERS

11-year DPU CAGR of

5.4%*

Master and long-term leases contributed

46.7%

of gross rent as at 30 June 2017, providing income stability

Sustained occupancy of above

95%

since listing and through economic cycles

STRONG BALANCE SHEET

35.3%

Gearing as at 30 June 2017

Average debt maturity of

2.6 years

as at 30 June 2017

'BBB+'

Corporate rating by Standard & Poor's in March 2017

STRONG SPONSOR

YTL Corporation combined market capitalisation of

US\$6.8B

with its four listed entities in Malaysia as at 30 June 2017

* DPU from 1Q FY 2006 to 2Q FY 2009 have been restated to include the 963,724,106 rights units issued in August 2009. The computation is for the period from FY 2006 to FY 2016/17 and the DPU for FY 2014/15 (18 months ended 30 June 2015) has been annualised for the purpose of computing CAGR.

FUTURE-READY

We rejuvenate our properties to stay abreast of changing consumer preferences.

LAYING THE FOUNDATIONS FOR THE FUTURE

ASSET REDEVELOPMENT AT PLAZA ARCADE

New international tenant to complement Perth city centre's revitalised retail offerings

REPOSITIONED CHINA PROPERTY

New long-term tenancy with fixed rent and periodic step-up provides income stability

REJUVENATION OF LOT 10 PROPERTY

Timed with the completion of the new MRT station to tap into an enlarged population catchment

PROACTIVE ASSET MANAGEMENT

Well-curated tenant mix for unique shopping experiences



www.100.gov.sg

FINANCIAL SUMMARY

STATEMENT OF TOTAL RETURN AND DISTRIBUTION FOR THE YEAR:

	FY 2016/17	FY 2015/16	CHANGE (%)
Gross Revenue (S\$ Million)	S\$216.4	S\$219.7	(1.5%)
Net Property Income (S\$ Million)	S\$166.9	S\$170.3	(2.0%)
Income Available for Distribution ⁽¹⁾ (S\$ Million)	S\$110.4	S\$116.5	(5.2%)
Income to be Distributed to Unitholders (S\$ Million)	S\$107.3	S\$113.0	(5.0%)
Distribution Per Unit (DPU) ⁽²⁾	4.92 cents	5.18 cents	(5.0%)
Distribution Yield ⁽³⁾	6.31% (S\$0.780)⁽⁴⁾	6.60% (S\$0.785) ⁽⁴⁾	NM
Total Return	6.0%	(4.7%)	NM

Notes:

⁽¹⁾ Approximately S\$3.1 million (FY 2015/16: S\$3.5 million) of income available for distribution for FY 2016/17 has been retained for working capital requirements.

⁽²⁾ The computation of DPU for FY 2016/17 and FY 2015/16 was based on number of units entitled to distributions comprising 2,181,204,435 units in issue.

⁽³⁾ Based on actual DPU of 4.92 cents (FY 2015/16: 5.18 cents) for FY 2016/17.

⁽⁴⁾ Based on the last traded price for the financial year.

BALANCE SHEET AS AT

	30 JUN 2017	30 JUN 2016	CHANGE (%)
Net Asset Value Per Unit	S\$0.92	S\$0.92	0.0%
Total Assets (S\$ Million)	S\$3,219.4	S\$3,222.2	(0.1%)
Investment Properties			
- Number of Properties	11⁽¹⁾	12	
- Valuation (S\$ Million)	S\$3,136.3	S\$3,136.6	(0.0%)
Gearing	35.3%	35.0%	NM

Note:

⁽¹⁾ Number of properties excluded Harajuku Secondo which was divested on 15 May 2017.

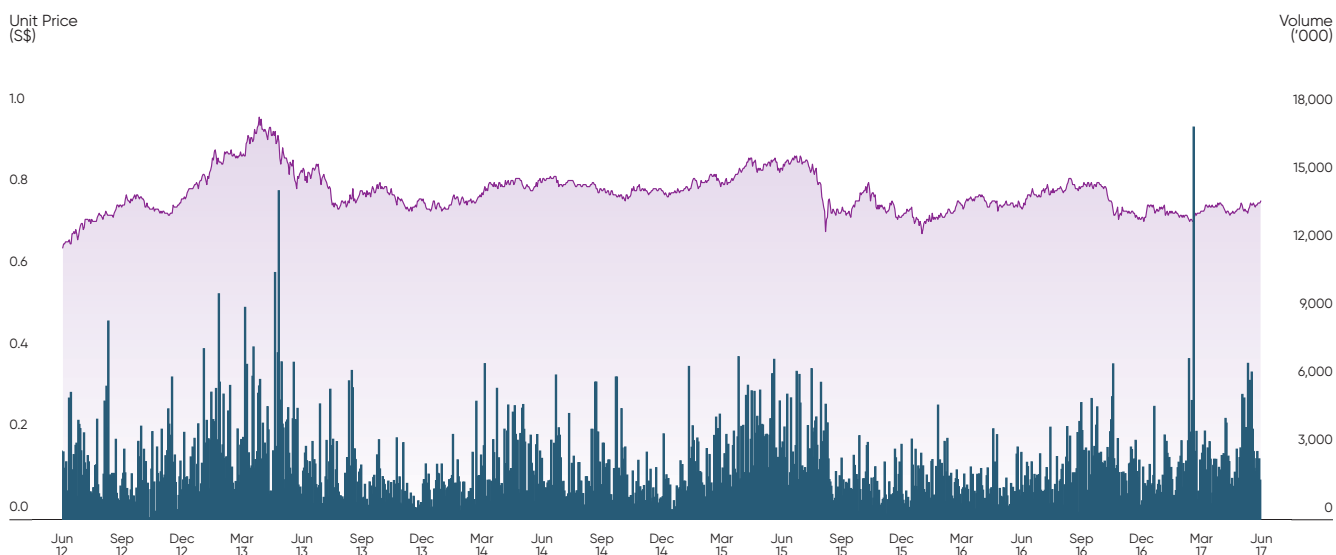
STARHILL GLOBAL REIT UNIT PRICE & DAILY VOLUME

(1 JUL 2012 – 30 JUN 2017)

Volume Unit Price

FROM 1 JULY 2016 TO 30 JUNE 2017

Opening Price (1 Jul 2016)	S\$0.785
Closing Price (30 Jun 2017)	S\$0.780
High (6 Sep 2016)	S\$0.835
Low (29 Dec 2016)	S\$0.730
Volume traded (in million units)	598.42

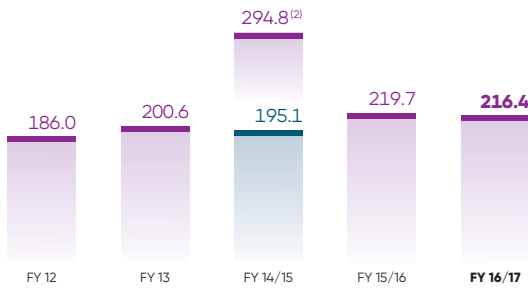


KEY FIGURES FOR 5 YEARS

GROSS REVENUE / FY 2016/17

(S\$ MILLION)

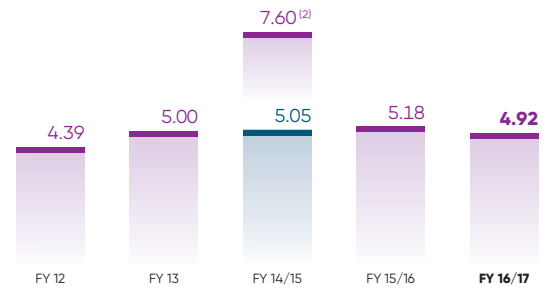
S\$216.4M / +3.9%⁽¹⁾
CAGR



DISTRIBUTION PER UNIT / FY 2016/17

(CENTS)

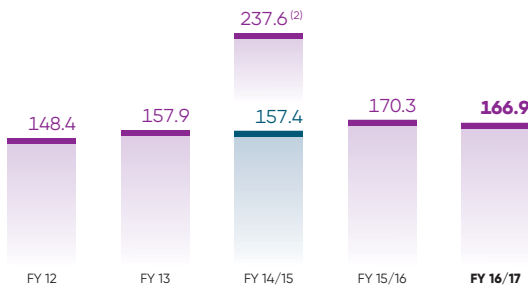
4.92¢ / +2.9%⁽¹⁾
CAGR



NET PROPERTY INCOME / FY 2016/17

(S\$ MILLION)

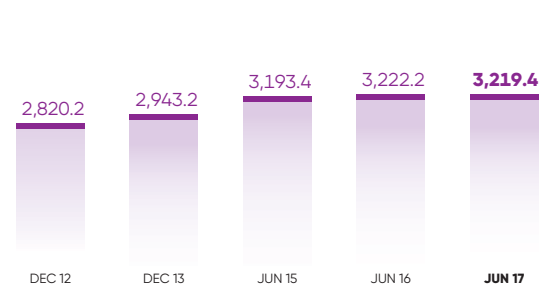
S\$166.9M / +3.0%⁽¹⁾
CAGR



TOTAL ASSETS / JUN 2017

(S\$ MILLION)

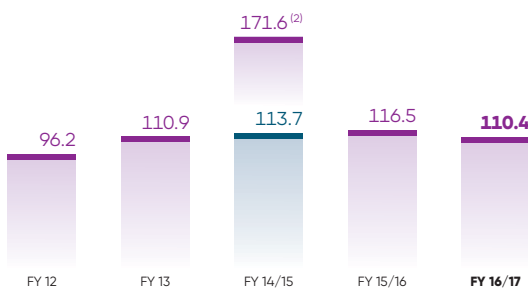
S\$3,219.4M / +3.0%⁽¹⁾
CAGR



INCOME AVAILABLE FOR DISTRIBUTION / FY 2016/17

(S\$ MILLION)

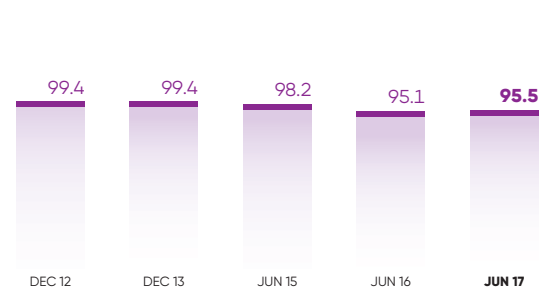
S\$110.4M / +3.5%⁽¹⁾
CAGR



OCCUPANCY RATE / JUN 2017

(%)

95.5%



Notes:

⁽¹⁾ Numbers for FY 2014/15 (18 months ended 30 June 2015) have been annualised for the purpose of calculating CAGR.

⁽²⁾ Includes additional six months from January 2015 to June 2015 for FY 2014/15.

OUR GEOGRAPHICAL REACH

Starhill Global REIT's portfolio comprises 11 mid- to high-end properties (mainly retail assets) in six Asia-Pacific cities.

11

**PROPERTIES
IN PRIME
LOCATIONS**

6

**ASIA-PACIFIC
CITIES**

**SINGAPORE
ADELAIDE
PERTH
KUALA LUMPUR
CHENGDU
TOKYO**

WISMA ATRIA PROPERTY
RETAIL AND OFFICE
SINGAPORE

NGEE ANN CITY PROPERTY
RETAIL AND OFFICE
SINGAPORE

DAVID JONES BUILDING & PLAZA ARCADE
RETAIL
PERTH, AUSTRALIA

STARHILL GALLERY ⁽¹⁾
RETAIL
KUALA LUMPUR, MALAYSIA

MYER CENTRE ADELAIDE
RETAIL AND OFFICE
ADELAIDE, AUSTRALIA

LOT 10 PROPERTY ⁽¹⁾
RETAIL
KUALA LUMPUR, MALAYSIA

CHINA PROPERTY
RETAIL
CHENGDU, CHINA

Subject to
change.
Artist's
impression.

DAIKANYAMA ⁽¹⁾
RETAIL
TOKYO, JAPAN

EBISU FORT ⁽¹⁾
RETAIL
TOKYO, JAPAN

NAKAMEGURO PLACE
RETAIL
TOKYO, JAPAN

2.21^M SQ FT

**RETAIL AND
OFFICE SPACE**



SINGAPORE PROPERTIES
S\$2,147.0M

CHINA PROPERTY
S\$32.1M

AUSTRALIA PROPERTIES
S\$540.1M

JAPAN PROPERTIES
S\$59.6M

MALAYSIA PROPERTIES
S\$357.5M

S\$ 3,136.3^M

**STARHILL GLOBAL REIT'S
INVESTMENT PROPERTIES**

Note:

⁽¹⁾ Largely retail with a small office component.

LETTER TO UNITHOLDERS



right

/ **TAN SRI DATO' (DR)
FRANCIS YEOH SOCK PING**
CHAIRMAN

left

/ **MR HO SING**
CHIEF EXECUTIVE OFFICER
& EXECUTIVE DIRECTOR

SGREIT has been supported by the resilient performance of its Singapore and Malaysia portfolios. Looking ahead, the REIT has been reinvesting and rejuvenating its assets while continuing to seek out new opportunities.

DEAR UNITHOLDERS,

We are pleased to report that Starhill Global REIT (SGREIT) has delivered a resilient financial performance despite a challenging global economic environment. Distribution Per Unit (DPU) for FY 2016/17 was 4.92 cents. This translates to a yield of 6.31% based on SGREIT's closing unit price of 78 cents on 30 June 2017, which is approximately 4% higher than the 10-year Singapore Government bond yield as at 30 June 2017.

CHALLENGING GLOBAL ECONOMIC ENVIRONMENT

Global economic growth was weak for most of 2016. Apart from structural adjustments in many countries to reduce overcapacity, we also witnessed geopolitical events such as Brexit, the civil war in Syria and the US presidential election. In 2017, the global economy started to improve on the back of a broad-based recovery.

Singapore's economic performance in 2016 reflected these global challenges, recording a growth of just 1.8%. A rebound in the manufacturing sector in 1H 2017 helped the city state avoid a technical recession. Islandwide retail occupancy rate has been stable at slightly above 92% in 1Q 2017. Although tourist arrivals for 2016 rose 8% and tourism receipts rose 13% to reach S\$24.6 billion, retail and wholesale trade continued to be soft, registering a growth of 0.6%. The retail landscape remained challenging amidst rising labour costs, competition from new retail malls and e-commerce.

DELIVERING SUSTAINABLE RETURNS

Notwithstanding the macroeconomic weakness, occupancy rate for SGREIT's portfolio stood at a healthy 95.5% as at 30 June 2017. For FY 2016/17, SGREIT's revenue and net property income (NPI) inched down by 1.5% and 2.0% respectively over the corresponding period last year. This was largely supported by the resilient performance of its Singapore Properties and Malaysia Properties, but was offset mainly by the disruption in revenue largely from the mall repositioning in China, asset redevelopment in Australia, weaker office performance, as well as loss of income from the divestments in Japan.

SGREIT's largest market, Singapore, which contributed 62.2% of its revenue in FY 2016/17, continued to benefit from higher rents secured from the master tenant at Ngee Ann City Property (Retail) from June 2016. The Singapore retail portfolio, which comprises Ngee Ann City Property and Wisma Atria Property, achieved a stable occupancy rate of 99.2% as at 30 June 2017. Revenue and NPI for the Singapore Properties was up 0.2% and 0.3% respectively over the corresponding period last year. This was despite lower occupancies for the Singapore office portfolio of 92.9% on the back of islandwide oversupply, the exit of some oil and gas tenants, as well as generally softer trading conditions.

Wisma Atria Property (Retail) recorded a resilient performance as it achieved positive rental reversion of 0.5% while

tenant sales and shopper traffic for FY 2016/17 inched marginally lower by 2.3% and 0.4% yoy respectively.

Australia, which accounted for 22.7% of SGREIT's revenue in FY 2016/17, recorded 1.6% and 4.9% contraction in revenue and NPI. This was partly due to the disruption in income from the redevelopment of Plaza Arcade and lower contribution from Myer Centre Adelaide, but was partially offset by higher occupancy at David Jones Building and appreciation of the Australian dollar against the Singapore dollar. Occupancy in Australia improved to 91.1% as at 30 June 2017 and continued to be supported by long-term leases with its two main tenants, David Jones Limited and Myer Pty Ltd. Myer Centre Adelaide's office occupancy was affected by the softer Adelaide office market but contributes less than 1% of SGREIT's revenue for FY 2016/17. Looking ahead, contribution from Australia in the coming financial year will benefit from the next upward-only rent review with long-term tenant David Jones Limited in August 2017.

The Malaysia portfolio comprises Starhill Gallery and Lot 10 Property along Jalan Bukit Bintang in Kuala Lumpur. In total, these accounted for 12.6% of SGREIT's revenue in FY 2016/17. For FY 2016/17, revenue and NPI for the Malaysia Properties rose 6.0% and 6.4% respectively over the corresponding period last year, mainly as a result of the rental step-up of approximately 6.7% on its master leases from June 2016.

LETTER TO UNITHOLDERS

NPI for the remaining portfolio (which contributed 2.5% of SGREIT's revenue in FY 2016/17) was lower in FY 2016/17, mainly due to the mall repositioning exercise in Chengdu, China and the loss of income due to the divestment of properties in Tokyo, Japan.

REJUVENATING AND EVOLVING

The retail operating environment has rapidly evolved over the past decade. During this period, an influx of new mega malls and the emergence of e-commerce have inadvertently disrupted traditional retail businesses.

Despite these challenges, new opportunities have emerged. Changing shopper behaviour and the entry of more international brands will likely alter the global retail scene. SGREIT has taken bold steps to rejuvenate some of our assets so as to be ready to take advantage of this evolving environment.

Lot 10 Property in Bukit Bintang, Kuala Lumpur, is currently undergoing a RM20 million transformation and is expected to be completed by end-2017. The rejuvenation project will upgrade the mall's hardware and software to better engage Generation Y and Millennial consumers. The opening of the new Sungai Buloh-Kajang MRT line in July 2017, with an estimated commuter base of 400,000 per day, is also expected to uplift the vibrancy at Lot 10. A new entrance to the mall is currently being built, directly linking the mall to the new MRT station.

In Perth, Plaza Arcade is also undergoing redevelopment of approximately A\$10 million to accommodate a new international anchor tenant. When completed, the retail floor space of the mall will increase by one-third. The renovation will enhance the appearance and positioning of Plaza Arcade, and improve shopper experience. The new international tenant will complement the city's retail offerings, and together with other ongoing redevelopments within the precinct, bolster the location's reputation as a premier shopping destination.

The China Property has recently been repositioned to accommodate

a new long-term tenant, Markor International Home Furnishings Co. Ltd, one of China's largest furniture retailers. It is listed on the Shanghai Stock Exchange and has a market capitalisation of approximately RMB8.5 billion (S\$1.7 billion) as at 30 June 2017. The conversion from a high-end luxury department store model to a long-term tenant model will stabilise the property's rental income and provide upside through periodic rental step-up over the tenure of the lease.

RECYCLING CAPITAL

Harajuku Secondo was divested in May 2017 for JPY410.2 million, at a 22.4% premium to its latest valuation and translated to a yield of 2.5%. The sale marked the fourth divestment in Tokyo, Japan since 2013 and is part of our ongoing strategy to refine the REIT's portfolio.

Going forward, SGREIT will continue to recycle its capital through the divestment of non-core assets and reinvest through opportunistic acquisitions.

PRUDENT CAPITAL MANAGEMENT

Standard & Poor's Rating Services affirmed SGREIT's "BBB+" rating in March 2017. SGREIT's financial position remains strong. Gearing is stable at 35.3% as at 30 June 2017 while average debt maturity is healthy at 2.6 years. In June and July 2017, as part of our proactive capital management strategy, we secured commitments from banks to early refinance approximately S\$603.0 million, or 53% of SGREIT's borrowings ahead of their maturities in 2018. Post refinancing, the average debt maturity will be extended to approximately 4.5 years with no significant refinancing requirements until June 2019. The quantum of the loan, attractive pricing and the extended tenor of the facilities demonstrate strong support from our enlarged pool of existing and new lenders and further illustrate their confidence in SGREIT and the quality of our portfolio.

With approximately 38% of revenue for FY 2016/17 in foreign currencies, we actively hedge our exposure by foreign currency denominated borrowings (natural hedge) and short-term foreign exchange forward contracts. Interest

rate exposures are hedged by fixed rate debt, interest rates swaps as well as interest rate caps. As at 30 June 2017, approximately 99% of our interest rate exposure has been hedged.

LOOKING AHEAD

Whilst the retail environment continues to be challenging, the global economy is showing positive signs of a turnaround. To lay the foundation and deliver sustainable returns for our Unitholders, the REIT has been reinvesting and rejuvenating its assets while continuing to seek out new opportunities.

ACKNOWLEDGEMENTS

The Board and Management would like to thank our Directors for their invaluable contributions and guidance, our colleagues for their hard work and dedication, and our tenants, business partners and investors for their continued trust and support. We would also like to thank you, our Unitholders, for your support and confidence in SGREIT since listing. We would like to express our gratitude to Mr Keith Tay Ah Kee, Dr Hong Hai and Dr Michael Hwang who have stepped down from the Board with effect from November 2016, February 2017 and August 2017 respectively. We would also like to welcome our new Directors, Mr Lim Kok Hoong, Mr Ching Yew Chye and Mr Tan Woon Hum to the Board.

TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING

PSM, CBE, FICE, SIMP, DPMS, DPMP, JMN, JP
CHAIRMAN

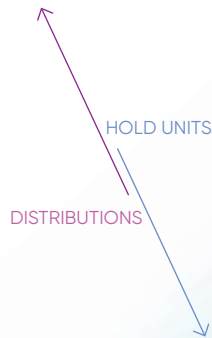
HO SING

CHIEF EXECUTIVE OFFICER AND
EXECUTIVE DIRECTOR

29 August 2017

TRUST STRUCTURE

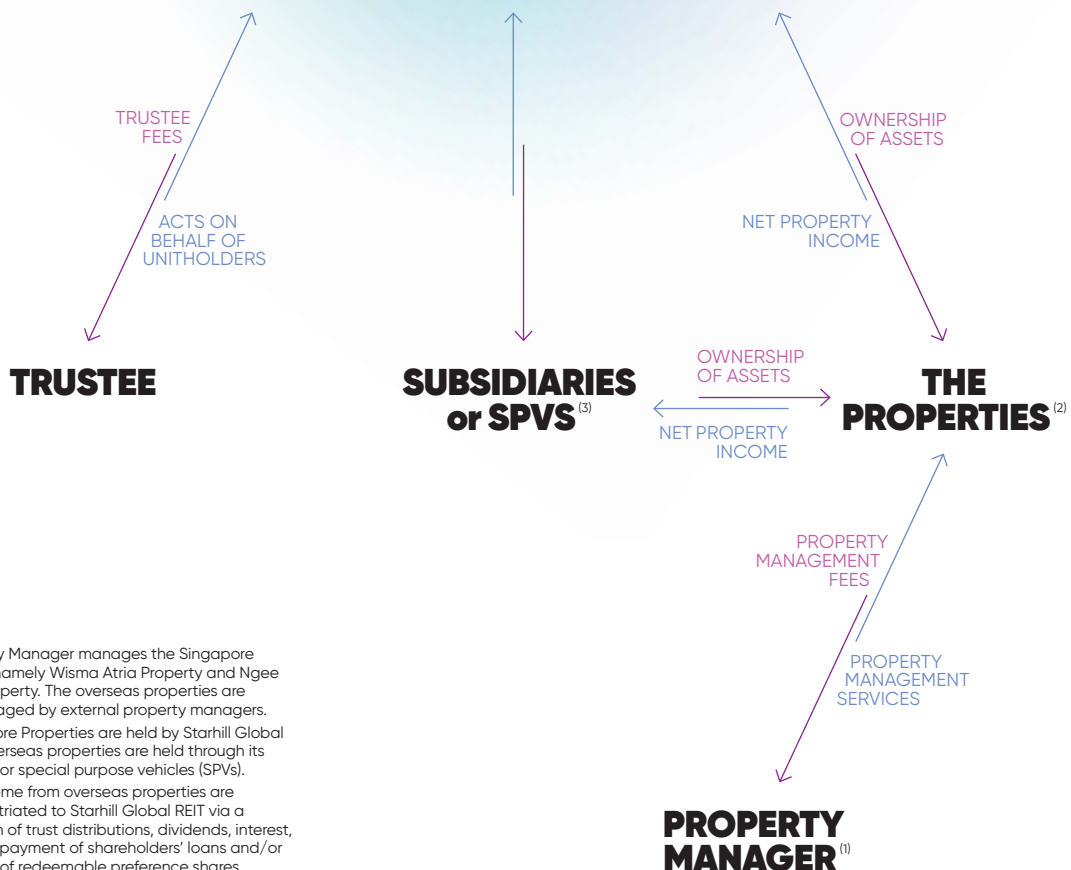
UNITHOLDERS



REIT MANAGER



STARHILL GLOBAL REIT



Notes:

- ⁽¹⁾ The Property Manager manages the Singapore Properties, namely Wisma Atria Property and Ngee Ann City Property. The overseas properties are mainly managed by external property managers.
- ⁽²⁾ The Singapore Properties are held by Starhill Global REIT. The overseas properties are held through its subsidiaries or special purpose vehicles (SPVs).
- ⁽³⁾ The net income from overseas properties are largely repatriated to Starhill Global REIT via a combination of trust distributions, dividends, interest, as well as repayment of shareholders' loans and/or redemption of redeemable preference shares.

SIGNIFICANT EVENTS IN FY 2016/17



JULY

Renowned Taiwanese actress-producer Hsu Feng and international movie star Tan Sri Dato' Seri Michelle Yeoh made a special appearance at Shiatzy Chen's fifth anniversary celebrations at Starhill Gallery.

Popular Hong Kong singer G.E.M. made a special appearance at Wisma Atria for an exclusive fan meet-and-greet.

1 Renowned Taiwanese actress-producer Hsu Feng and international movie star Tan Sri Dato' Seri Michelle Yeoh at Shiatzy Chen's celebrations at Starhill Gallery.

2 Popular Hong Kong singer G.E.M. made a special appearance at Wisma Atria.

3 Taiwanese beauty guru Kevin Chou gave live make-up demonstrations at Wisma Atria.



AUGUST

Taiwanese beauty guru Kevin Chou made a guest appearance at Wisma Atria and provided on-stage beauty tips and make-up demonstrations for the 10th anniversary of his cosmetics line, BeautyMaker, which is available at SaSa.

SEPTEMBER

Football legend Eric Cantona made a special appearance at the Yes store at Lot 10 for a meet-and-greet session with fans.

Hong Kong TVB celebrities Ron Ng and Kevin Cheng made guest appearances at Wisma Atria for the launch of MarySharon, a beauty brand which is available at SaSa.

NOVEMBER

Starhill Gallery hosted its iconic annual luxury watch and jewellery showcase, "A Journey Through Time". In its tenth year, the event was held from 4 to 13 November 2016 and featured over 125 renowned watch, jewellery and lifestyle brands, as well as rare private collections and first-in-market pieces. The prestigious event also debuted Malaysia's first and only watchmaking company MASA Horlogerie.

DECEMBER

To promote road safety during the Christmas festive period, the Motor Accident Commission of South Australia created a giant snow globe at Myer Centre Adelaide.



OCTOBER

Issued S\$70 million 10-year unsecured fixed rate notes at 3.14% per annum under its S\$2 billion multi-currency MTN programme. The notes were assigned a rating of "BBB+" by Standard & Poor's.



4 Football legend Eric Cantona made a special appearance at Lot 10's Yes store.

5 Starhill Gallery hosted the tenth anniversary for its annual luxury watch and jewellery showcase, "A Journey Through Time".



6

7

- 6 Lot 10's new mascot Lottie being unveiled at the press launch of the rejuvenation of Lot 10.
- 7 New Zealand rugby legend Karl Te Nana made an appearance at the TAG Heuer boutique at Wisma Atria.
- 8 Korean actress and singer Krystal Jung made an appearance at the ETUDE House flagship store at Wisma Atria.
- 9 Tan Sri Dato' (Dr) Francis Yeoh was honoured at the Kuala Lumpur Mayor's Tourism Awards.
- 10 The annual Starhill Gallery Fashion Week 2017 was held in April 2017.

JANUARY

Plans for the rejuvenation of Lot 10 were unveiled to the press and public. The mall is repositioned to appeal to tech-savvy young urbanites with its new slogan "meet. play. #loveLot10". Timed in conjunction with the new Bukit Bintang MRT station, a new entry to Lot 10 is currently being built.

MARCH

Starhill Global REIT was affirmed a "BBB+" rating by Standard & Poor's.

JUNE

Entered into an agreement with the same bank for a four-year secured term loan facility of A\$145 million to secure the refinancing of the existing three-year secured term loan facility of the same amount in November 2017, ahead of its maturity in May 2018.

Starhill Global REIT clinched the Silver award in the Best of the Breeds REITs Award for Retail REIT (Singapore) at the 4th REITs Asia Pacific Conference 2017.

Starhill Global REIT was ranked fifth among Singapore REITs and business trusts in the Governance Index for Trusts, which is supported by CPA Australia.

Starhill Global REIT's property portfolio was valued at S\$3,136.3 million as at 30 June 2017.

Wisma Atria attracted shopper traffic of 25.2 million in FY 2016/17.

APRIL

The annual Starhill Gallery Fashion Week Spring/Summer 2017 featured highly coveted international and local labels including Kenzo, Valentino, M Missoni, McQ Alexander McQueen, Debenhams, iKARTiNi and Mita Tam.

ETUDE House brand ambassador and Korean actress and singer Krystal Jung made a guest appearance at the brand's flagship store in Wisma Atria.

New Zealand rugby legend Karl Te Nana made an appearance at the TAG Heuer boutique in Wisma Atria, in collaboration with the HSBC Singapore Rugby Sevens.

MAY

Tan Sri Dato' (Dr) Francis Yeoh was honoured with the Mayor's Award for Outstanding Contribution at the Kuala Lumpur Mayor's Tourism Awards 2017. Lot 10 Hutong also received the Platinum award in the Food Court category at the Kuala Lumpur Mayor's Tourism Awards 2017, which recognise and reward establishments that achieve the highest levels of excellence in service and promote Kuala Lumpur as an international tourist destination.

Harajuku Secondo in Tokyo, Japan was divested on 15 May 2017 for JPY410.2 million, at a 22.4% premium to its most recent valuation.

8

KUALA LUMPUR
MAYOR'S TOURISM AWARDS
2017

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BOARD OF DIRECTORS

1 / **TAN SRI DATO' (DR) FRANCIS YEOH SOCK PING** NON-EXECUTIVE CHAIRMAN

Tan Sri Dato' (Dr) Francis Yeoh joined the Board on 31 December 2008. Tan Sri Francis studied at Kingston University in the United Kingdom, where he obtained a Bachelor of Science (Hons) in Civil Engineering and was conferred an Honorary Doctorate of Engineering in 2004. In July 2014, Tan Sri Francis was conferred an Honorary Degree of Doctor of Laws from the University of Nottingham. He was appointed as an Executive Director of YTL Corp in 1984 and has been the Managing Director of YTL Group since 1988. Under his stewardship, YTL Corp has grown from a single listed entity into a global integrated infrastructure developer, encompassing multiple listed entities, i.e. YTL Corp, YTL Power International Berhad, YTL Land & Development Berhad, YTL Hospitality REIT, and Starhill Global REIT.

Tan Sri Francis is presently the Managing Director of YTL Corp, YTL Power International Berhad and YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad. Tan Sri Francis sits on the board of several public companies such as YTL Cement Berhad and YTL Industries Berhad, and also serves as Chairman of private utilities corporations, Wessex Water Services Limited in England and Wales, and YTL PowerSeraya Pte Limited in Singapore. Tan Sri Francis is also an Independent Non-Executive Director of The Hongkong and Shanghai Banking Corporation Limited, and is a director and Chief Executive Officer of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT. He also sits on the board of trustees of YTL Foundation and also serves on the board of directors of SUU Foundation, a humanitarian organisation committed to improving healthcare and education in Myanmar.

Tan Sri Francis is a Founder Member of the Malaysian Business Council and The Capital Markets Advisory Council. He is also a member of The Nature Conservancy Asia Pacific Council, the Asia Business Council, Trustee of the Asia Society and Chairman for South East Asia of the International Friends of the Louvre. He is also a member of the Advisory Council of London Business School, Wharton School and INSEAD. He served as a member of Barclays



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Asia-Pacific Advisory Committee from 2005 to 2012. Tan Sri Francis was made board member of Global Child Forum by His Majesty King Carl XVI Gustaf in May 2016.

Tan Sri Francis has been ranked by both Fortune and Businessweek magazines as Asia's 25 Most Powerful and Influential Business Personalities and as one of Asia's Top Executives by Asiamoney. He won the inaugural Ernst & Young Master Entrepreneur of the Year in Malaysia in 2002 and was named Malaysia's CEO of the Year by CNBC Asia Pacific in 2005.

In 2006, Tan Sri Francis was awarded the Commander of the Most Excellent Order of the British Empire (CBE) by Her Majesty Queen Elizabeth II and received a prestigious professional accolade when made a fellow of the Institute of Civil Engineers in London in 2008. He was the Primus Inter Pares Honouree of the 2010 Oslo Business for Peace Award, for his advocacy of socially responsible business ethics and practices. The Award was conferred by a panel of Nobel Laureates in Oslo, home of the Nobel Peace Prize. He also received the Corporate Social Responsibility Award at CNBC's 9th Asia Business Leaders Awards 2010.

In 2015, he was awarded the Lifetime Achievement Award for Leadership in Regulated Industries at the 7th World Chinese Economic Summit (WCES), held in London and in 2016, he was honored with the prestigious Muhammad Ali Celebrity Fight Night Award at The Celebrity Fight Night in Arizona.

2 / **MR HO SING** EXECUTIVE DIRECTOR

Mr Ho Sing joined the Board on 20 April 2010. He is the Chief Executive Officer of the Manager. He works with the Chairman and the Board in formulating strategies for Starhill Global REIT and is responsible for the day-to-day operations of Starhill Global REIT.

He has over 25 years of leadership and management experience with multi-national companies in engineering, medical, infrastructure, and real estate. These included senior positions in the Singapore Technologies Group, Dornier Medical, Sembcorp Industries and Guocoland Limited. He is currently an Independent Non-Executive Director of Daiman Development Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

Mr Ho holds a Bachelor of Science degree in Aerospace Engineering from the University of Texas, Austin, USA. He also completed the Stanford Executive Program at Stanford University in 2002.

3 / **DATO' YEOH SEOK KIAN** NON-EXECUTIVE DIRECTOR

Dato' Yeoh Seok Kian joined the Board on 31 December 2008. He has been an Executive Director of YTL Corp since 1984. He is currently the Deputy Managing Director of YTL Corp and YTL Power International Berhad, and the Executive Director of YTL Land & Development Berhad, all listed on the Main Market of Bursa Malaysia Securities Berhad.

Dato' Yeoh also serves on the board of several other public companies such as YTL Cement Berhad, YTL Industries Berhad and The Kuala Lumpur Performing Arts Centre, and private utilities corporations, Wessex Water Limited in England and Wales and YTL PowerSeraya Pte Limited in Singapore. He is also an Executive Director of Pintar Projek Sdn Bhd, the manager of YTL Hospitality REIT.

Dato' Yeoh holds a Bachelor of Science (Honours) degree in Building from Heriot-Watt University, Edinburgh, United Kingdom. He was recently conferred an Honorary Degree of Doctor of University by Heriot-Watt



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4 / **MR LIM KOK HOONG** LEAD INDEPENDENT DIRECTOR

Mr Lim Kok Hoong joined the Board on 1 January 2017 and is the Chairman of the Audit Committee. He has over 33 years of audit and financial consulting experience and was responsible for the audits of statutory boards and some of the largest multinational corporations in Singapore, Indonesia and Malaysia. Mr Lim served as a Senior Partner of Ernst & Young Singapore from 2002 to 2003. He started his career with Arthur Andersen in 1971 and served as the Managing Partner of Arthur Andersen Singapore from 1990 to 2002 and as a Regional Managing Partner for the ASEAN region in Arthur Andersen from 2000 to 2002.

Mr Lim is also an Independent Director and Audit Committee Chairman of Genting Singapore PLC and Global Logistics Properties Ltd. Mr Lim's past appointments include directorships at Genting Integrated Resorts Operations Management Pte Ltd, Hoe Leong Corporation Ltd, Amtek Engineering Ltd, Singapore Tourism Board, Parkway Trust Management Limited (manager of Parkway Life REIT) and Sabana Real Estate Investment Management Pte Ltd (manager of Sabana Shari'ah Compliant REIT).

Mr Lim is a member of the Institute of Singapore Chartered Accountants and the Institute of Chartered Accountants in Australia. Mr Lim graduated with a Bachelor of Commerce degree from the University of Western Australia in 1971.



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5 / **DR MICHAEL HWANG** INDEPENDENT DIRECTOR

Dr Michael Hwang was a Board and Audit Committee member from 1 January 2006 to 31 July 2017. He was formerly a Judicial Commissioner of the Supreme Court of Singapore from 1991 - 1992 and one of the first 12 Senior Counsel appointed in Singapore. Dr Hwang now practices as an independent barrister and international arbitrator and also serves as the Chief Justice of the Dubai International Financial Centre Courts. Currently, Dr Hwang also sits on the board of various companies, including Singapore Dance Theatre Ltd, Linyi Investments Pte Ltd and Religare Health Trust Trustee Manager Pte Ltd, the trustee-manager of Religare Health Trust.

Dr Hwang was a partner of Allen & Gledhill LLP from 1972 to 1991, and again from 1993 to 2002. His past appointments include being Singapore's Non-Resident Ambassador to Switzerland (and presently accredited to Argentina), a Commissioner of the UN Compensation Commission, President of the Law Society of Singapore, Vice President of the ICC International Court of Arbitration, and one of Singapore's official nominees to the Permanent Court of Arbitration at The Hague. Dr Hwang advised the Real Estate Developers' Association of Singapore for many years, including preparations for the establishment of REITs in Singapore. He has served on the boards of several publicly listed companies including The Straits Trading Company Ltd, Del Monte Pacific Limited, The Hour Glass Limited as well as PSA Corporation Ltd (and its predecessor the Port of Singapore Authority).

Dr Hwang holds undergraduate and post-graduate law degrees from the University of Oxford, and an Honorary Doctor of Laws degree from the University of Sydney.

6 / **MR CHING YEW CHYE** INDEPENDENT DIRECTOR

Mr Ching Yew Chye joined the Board on 1 November 2016 and is a member of the Audit Committee. He is a seasoned management and information technology professional. In 1982, he joined Accenture PLC, a global management consulting, technology services and outsourcing company. From 1997 until his retirement in 2007, he assumed various regional senior management roles in Accenture, including Managing Partner of the Financial Services Industry Group-Asia, Geographic Council Chairman-Asia and Managing Partner for South Asia Region. He was a member of the Accenture Global Executive Committee from 2001 to 2004 and served on several committees/task forces to craft Accenture's global strategy.

He is currently an independent non-executive director of Petronas Chemicals Group Berhad and Genting Plantations Berhad, and the independent non-executive Chairman of AIA Berhad. Mr Ching also served as a member of the board of directors of HSBC Bank Malaysia Berhad from 2008 to 2015.

Mr Ching holds a Bachelor of Science (Honours) degree from the University of London, UK.

7 / **MR TAN WOON HUM** INDEPENDENT DIRECTOR

Mr Tan Woon Hum joined the Board on 1 August 2017 and is a member of the Audit Committee. He is currently a partner of Shook Lin & Bok LLP, a Singapore law firm and has been with the firm since December 2003. He graduated from the National University of Singapore with a LLB (Honours) Degree in 1995 and was admitted as an Advocate and Solicitor of the Supreme Court of Singapore in 1996. Mr Tan obtained his MBA (Finance) from the University of Leicester in 2000. He has been in private legal practice since 1996 and specialises in trust, asset and wealth management. He advises on the establishment of traditional and alternative funds including related licences and exemptions for fund management companies, as well as the establishment and listing of REITs. Mr Tan is also an independent non-executive director of Ezion Holdings Limited and AP Oil International Limited, companies listed on the Singapore Exchange Securities Trading Limited, and UTI International (Singapore) Private Limited, a licensed fund manager. He previously served as independent director of Yong Xin International Holdings Limited.

EXECUTIVE OFFICERS OF REIT MANAGER

1 / **MR HO SING** CHIEF EXECUTIVE OFFICER

Mr Ho assists the Chairman and the Board in formulating strategies for Starhill Global REIT. He works closely with other members of the Manager and the Property Manager to ensure these strategies are implemented. He is also responsible for the day-to-day operations of Starhill Global REIT.

Mr Ho holds a Bachelor of Science degree in Aerospace Engineering from the University of Texas, Austin, USA. He completed the Stanford Executive Program at Stanford University in 2002.

2 / **MS ALICE CHEONG** CHIEF FINANCIAL OFFICER

Ms Cheong oversees the Finance and Accounting, as well as the Investor Relations and Corporate Communications functions. Ms Cheong has over 20 years of financial advisory, mergers and acquisitions and corporate finance experience, with over 10 years in the real estate sector. Prior to joining YTL Starhill Global REIT Management Limited, she was a vice president in MEAG Pacific Star Asia Pte Ltd involved in real estate acquisitions in Asia. Ms Cheong had nine years of investment banking experience with HSBC, NM Rothschild & Sons and Hong Leong Bank in Singapore.

Ms Cheong graduated from Warwick University in the UK with a Bachelor of Science degree in Management Science. She is also a Chartered Financial Analyst (CFA Institute).

3 / **MR STEPHEN YEO** SENIOR VICE PRESIDENT, FINANCE & ACCOUNTING

Mr Yeo is responsible for assisting the Chief Financial Officer in the finance and accounting matters of Starhill Global REIT including financial reporting, taxation, treasury, corporate finance and capital management. He has more than 10 years of experience in audit, accounting, statutory reporting, compliance and tax in Singapore and other regional countries. From 2000 to 2006, Mr Yeo was an auditor with Deloitte & Touche. Prior to joining the Manager, he was the financial controller of Sunshine Holding Limited, a China-based real estate developer listed on the Mainboard of the SGX-ST.

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

4 / **MS ONG MEI-LYNN** SENIOR VICE PRESIDENT, HEAD OF ASSET MANAGEMENT

Ms Ong is responsible for the management of the REIT's portfolio. She has more than 10 years of asset management, leasing and business development experience at property funds and developers in the Asia Pacific region. Her property experience covers the retail, office and industrial segments in Singapore, Malaysia, China, Japan and Australia. Prior to this, she was General Manager at YTL Starhill Global Property Management Pte. Ltd. where she led the leasing, property operations, marketing, finance and human resource functions. She was also previously Vice President, Asset Management with YTL Starhill Global REIT Management Limited. Ms Ong's experience includes asset management of logistics assets under Mapletree Logistics Trust, as well as leasing head managing commercial assets under the United Engineers group.

She holds a Bachelor of Arts from the National University of Singapore and a Master of Business Administration from Imperial College, London.



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5 / MS CLARE KOH
SENIOR VICE PRESIDENT,
HEAD OF INVESTMENTS

Ms Koh has more than 10 years of experience in corporate finance, advisory and mergers and acquisitions (M&A). Ms Koh is responsible for the sourcing, structuring and execution of acquisitions and disposals for Starhill Global REIT. She was involved in Starhill Global REIT's IPO and its acquisitions in Japan, Australia and Malaysia, and Japan disposals. Prior to joining the Manager, she was with MEAG Pacific Star Asia Pte Ltd's investments team, and spent four years with HSBC investment bank in the execution of regional M&A and advisory transactions.

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

6 / MR LAM CHEE KIN
SENIOR VICE PRESIDENT,
LEGAL & COMPLIANCE AND
COMPANY SECRETARY

Mr Lam is responsible for legal, compliance and company secretarial matters of the Manager and Starhill Global REIT. His legal career spans private practice in the litigation field before moving on to in-house legal counsel roles within SGX-ST listed companies and a REIT. His broad experience includes corporate commercial matters in various industries including real estate, cross-border acquisitions and divestments as well as financing and joint ventures.

Mr Lam holds a Bachelor of Law (Honours) degree from the National University of Singapore.

7 / MR JONATHAN KUAH
SENIOR VICE PRESIDENT,
INVESTOR RELATIONS &
CORPORATE COMMUNICATIONS

Mr Kuah is responsible for strategic communication with Unitholders, potential investors, analysts and media. He has over 20 years of experience in the financial industry, including 10 years in the real estate industry. Prior to joining the Manager, he spent five years with CapitalLand Limited as Vice President of Investor Relations. Mr Kuah also held corporate banking positions at HSBC and Crédit Agricole Corporate & Investment Bank as well as investment analyst positions at various brokerages. Mr Kuah sits on the Board of Investor Relations Professionals Association (Singapore).

Mr Kuah holds a Bachelor of Science in Business Administration (Finance) from California State University, Long Beach, USA.



EXECUTIVE OFFICERS OF PROPERTY MANAGER

1 / **MS DAWN TAN** GENERAL MANAGER

Ms Tan is responsible for the overall property management of Wisma Atria Property and Ngee Ann City Property, including leasing, marketing, property operations, finance and human resources. Ms Tan has more than 25 years of retail property management experience.

Prior to this, Ms Tan was the General Manager of Capitol Investment Holdings Pte Ltd where she was responsible for setting up and managing the day-to-day running of the Capitol Piazza mall, Eden Residences Capitol, Patina Hotel and Capitol Theatre. Ms Tan's retail and project management experience also includes I12 Katong, Chinatown Point, Chijmes, VivoCity, Clarke Quay and one-north.

Ms Tan holds a Bachelor of Science (Estate Management) from the National University of Singapore and a Graduate Diploma in Business Administration from the Singapore Institute of Management.



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2 / **MS SANDRA LEE** SENIOR VICE PRESIDENT, HUMAN RESOURCE & ADMINISTRATION

Ms Lee is responsible for the full gamut of human resource management and office administration functions, including staffing, compensation and benefits, employee engagement and providing both strategic and tactical execution of all HR related programmes. She has over 20 years of HR and administration experience in real estate and related industries.

Prior to this, she was HR and Administration Manager for Al Khaleej Investments (S) Pte Ltd (former owners of Wisma Atria and Forum The Shopping Mall) from 1987 to 2002 where she was involved in organisation change management and integration activities.

Ms Lee holds a Bachelor of Business (major in Human Resource Management) from the RMIT University, Australia and a Diploma in Management Studies from the Singapore Institute of Management.



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3 / **MS SHEREEN BERNADETTE DE SOUZA** VICE PRESIDENT, LEASING

Ms De Souza is responsible for all leasing operations and tenant relationships for the Ngee Ann City Property and the office component of Wisma Atria Property. She has over 25 years of experience in leasing in the property management industry. She was previously the Assistant Manager at Raffles City for 18 years from 1987 to 2002 and from 2003 to 2006.

Ms De Souza holds a Diploma in Sales & Marketing from the Marketing Institute of Singapore.

4 / **MS CHAN SHUK LING** VICE PRESIDENT, MARKETING

Ms Chan is responsible for conceptualising and implementing marketing programmes to attract shoppers and increase tenant sales turnover at the Wisma Atria Property and Level 5 of the Ngee Ann City Property. Ms Chan has more than 15 years of marketing experience. From 2001 to 2002, she was with Wisma Development Pte Ltd where she was responsible for the advertising and promotional activities for the Wisma Atria Property. Prior to that, Ms Chan worked with Seiyu Department Store where she was in charge of implementing marketing programmes for their chain outlets.

Ms Chan holds a Bachelor of Arts from the National University of Singapore.



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5 / MS JENNIFER LU
VICE PRESIDENT, FINANCE

Ms Lu is responsible for finance, accounting and tax functions. She has more than 16 years of experience in accounting and financial analysis across several industries. She was with the media industry for six years prior to joining the Far East Organization accounts department for the hospitality and food and beverage sectors.

Ms Lu holds a double degree – Bachelor in Business (Accounting) and Bachelor in Business (Management) from Monash University, Melbourne, Australia. She is also a Chartered Accountant of Singapore and a full member of CPA Australia.

6 / MR TAN HOW SONG
VICE PRESIDENT, PROPERTY OPERATIONS

Mr Tan is responsible for the building operations of the Wisma Atria Property and the Ngee Ann City Property. Mr Tan has more than 10 years of experience in the property management industry. He was a project manager at Orchard Square Development Corporation (OSDC), a joint developer of Ngee Ann City, from 1997 to 2003, before joining the Property Manager. Prior to OSDC, he was the project manager managing construction activities, addition & alteration works and maintenance programmes at Metrobilt Construction, Kmart-Singapore and Omni Marco Polo Hotel Singapore.

Mr Tan holds a Bachelor of Science in Facilities Management from Heriot-Watt University, Edinburgh, United Kingdom.



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PROPERTY HIGHLIGHTS

NAME	ADDRESS	DESCRIPTION	NLA (SQ FT) (AS AT 30 JUN 2017)	TITLE	NUMBER OF TENANTS (AS AT 30 JUN 2017)
Wisma Atria Property	435 Orchard Road, Singapore 238877	257 strata lots in Wisma Atria representing 74.23% of the total share value of the strata lots in Wisma Atria	Retail: 126,358 Office: 98,889	Leasehold estate of 99 years, expiring on 31 March 2061	127
Ngee Ann City Property	391/391B Orchard Road, Singapore 238874	Four strata lots in Ngee Ann City representing 27.23% of the total share value of the strata lots in Ngee Ann City	Retail: 255,021 ⁽¹⁾ Office: 139,167	Leasehold estate of 69 years, expiring on 31 March 2072	50
Myer Centre Adelaide ⁽²⁾	14-38 Rundle Mall, Adelaide, Australia	An eight-storey retail centre with four basement levels, and office component which includes a six-storey office tower and two heritage buildings	Retail: 502,000 ⁽³⁾ Office: 98,000	Freehold	101
David Jones Building ⁽⁵⁾	622-648 Hay Street Mall, Perth, Australia	Four-storey heritage-listed building for retail use	259,082 (GLA)	Freehold	7
Plaza Arcade ⁽⁶⁾	650 Hay Street Mall & 185-191 Murray Street Mall, Perth, Australia	Three-storey heritage-listed building for retail use	36,731 (GLA) ⁽⁷⁾	Freehold	20
Starhill Gallery ⁽⁸⁾	181 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	Shopping centre comprising part of a seven-storey building with five basements and a 12-storey annex building with three basements	306,113*	Freehold	1
Lot 10 Property ⁽⁸⁾	50 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	137 strata parcels and two accessory parcels within Lot 10 shopping centre	256,811*	Leasehold estate of 99 years, expiring on 29 July 2076	1
China Property ⁽¹⁰⁾	No. 19, 4 th Section, Renminnan Road, Chengdu, Sichuan, China	A four-storey plus mezzanine level retail podium forming part of a mixed use commercial development	100,854 (GFA)	Leasehold estate of 40 years, expiring on 27 December 2035	1
Daikanyama ⁽¹²⁾	1-31-12 Ebisu Nishi, Shibuya-ku, Tokyo, Japan	Three-storey building for retail and office use	8,087*	Freehold	5
Ebisu Fort ⁽¹²⁾	1-24-2 Ebisu Minami, Shibuya-ku, Tokyo, Japan	Seven-storey building for office and retail use	18,816*	Freehold	6
Nakameguro Place ⁽¹²⁾	1-20-2 Aobadai, Meguro-ku, Tokyo, Japan	Four-storey building for retail use	3,526	Freehold	4
Harajuku Secondo ^{(12) (14)}	1-19-1 Jingumae, Shibuya-ku, Tokyo, Japan	Three-storey building for retail use	2,249	Freehold	NA
Roppongi Terzo ^{(12), (15)}	7-13-7 Roppongi, Minato-ku, Tokyo, Japan	Five-storey building for retail use	14,452	Freehold	NA

* Largely retail with some office component

Notes:

⁽¹⁾ Includes 225,969 sq ft of gross lettable area leased to Toshin Development Singapore Pte. Ltd. on a master tenant basis.

⁽²⁾ Myer Centre Adelaide was acquired on 18 May 2015 and based on the exchange rate of A\$0.95:S\$1 at acquisition.

⁽³⁾ Excludes 113,000 sq ft of unactivated vacant area in the retail centre on level 4 and level 5.

⁽⁴⁾ Based on the exchange rate of A\$0.95:S\$1 as at 30 June 2017.

⁽⁵⁾ David Jones Building was acquired on 20 January 2010 and based on the exchange rate of A\$0.79:S\$1 at acquisition.

⁽⁶⁾ Plaza Arcade was acquired on 1 March 2013 and based on the exchange rate of A\$0.79:S\$1 at acquisition.

⁽⁷⁾ Includes new GLA of approximately 12,500 sq ft (committed to a new international anchor tenant) which will be created upon completion of asset redevelopment works at Plaza Arcade.

⁽⁸⁾ Lot 10 Property and Starhill Gallery were acquired on 28 June 2010 and based on the exchange rate of RM2.32:S\$1 at acquisition.

PURCHASE PRICE (\$ MILLION)	MARKET VALUATION (\$ MILLION) (AS AT 30 JUN 2017)	COMMITTED OCCUPANCY		MAJOR TENANTS AND BRANDS	REVENUE (\$ MILLION)		NPI (\$ MILLION)	
		30 JUN 2017	30 JUN 2016		FY 2016/17	FY 2015/16	FY 2016/17	FY 2015/16
663.0	997.0	Retail: 97.7% Office: 92.1%	Retail: 97.7% Office: 97.9%	Coach, Tory Burch, TAG Heuer, Cortina Watch Pte. Ltd., Emperor Watch & Jewellery (Singapore) Pte. Ltd., Cotton On	68.7	70.1	53.0	54.1
640.0	1,150.0	Retail: 100.0% Office: 93.5%	Retail: 100.0% Office: 94.0%	Toshin Development Singapore Pte. Ltd. (master tenant), DBS Treasures Centre	65.8	64.2	54.0	52.5
303.1 ⁽²⁾	317.1⁽⁴⁾	Retail: 94.6% Office: 50.4%	Retail: 94.2% Office: 50.3%	Myer Pty Ltd, Nine West, LUSH, Daiso, Katies, Sunglass Hut, Rebel, Temt, Rubi Shoes	32.7	33.6	19.0	20.3
145.7 ⁽⁵⁾	169.1⁽⁴⁾	99.3%	97.4%	David Jones Limited, Jeanswest, Pandora, Bodyshop, LUSH, Superdry	12.5	11.3	10.1	9.3
61.0 ⁽⁶⁾	53.9⁽⁴⁾	94.1% ⁽⁷⁾	74.5%	Surf Dive 'n Ski, Virgin Mobile	3.9	5.0	2.4	3.6
271.3 ⁽⁸⁾	221.2⁽⁹⁾	100.0%	100.0%	Katagreen Development Sdn Bhd (master tenant)	17.0	16.0	16.4	15.5
173.0 ⁽⁸⁾	136.3⁽⁹⁾	100.0%	100.0%	Katagreen Development Sdn Bhd (master tenant)	10.4	9.8	10.0	9.4
70.6 ⁽¹⁰⁾	32.1⁽¹¹⁾	100.0%	96.4%	Markor International Home Furnishings Co., Ltd	2.3	5.8	(0.2)	2.6
22.8 ⁽¹²⁾	15.0⁽¹³⁾	100.0%	100.0%	Good Design Company, Zwiesel, Mizutani Bicycle, Humans Brain, Seki Kagu	0.8	0.7	0.5	0.5
71.3 ⁽¹²⁾	39.6⁽¹³⁾	100.0%	100.0%	Defence Associates, Style Create, Plug-In, Wano KK, Family Mart, Sakura-saku KK	1.9	1.8	1.4	1.4
7.1 ⁽¹²⁾	5.1⁽¹³⁾	100.0%	100.0%	Ad Universe, Hataya, Isego Honten, DL CHASE Japan	0.3	0.3	0.2	0.1
6.1 ⁽¹²⁾	NA	NA	100.0%	NA	0.1	0.2	0.1	0.1
38.9 ⁽¹²⁾	NA	NA	NA	NA	NA	0.9	NA	0.8

⁽⁹⁾ Based on the exchange rate of RM3.12:S\$1 as at 30 June 2017.

⁽¹⁰⁾ The China Property was acquired on 28 August 2007 and based on the exchange rate of RMB4.9:S\$1 at acquisition.

⁽¹¹⁾ Based on the exchange rate of RMB4.93:S\$1 as at 30 June 2017.

⁽¹²⁾ Harajuku Secondo, Daikanyama, Nakameguro Place and Roppongi Terzo were acquired on 30 May 2007 while Ebisu Fort was acquired on 26 September 2007 and based on the exchange rate of JPY7997:S\$1 at acquisition.

⁽¹³⁾ Based on the exchange rate of JPY81.37:S\$1 as at 30 June 2017.

⁽¹⁴⁾ Harajuku Secondo was divested on 15 May 2017 for JPY410.2 million (approximately S\$5.1 million), a premium to its latest valuation of JPY334.0 million (approximately S\$4.1 million).

⁽¹⁵⁾ Roppongi Terzo was divested on 7 January 2016 for JPY2,500.0 million (approximately S\$299 million), a premium to its valuation of JPY2,440.0 million (approximately S\$292 million).

PROPERTY PORTFOLIO SUMMARY

Starhill Global REIT's portfolio comprises 11 mid- to high-end retail properties located in six key cities in five countries across the Asia Pacific region. These properties with strong fundamentals are strategically located in good to prime locations. The resilience of the portfolio is demonstrated by high occupancies since listing in 2005.

DIVERSIFIED RETAIL AND OFFICE PORTFOLIO

Singapore is Starhill Global REIT's largest revenue contributor at 62.2% in FY 2016/17. Australia is the second largest revenue contributor at 22.7%, followed by Malaysia at 12.6%. China and Japan accounted for the remaining 2.5% of revenue in FY 2016/17. The retail and office components contributed 86.9% and 13.1% of the Portfolio's FY 2016/17 revenue respectively.

As at 30 June 2017, the top 10 tenants of the Portfolio contributed 56.4% of the Portfolio's gross rent. The top four tenants were mainly master or long-term leases, namely Toshin Development Singapore Pte. Ltd. (Toshin), YTL Group, Myer Pty Ltd and David Jones Limited, accounting for 20.8%, 14.0%, 6.8% and 4.5% of the Portfolio's gross rent respectively. No other tenant accounted for more than 3% of the Portfolio's gross rent.

RESILIENT LEASE PROFILE

Master leases and long-term leases provide rental income stability with potential upside. Toshin's lease at Ngee Ann City Property until June 2025 incorporates a rent review every three years, with the next review due in June 2019. The last rent review for the lease in June 2016 concluded with an increase of about 5.5% in base rent for the three years commencing 8 June 2016. The Malaysia Properties are under master leases with Katagreen Development Sdn Bhd, an indirect wholly-owned subsidiary of YTL Corporation Berhad, which were extended for a third three-year term commencing 28 June 2016 at approximately 6.7% above the annual rent from the previous three-year

term. The David Jones Building in Perth, Australia has a long-term lease expiring in 2032 with anchor tenant David Jones Limited, with upward-only rent reviews every three years. The recent lease review with David Jones secured a 6.12% rental uplift with effect from 1 August 2017. Myer department store has a long-term anchor tenant lease at Myer Centre Adelaide expiring in 2032 which provides for an annual rent review. Collectively, the master leases and long-term leases for the Group accounted for approximately 46.7% of the Portfolio's gross rent as at 30 June 2017.

The Manager actively manages the remaining leases of the Portfolio, which are on a short- to medium-term basis. The weighted average lease term by gross rent for new leases signed in FY 2016/17 is 3.2 years regardless of lease commencement dates. The proportion of gross rent attributed to these leases is approximately 14% of the Portfolio's committed monthly gross rental income as at 30 June 2017, excluding retail turnover rent.

For the Singapore Properties, besides the Toshin master lease, earnings are derived from retail leases in Wisma Atria Property and Ngee Ann City Level 5, as well as office leases which are generally contracted for a three-year period. The Japan Properties generally have tenancies with three- to five-year lease terms while the specialty retail units in the David Jones Building and Plaza Arcade in Perth, as well as the Myer Centre Adelaide in Adelaide generally have one- to five-year lease terms.

As at 30 June 2017, the weighted average lease term expiry of the

Portfolio is 6.6 years and 4.9 years by NLA and gross rent respectively.

STRONG PERFORMANCE BY THE SINGAPORE PROPERTIES

The Singapore Properties consist of both retail and office spaces, which enjoy a combined occupancy of 96.8% as at 30 June 2017. Prime retail spaces in Orchard Road continue to attract international retailers and new-to-market brands looking to launch their products in the region. According to CBRE, Singapore was ranked among the top target markets in the world for global retailers in 2016⁽¹⁾. In FY 2016/17, Wisma Atria Property recorded centre sales of S\$187.3 million and attracted shopper traffic of 25.2 million. Amidst the soft retail climate, the retail portfolio in Singapore sustained a high occupancy of 99.2% as at 30 June 2017 and achieved 0.5% positive rental reversion for leases committed in FY 2016/17.

The office portfolio in Singapore registered an occupancy of 92.9% as at 30 June 2017. The portfolio has been affected by a softer trading environment and islandwide competition. As at the second quarter of 2017, islandwide public and private office pipeline is approximately 7.3 million sq ft till 2021⁽²⁾. While the leasing market has improved, most of the leasing activity and interest were concentrated on developments in the Core CBD⁽³⁾.

Notes:

⁽¹⁾ CBRE, How Global is the Business of Retail, 2017

⁽²⁾ Urban Redevelopment Authority Singapore, Release of 2nd Quarter 2017 Real Estate Estimates, 28 July 2017

⁽³⁾ CBRE MarketView Singapore, Q2 2017

TOP 10 TENANTS

TENANT NAME	PROPERTY	% OF PORTFOLIO GROSS RENT ^{(1) (2)}
Toshin Development Singapore Pte. Ltd.	Ngee Ann City Property, Singapore	20.8%
YTL Group ⁽³⁾	Ngee Ann City Property & Wisma Atria Property, Singapore Starhill Gallery & Lot 10 Property, Malaysia	14.0%
Myer Pty Ltd	Myer Centre Adelaide, Australia	6.8%
David Jones Limited	David Jones Building, Australia	4.5%
Cortina Watch Pte Ltd	Ngee Ann City Property & Wisma Atria Property, Singapore	2.4%
Cotton On Group	Wisma Atria Property, Singapore, Myer Centre Adelaide, Australia	2.2%
BreadTalk Group	Wisma Atria Property, Singapore	1.7%
Coach Singapore Pte. Ltd.	Wisma Atria Property, Singapore	1.5%
Charles & Keith Group	Wisma Atria Property, Singapore	1.3%
LVMH Group	Ngee Ann City Property & Wisma Atria Property, Singapore	1.2%

Notes:

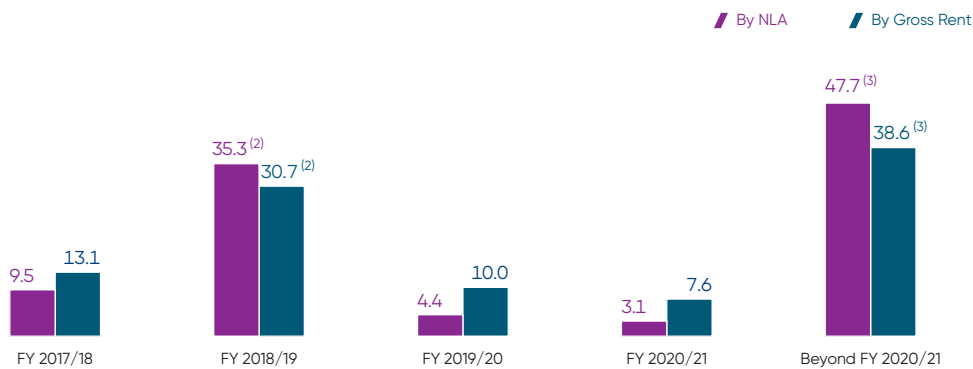
⁽¹⁾ As at 30 June 2017.

⁽²⁾ The total portfolio gross rent is based on the gross rent of all the properties.

⁽³⁾ Consists of Katagreen Development Sdn Bhd, YTL Singapore Pte. Ltd., YTL Starhill Global REIT Management Limited and YTL Starhill Global Property Management Pte. Ltd.

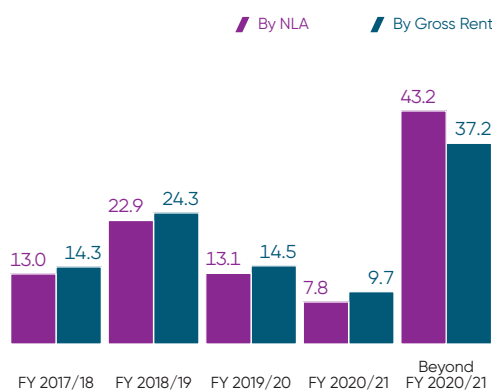
PORTFOLIO LEASE EXPIRY ⁽¹⁾

AS AT 30 JUN 2017 (%)



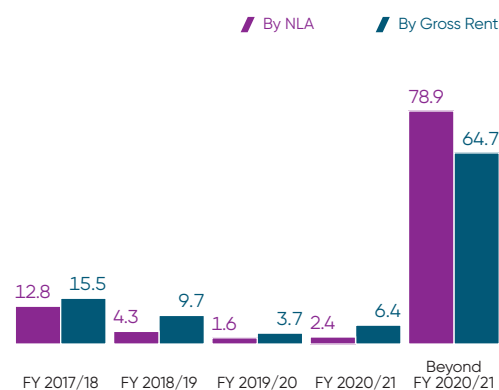
SINGAPORE PORTFOLIO LEASE EXPIRY ⁽¹⁾

AS AT 30 JUN 2017 (%)



AUSTRALIA PORTFOLIO LEASE EXPIRY ⁽¹⁾

AS AT 30 JUN 2017 (%)



Notes:

⁽¹⁾ Lease expiry schedule based on committed leases as at 30 June 2017.

⁽²⁾ Includes the master tenant leases in Malaysia that expire in 2019.

⁽³⁾ Includes the Toshin master lease that expires in 2025 and the long-term leases in Australia and China.

PROPERTY PORTFOLIO SUMMARY

ENTRY OF INTERNATIONAL RETAILERS TO AUSTRALIA

Australia continues to be an attractive market for new entrants and expansions by international retailers, particularly along the prime shopping strips in the CBD, as the market is relatively new to international retail brands. In 2017, H&M launched its city-centre store in Perth, while Adidas, Levi's and Lululemon Athletica secured flagship spaces along Rundle Mall in Adelaide. Mid-range fashion and specialist clothing brands are expected to contribute to brand entry over the next few years, with city-centre locations as their focus given their broad target market.⁽¹⁾

ASSET REDEVELOPMENT IN PERTH

Construction of a revamped facade and additional retail area commenced at Plaza Arcade in 4Q FY 2016/17. The works are estimated to be completed by early 2018. With neighbouring buildings such as Forrest Chase and Raine Square also in the midst of redevelopment, the new international anchor tenant secured for Plaza Arcade will complement the revitalised retail offerings in Perth's city centre and improve the leasing and positioning of Plaza Arcade.

MALL REPOSITIONING IN CHINA

The China Property secured a new long-term tenant, Markor International Home Furnishings Co., Ltd, one of the largest furniture retailers in China. It is listed on the Shanghai Stock Exchange with a market capitalisation of approximately RMB8.5 billion (approximately S\$1.7 billion) as at 30 June 2017. The new tenancy agreement, which incorporates a fixed rent lease with periodic rental step-up, will provide income stability amidst the challenging market landscape in

Chengdu which has been impacted by increased competition and austerity measures by the central government. In April 2017, the mall was handed over to Markor International Home Furnishings Co., Ltd. Renovation works at the China Property commenced in 4Q FY 2016/17 and is targeted for completion by end-2017.

VALUATION

Starhill Global REIT's property portfolio was valued at S\$3,136.3 million as at 30 June 2017, stable from the previous valuation as at 30 June 2016. The higher valuations for the Singapore Properties and Australia Properties, as well as positive net foreign currency movements, were offset by the divestment of Harajuku Secondo, and lower valuations for the China Property and the Malaysia Properties. Harajuku Secondo in Tokyo, Japan was divested in May 2017 as part of the strategy to refine the portfolio.

As at 30 June 2017, the combined valuation of the Wisma Atria Property and the Ngee Ann City Property remains largely unchanged, increasing by S\$6.0 million from 30 June 2016, to S\$2,147.0 million. The Singapore Properties were positively impacted by compression in both retail and office capitalisation rates that were supported by recent market transactions, partially offset by lower market rents for the office components in consideration of the softer office market in Singapore.

The combined valuation of the Australia Properties was S\$540.1 million (A\$511.0 million), increasing S\$34.6 million from that as at 30 June 2016 mainly due to the appreciation of the Australian dollar and lower capitalisation rates for David Jones

Building following recent market transactions. The increase was partially offset by a marginally lower valuation for Plaza Arcade due to the ongoing redevelopment works. The valuation for Myer Centre Adelaide remained relatively stable compared to that as at 30 June 2016.

The Malaysia Properties were valued at S\$357.5 million (RM1,115.0 million), a decrease of S\$20.9 million compared to 30 June 2016 mainly due the weaker Malaysian Ringgit, as well as softer retail outlook and new upcoming retail supply in Malaysia.

The valuation of the China Property declined S\$12.6 million compared to that as at 30 June 2016 mainly as a result of the conversion from a department store model to a single tenancy model. As at 30 June 2017, the valuation of the China Property is S\$32.1 million (RMB158.0 million).

The Japan Properties were valued at S\$59.6 million (JPY4,855.0 million), a decrease of S\$7.4 million from the previous valuation as at 30 June 2016 mainly due to the divestment of Harajuku Secondo. The valuation of the remaining Japanese properties decreased 4.8% yoy in Singapore dollar terms due to the depreciation of the Japanese Yen compared to 30 June 2016.

Note:

⁽¹⁾ CBRE Research, Asia Pacific Real Estate Market Outlook, Australia, 2017

GROSS REVENUE BY COUNTRY

FY 2016/17



SINGAPORE

62.2%



AUSTRALIA

22.7%



MALAYSIA

12.6%



JAPAN

1.4%



CHINA

1.1%

GROSS REVENUE BY RETAIL AND OFFICE
FY 2016/17



PORTFOLIO TRADE MIX
BY GROSS RENTAL CONTRIBUTION (AS AT 30 JUN 2017)



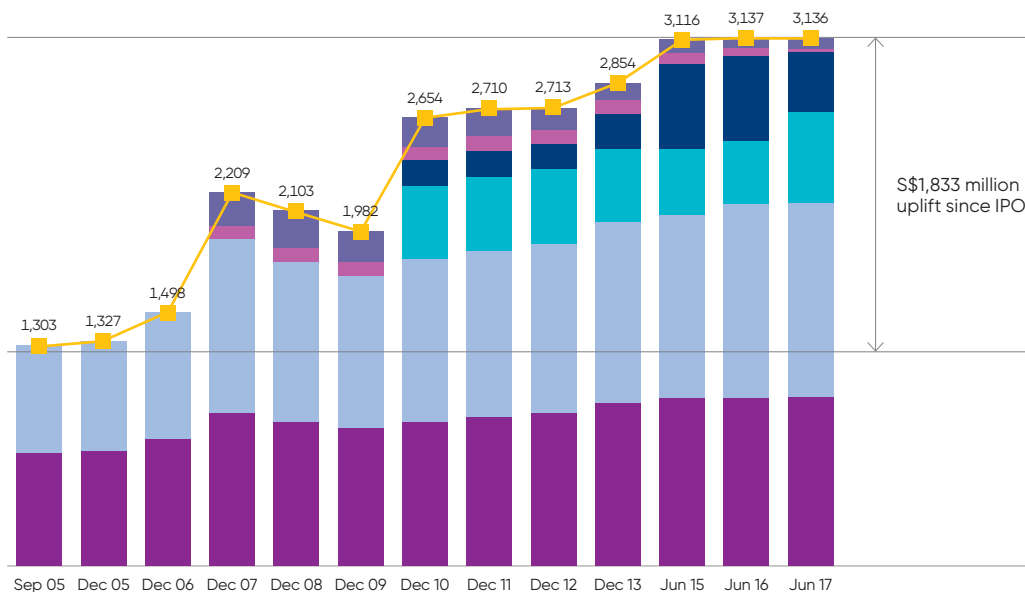
PORTFOLIO VALUATION

DESCRIPTION	30 JUN 2017 (\$ MILLION)	30 JUN 2016 (\$ MILLION)	CHANGE (\$ MILLION)	CHANGE (%)
Wisma Atria Property	997.0	996.0	1.0	0.1%
Ngee Ann City Property	1,150.0	1,145.0	5.0	0.4%
Australia Properties ⁽¹⁾	540.1	505.5	34.6	6.8%
Malaysia Properties ⁽²⁾	357.5	378.4	(20.9)	(5.5%)
Japan Properties ⁽³⁾	59.6	67.0	(7.4)	(11.0%)
China Property ⁽⁴⁾	32.1	44.7	(12.6)	(28.2%)
	3,136.3	3,136.6	(0.3)	(0.0%)

Notes:

- ⁽¹⁾ Translated as at 30 June 2017 at A\$0.95:S\$1.00 (30 June 2016: A\$1.00:S\$1.00).
- ⁽²⁾ Translated as at 30 June 2017 at RM3.12:S\$1.00 (30 June 2016: RM2.99:S\$1.00).
- ⁽³⁾ Translated as at 30 June 2017 at JPY81.37:S\$1.00 (30 June 2016: JPY76.14:S\$1.00).
- ⁽⁴⁾ Translated as at 30 June 2017 at RMB4.93:S\$1.00 (30 June 2016: RMB4.92:S\$1.00).

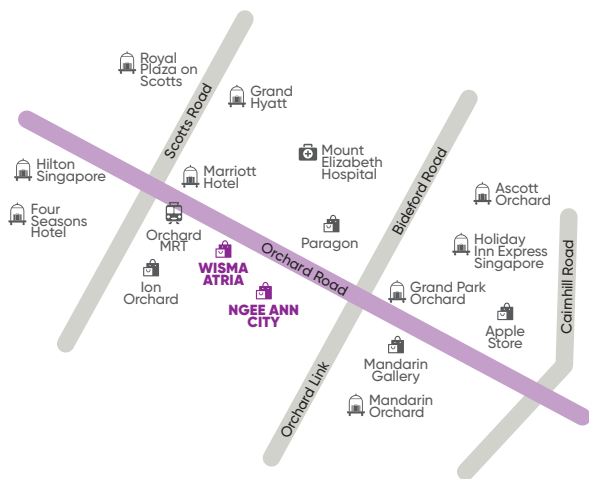
PORTFOLIO VALUATION
(\$ MILLION)



SINGAPORE PROPERTIES

WISMA ATRIA PROPERTY & NGENE ANN CITY PROPERTY

Centrally located in the prime stretch of Orchard Road precinct with excellent connectivity to transportation hubs.



STRATA LOTS

257

REPRESENTING **74.23%**
OF THE TOTAL SHARE
VALUE IN WISMA ATRIA

TENURE

99 YRS

LEASEHOLD ESTATE
(EXPIRING ON 31 MAR 2061)

TENANTS

127

(AS AT 30 JUN 2017)

The Singapore Properties comprise of distinctive and vibrant shopping malls strategically located in the prime stretch of Orchard Road, one of the world's leading retail destinations. Incorporating the best high-end and affordable fashion brands, Singapore ranked fifth in CBRE's Global City Rankings of International Retailer Presence with 46% of international retailers having a presence in the city-state⁽¹⁾. Singapore continues to create significant expansion opportunities for retailers, attracting 46 new entrants in 2016⁽¹⁾. Singapore remains a popular tourist destination and was ranked the second most visited city in Asia Pacific in 2016 by MasterCard⁽²⁾.

Wisma Atria Property and Ngee Ann City Property enjoy prime Orchard Road street frontage of 190 metres and house the world's luxury brands such as Chanel, Coach, Louis Vuitton, Rolex and Tory Burch. Both malls benefit from high tourist traffic along Orchard Road, the most popular free-access destination for tourists⁽³⁾ with over 12,500 hotel rooms and serviced apartments.

NET LETTABLE AREA

225,247 SQ FT

RETAIL
126,358 SQ FT

OFFICE
98,889 SQ FT

PURCHASE PRICE

S\$ **663.0**^M

MARKET VALUATION

S\$ **997.0**^M

(AS AT 30 JUN 2017)

Notes:

- ⁽¹⁾ CBRE, How Global is the Business of Retail 2017
- ⁽²⁾ MasterCard, Asia Pacific Destinations Index 2016
- ⁽³⁾ Singapore Tourism Board, Annual Tourism Statistics 2015, 6 March 2017



WISMA ATRIA PROPERTY

WISMA ATRIA PROPERTY
435 ORCHARD ROAD
SINGAPORE 238877

The Wisma Atria Property comprises 257 strata lots representing 74.23% of the total share value of strata lots in Wisma Atria. These strata lots represent retail areas (excluding the space owned by Isetan (Singapore) Limited ("Isetan") and common area property) and the office tower.

STRATEGIC LOCATION ALONG ORCHARD ROAD

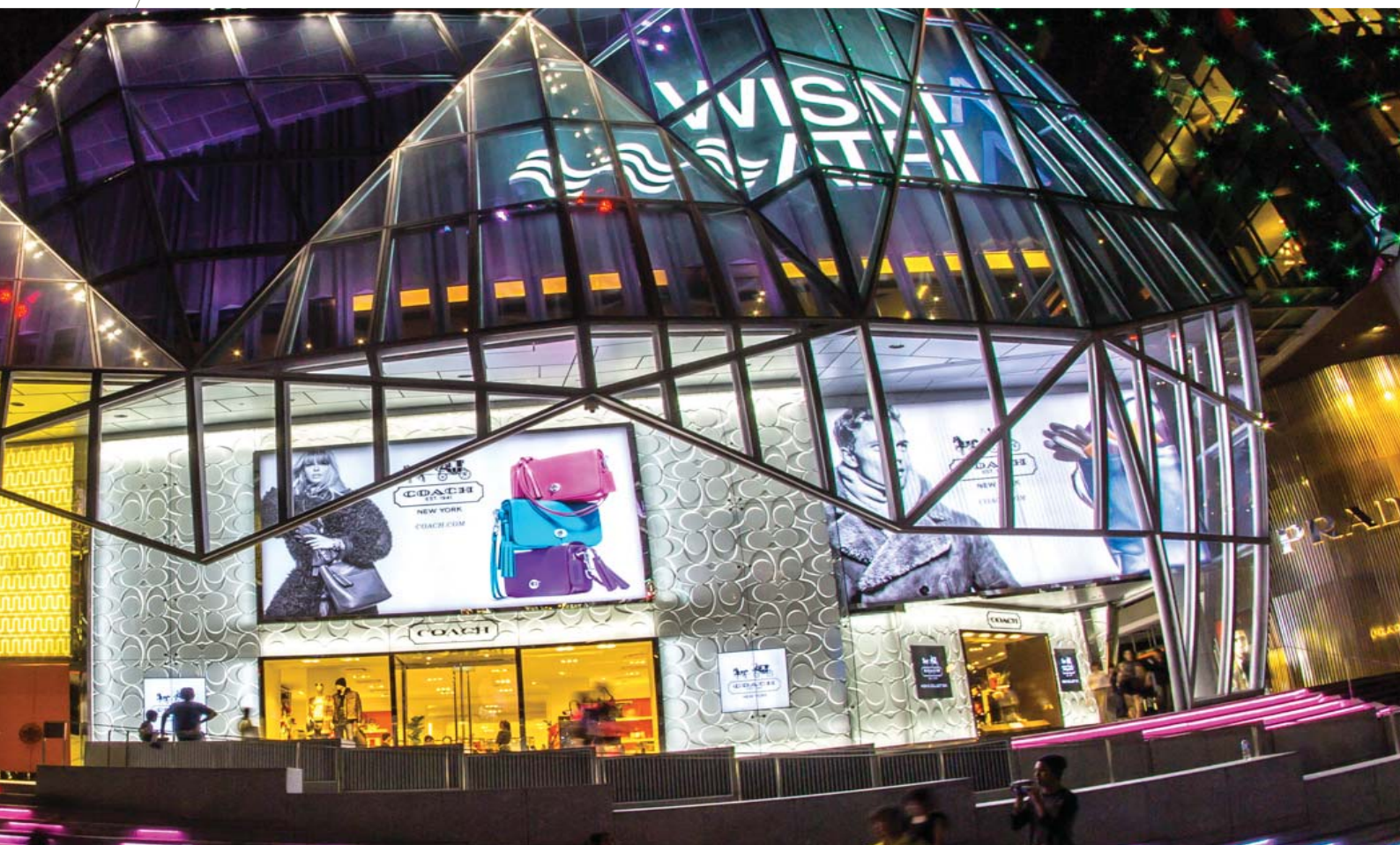
Strategically located along the prime stretch of Orchard Road between ION Orchard and Ngee Ann City, Wisma Atria enjoys more than 100 metres of prime street frontage and has an established following among locals and tourists. It comprises a retail podium

with four levels and one basement, three levels of car park space and an office tower with 13 levels of office space. The mall enjoys high pedestrian flow given its Orchard Road frontage and an underground pedestrian linkway which connects Wisma Atria to Orchard MRT station and Ngee Ann City.

Orchard Road enjoys a visitorship of approximately 6 million tourists annually.⁽³⁾



/ Tory Burch boutique at Wisma Atria Property



SINGAPORE PROPERTIES

DIVERSIFIED TENANT MIX

Wisma Atria is home to the flagship stores of international retailers including Coach, Emperor Watch & Jewellery, Mauboussin and TimeWise by Cortina Watch. It also houses the first Tory Burch boutique in Singapore and the largest TAG Heuer boutique worldwide. Its mid-to-upscale positioning also attracted fashion brands such as Cotton On, Forever New, Lacoste and Seafolly, and local labels such as Lee Hwa Diamond Gallery, Charles & Keith and Pedro. Complementing the shopping experience is a wide range of beauty stores including the city's largest Etude House, LUSH, The Face Shop and Astalift. The mall also serves a

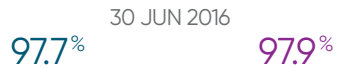
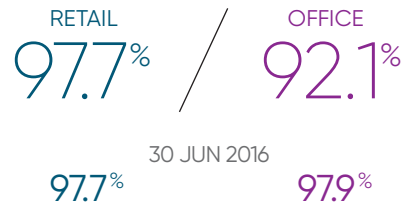


/ Coach's flagship store at Wisma Atria Property

RETAIL & OFFICE MIX BY GROSS REVENUE (FY 2016/17)



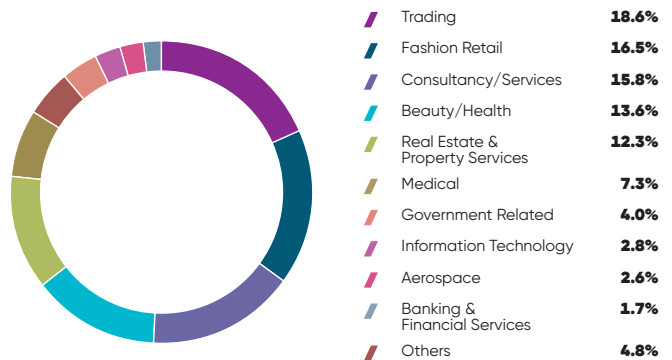
OCCUPANCY RATE 30 JUN 2017



RETAIL TRADE MIX BY GROSS RENTAL CONTRIBUTION (AS AT 30 JUN 2017)



OFFICE TRADE MIX BY GROSS RENTAL CONTRIBUTION (AS AT 30 JUN 2017)



myriad of F&B options which includes the first Pablo Cheese Tart Cafe in Singapore, PICNIC which serves international cuisine, and favourites such as Ben's Cookies, Famous Amos, Garrett Popcorn, Ilao Ilao, Paris Baguette, Starbucks, Din Tai Fung and Food Republic with its mouthwatering local delights. As at 30 June 2017, Wisma Atria Property (Retail) enjoyed 97.7% occupancy. In FY 2016/17, centre sales totalled S\$187.3 million with annual shopper traffic of 25.2 million.

The Wisma Atria Property's office tower attracts tenants from the fashion retail and services sector due to its proximity to the retail stores

and boutiques along Orchard Road. Among these tenants are Ermenegildo Zegna, Lane Crawford, L'Occitane, Longchamp and Valentino. Besides the prestigious Orchard Road address and direct access to Orchard MRT station, tenants also enjoy amenities such as gyms, restaurants and healthcare providers. As at 30 June 2017, Wisma Atria Property (Office) was 92.1% occupied.

For FY 2016/17, retail tenants contributed 83.8% of gross revenue while office tenants contributed 16.2%. The Wisma Atria Property benefits from a diversified tenant base from various sectors.

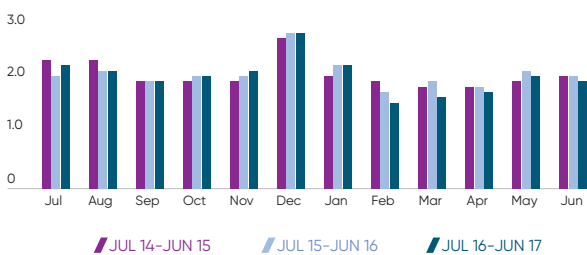
ADVERTISING AND PROMOTION

Wisma Atria rolled out a series of promotions and events during the year to encourage repeat visits and increase customer spending. The mall hosted many international celebrities throughout the year.

Popular Hongkong singer G.E.M. and Taiwanese beauty guru Kevin Chou made appearances in the mall in July and August 2016 respectively. Hong Kong TVB celebrities Ron Ng and Kevin Cheng made appearances at the mall in September 2016. In April 2017, popular Korean actress and singer Krystal Jung met fans while New Zealand rugby legend Karl Te Nana made an appearance at the TAG Heuer store in the mall.

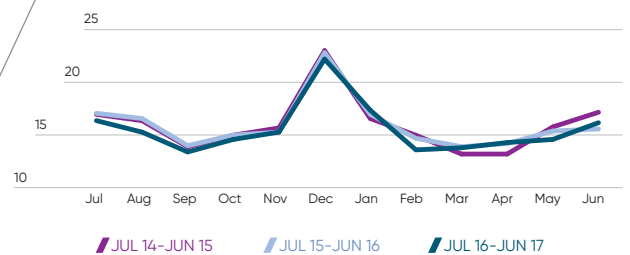
SHOPPER TRAFFIC

VISITORS (MILLION)



CENTRE SALES

(\$ MILLION)



Opening of Singapore's first Pablo Cheese Tart Cafe at Wisma Atria Property



New garden-themed food hall, PICNIC, at Wisma Atria Property

SINGAPORE PROPERTIES

NGEE ANN CITY PROPERTY

Located on the prime stretch of bustling Orchard Road, Ngee Ann City is easily accessible to locals and tourists. It enjoys connectivity to Orchard MRT station through the underground pedestrian linkway to Wisma Atria and other parts of Orchard Road through the underpasses. Ngee Ann City is also one of the largest malls along Orchard Road and offers a comprehensive range of retail offerings, making it the mall of choice on Orchard Road.

Ngee Ann City Property consists of four strata lots representing 27.23% of the total share value of strata lots in Ngee Ann City. These lots include retail and office spaces. As at 30 June 2017, Ngee Ann City Property (Retail) was 100.0% occupied and Ngee Ann City Property (Office) was 93.5% occupied.

DISTINCTIVE LANDMARK PROPERTY

The distinctive architecture of Ngee Ann City makes it one of the most prominent landmarks along Orchard Road. Ngee Ann City comprises a podium with five levels and two basement levels of retail space, and three levels of car park space. Its twin towers host 18 levels of office space each. Home to many international brands, Ngee Ann City's upscale positioning has attracted luxury labels such as Chanel, Goyard, Louis Vuitton, Piaget and Roger Vivier, as well as contemporary labels including Lululemon Athletica, M.A.C., Red Valentino and Zara. With its iconic retailers and dining options, Ngee Ann City attracts the discerning shoppers, families as well as tourists and business travellers from neighbouring hotels.

TENANT MIX

For FY 2016/17, 77.1% of the Ngee Ann City Property's gross revenue was from retail tenants and 22.9% from office tenants.

STRATA LOTS

4

REPRESENTING **27.23%** OF
THE TOTAL SHARE VALUE
IN NGEE ANN CITY

TENURE

69 YRS

LEASEHOLD ESTATE
(EXPIRING ON 31 MAR 2072)

TENANTS

50

INCLUDING ONE
MASTER TENANT
(AS AT 30 JUN 2017)

NET LETTABLE AREA

394,188 SQ FT

RETAIL
255,021 SQ FT

OFFICE
139,167 SQ FT

PURCHASE PRICE

S\$ 640.0^M

MARKET VALUATION

S\$ 1,150.0^M

(AS AT 30 JUN 2017)

Ngee Ann City
is home to luxury
brands, high-street
favourites, diverse
dining options, and
is popular with locals
and tourists.





RETAIL & OFFICE MIX

BY GROSS REVENUE
(FY 2016/17)



NGEE ANN CITY PROPERTY

391/391B ORCHARD ROAD
SINGAPORE 238874

OCCUPANCY RATE

30 JUN 2017



30 JUN 2016



/ Louis Vuitton's double-storey boutique at Ngee Ann City Property

SINGAPORE PROPERTIES

RETAIL TENANT MIX

The top contributors to Ngee Ann City Property's retail gross rent are Toshin and DBS Bank. Toshin occupies all retail areas in Ngee Ann City Property except Level 5, which is actively managed by the Manager. As at 30 June 2017, Toshin accounted for 86.3% of the gross rent of the Ngee Ann City Property (Retail). Toshin is a wholly-owned subsidiary of Toshin Development Co., Ltd., which is in turn wholly-owned by Takashimaya Company Limited, listed on the Tokyo Stock Exchange. The Toshin lease, which expires in 2025, has periodic rent reviews which provide opportunities for organic growth for Starhill Global REIT,

while ensuring income stability and potentially mitigating fluctuations in the retail market with a downside rent protection. The last rent review was concluded in June 2016 with about 5.5% increase in base rent for the three years commencing 8 June 2016.

The Manager actively manages the beauty & wellness cluster on Level 5, constantly rejuvenating the tenant mix with complementary offerings.

OFFICE TENANT MIX

Fashion Retail, Petroleum-related and Consultancy/Services are the top three

trade sectors contributing to the Ngee Ann City Property's office gross rent.

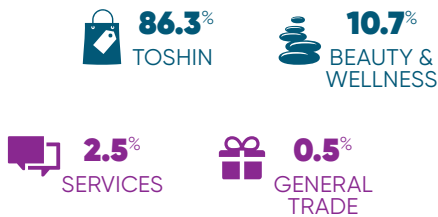
ADVERTISING AND PROMOTION

Ngee Ann City's large outdoor semicircular Civic Plaza is a popular venue for many prestigious events including concerts, fairs, product launches, road shows, fashion showcases, carnivals and lifestyle launches. Ngee Ann City's large event hall, Takashimaya Square*, is also a popular venue for regular bazaars and events that draw throngs of shoppers.

* SGREIT does not own this strata.

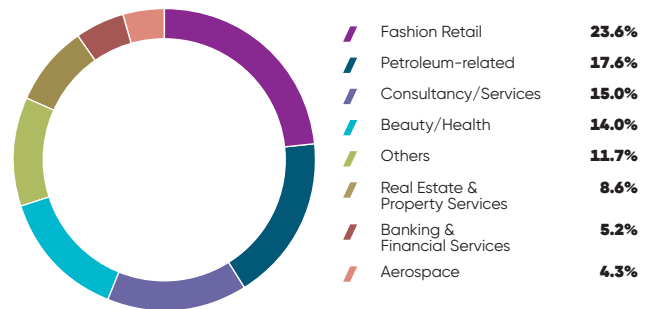
RETAIL TRADE MIX

BY GROSS RENTAL CONTRIBUTION (AS AT 30 JUN 2017)



OFFICE TRADE MIX

BY GROSS RENTAL CONTRIBUTION (AS AT 30 JUN 2017)



/ Books Kinokuniya at Ngee Ann City Property

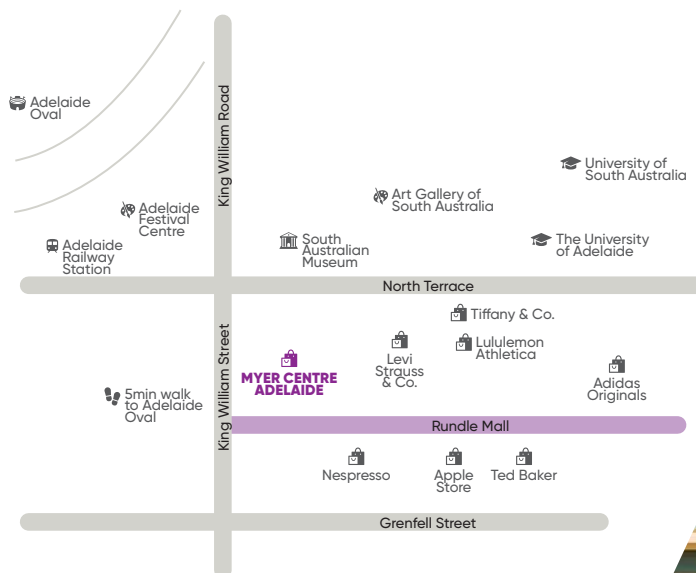


/ Goyard boutique at Ngee Ann City Property

AUSTRALIA PROPERTIES

ADELAIDE

Myer Centre Adelaide is the largest shopping mall in the city centre, and is anchored by the Myer department store. It is located on the premier retail stretch of Rundle Mall – the city's only retail pedestrian street – which attracts 24 million shoppers annually.



RUNDLE MALL – ADELAIDE'S PREMIER SHOPPING PRECINCT

Rundle Mall is an icon in the city of Adelaide and the precinct has been positioned as a compelling retail destination following a A\$30 million upgrade by the city council in 2014. Rundle Mall houses more than 700 retailers, including international brands such as Apple, Lululemon Athletica and Ted Baker. The retail strip, which is Australia's first pedestrianised mall, draws 24 million shoppers annually and offers access to 220,000 city workers and visitors each day. It is also popular among tourists, with over 80% of all tourists to South Australia visiting Rundle Mall.





TENURE
FREEHOLD

TENANTS
101

INCLUDING ONE
ANCHOR TENANT
(AS AT 30 JUN 2017)

NET LETTABLE AREA

600,000 SQ FT ⁽¹⁾

RETAIL
502,000 SQ FT

OFFICE
98,000 SQ FT

PURCHASE PRICE

S\$ 303.1M

MARKET VALUATION

S\$ 317.1M

(AS AT 30 JUN 2017)

MYER CENTRE ADELAIDE

An eight-storey retail centre with four basement levels, and office component which includes a six-storey office tower and two heritage buildings.

LARGEST SHOPPING MALL IN ADELAIDE'S CITY CENTRE

Myer Centre Adelaide is a prominent landmark and the largest shopping centre located in the heart of Adelaide's city centre. Popular with locals and tourists, the centre is located along the city's premier retail precinct, Rundle Mall. Myer Centre Adelaide is within walking distance to the Riverbank Entertainment Precinct, which includes the convention centre, Festival Centre and multi-sports stadium, the Adelaide Oval and also in close proximity to universities and hostels, as well as the city's art galleries, museums and casino. The property is surrounded by offices in the city centre.

Anchored by the largest Myer department store in South Australia, the 502,000 sq ft retail centre houses over 85 other specialty tenants. Myer Centre Adelaide also features South Australia's largest LUSH store and the city's largest sports store, Rebel. An all-encompassing retail experience, the retail centre is home to international retailers including Daiso, Nine West, Sunglass Hut and Thomas Sabo, as well as national labels such as Angus & Coote, Katies, Platypus Shoes, Rubi

Shoes and Review, and toy specialty store ToyWorld. Complementing the retail experience, Myer Centre Adelaide provides a wide range of dining options with cafes and a 600-seat lower ground foodcourt, which is the largest in Adelaide's city centre, serving fast food and international cuisines.

The property comprises an eight-storey retail centre with four basement levels of car park space, and an office component which includes a six-storey office tower above the retail centre and two heritage buildings. Completed in 1991, the property last went through a major A\$35 million asset enhancement in 2013 and 2014 which included the refurbishment of the five-storey Myer department store.

The Myer department store occupies 324,000 sq ft or 54.1% of Myer Centre Adelaide's NLA. It accounts for 53.9% of the gross rent for Myer Centre Adelaide (Retail) as at 30 June 2017. Its long-term lease in the property which expires in 2032 provides for an annual

Note:

⁽¹⁾ Excludes 113,000 sq ft of unactivated vacant area on the highest two floors of the retail centre.

MYER CENTRE ADELAIDE
14-38 RUNDLE MALL,
ADELAIDE, AUSTRALIA

rent review. Most of the remaining leases at the property incorporate annual upward-only rent reviews.

Above Myer Centre Adelaide is the office component which includes Terrace Towers, a six-storey 81,000 sq ft office tower above the retail centre and two heritage buildings (Shell House and Goldsbrough House). As at

30 June 2017, Myer Centre Adelaide (Retail) was 94.6% occupied while Myer Centre Adelaide (Office) was 50.4% occupied as the office market remains challenging with office vacancies in Adelaide being the second highest in the country. The total revenue from office leases contributed approximately 6.3% of Myer Centre Adelaide's revenue in FY 2016/17.

RETAIL & OFFICE MIX

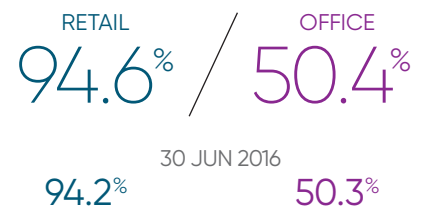
BY GROSS REVENUE
(FY 2016/17)



Myer Centre Adelaide features Rebel, the largest sports store in the city centre, as well as South Australia's largest LUSH store.

OCCUPANCY RATE

30 JUN 2017

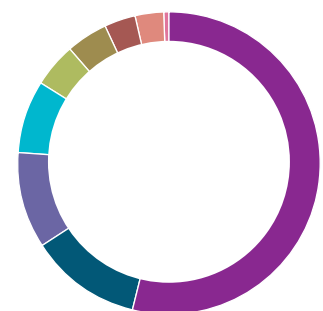


/ The expanded LUSH store of Myer Centre Adelaide



/ Daiso store at Myer Centre Adelaide

RETAIL TRADE MIX
BY GROSS RENTAL CONTRIBUTION
(AS AT 30 JUN 2017)

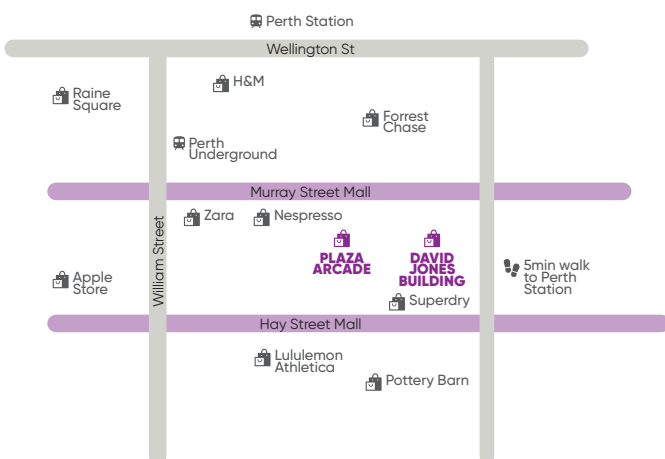


Myer	53.9%
Fashion	12.0%
F&B	10.3%
General Trade	7.9%
Jewellery & Watches	4.7%
Shoes & Accessories	4.4%
Beauty & Wellness	3.4%
Services	3.1%
Others	0.3%

AUSTRALIA PROPERTIES

PERTH

The Perth Properties, David Jones Building and Plaza Arcade, are located in Perth's city centre. Both properties enjoy dual frontage to the bustling Murray Street Mall and Hay Street Mall, the only two retail pedestrian streets in the city.



DAVID JONES BUILDING

Four-storey building for retail use with a heritage-listed building, formerly known as the Savoy Hotel.

DAVID JONES BUILDING AND PLAZA ARCADE – IN THE HEART OF PERTH'S CITY CENTRE

Situated in the heart of Perth's city centre, David Jones Building and Plaza Arcade are well-placed to capitalise on pedestrian traffic from the Perth bus port and train station as well as the new William Street walkway link to the Northbridge cultural centre. Perth's city centre has been attracting international retailers including Zara, Williams-Sonoma, Lululemon Athletica, Superdry and H&M who have established their flagship stores along the city's most popular shopping precincts. The city centre is currently being revitalised with upgrades at major shopping centres including Forrest Chase and Raine Square.



TENURE
FREEHOLD

TENANTS

7

INCLUDING ONE ANCHOR TENANT (AS AT 30 JUN 2017)

DAVID JONES BUILDING
622-648 HAY STREET MALL,
PERTH, AUSTRALIA

GROSS LETTABLE AREA

259,082 SQ FT

/ Superdry store at David Jones Building

PURCHASE PRICE

S\$ 145.7M

MARKET VALUATION

S\$ 169.1M

(AS AT 30 JUN 2017)



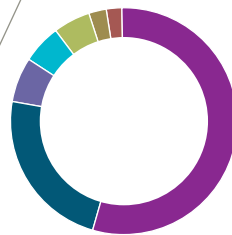
PERTH PROPERTIES OCCUPANCY RATE

30 JUN 2017

98.7%

30 JUN 2016

95.4%



PERTH PROPERTIES RETAIL TRADE MIX

BY GROSS RENTAL CONTRIBUTION (AS AT 30 JUN 2017)

David Jones	54.7%
Fashion	23.1%
Beauty & Wellness	6.4%
Jewellery & Watches	5.7%
General Trade	5.2%
Services	2.5%
F&B	2.4%

DAVID JONES BUILDING RETAIL TRADE MIX

BY GROSS RENTAL CONTRIBUTION (AS AT 30 JUN 2017)

75.9%
DAVID JONES

9.0%
FASHION

7.9%
HEALTH & BEAUTY

7.2%
JEWELLERY & WATCHES

DAVID JONES BUILDING

Centrally located in Perth's prime retail stretch, the David Jones Building sits on a freehold site of approximately 71,473 sq ft in the Perth CBD in Australia. It enjoys dual frontage to the bustling Murray Street Mall and Hay Street Mall, the only two retail pedestrian streets in the city. The property is a few minutes' walk from the Perth central train station. The building is also linked seamlessly to another major shopping centre via a covered walkway. The four-level property, which has heritage-listed components (including a building constructed circa 1910 that was

formerly the Savoy Hotel) is anchored by the upmarket David Jones department store and six other specialty tenancies. As at 30 June 2017, the property's occupancy was 99.3%.

David Jones Limited, which has a long-term lease in the building until 2032, occupies approximately 246,528 sq ft or 95% of the total gross lettable area. It accounts for 75.9% of the gross rent for David Jones Building as at 30 June 2017. David Jones Limited is an upmarket operator of premium department stores across the country and is owned by South African retail group Woolworths Holdings Limited.

Six specialty tenancies occupy a gross lettable area of about 10,746 sq ft and comprise international and national brands such as Bodyshop, Jeanswest, LUSH, Michael Hill, Pandora and Superdry.

The long-term lease with David Jones Limited provides stable income, with the benefit of an upward-only rent review every three years. In August 2017, there was a rental uplift of 6.12% for the David Jones lease. The leases for the other specialty tenants also incorporate annual upward-only rent reviews.

AUSTRALIA PROPERTIES

PLAZA ARCADE

The asset redevelopment underway will unveil a revamped facade and additional retail area to accommodate a new international retail tenant.

PLAZA ARCADE

Located next to the David Jones Building, Plaza Arcade is in the heart of the city centre and sits on a freehold site of approximately 26,221 sq ft. The property is one of two main thoroughfares with entrances at both Hay and Murray Street Malls. Last renovated in 2006, it comprises a three-storey heritage-listed retail building with 20 specialty tenancies. The property has a GLA of approximately 36,731 sq ft⁽¹⁾ and was 94.1% occupied as at 30 June 2017.

The tenant mix is diversified, comprising services, food & beverage, fashion, shoes, jewellery & accessories, giftware and mobile

shops. Established brands include Surf Dive 'n Ski and Virgin Mobile. Most leases at the property enjoy rental upside from an annual upward-only rent review.

PLAZA ARCADE ASSET REDEVELOPMENT

The Murray Street Mall end of Plaza Arcade is undergoing asset redevelopment to create additional retail space on the upper floor and a revamped facade to house an international tenant. The approximately A\$10 million asset redevelopment commenced in 4Q FY 2016/17 and is scheduled for completion by early 2018. The new international anchor tenant at Plaza

Arcade will complement Perth city centre's revitalised retail offerings which includes a recently-opened H&M city store and the upcoming Forrest Chase and Raine Square redevelopments. Together, these will transform the area into a vibrant retail hub in the heart of the city.

Note:

⁽¹⁾ Includes new GLA of approximately 12,500 sq ft which will be created upon completion of asset redevelopment works at Plaza Arcade.

PLAZA ARCADE

650 HAY STREET MALL &
185-191 MURRAY STREET MALL,
PERTH, AUSTRALIA

PLAZA ARCADE RETAIL TRADE MIX

BY GROSS RENTAL CONTRIBUTION
(AS AT 30 JUN 2017)

59.6%
FASHION

18.6%
GENERAL
TRADE

9.0%
SERVICES

8.7%
F&B

2.3%
HEALTH &
BEAUTY

1.8%
JEWELLERY
& WATCHES

TENURE

FREEHOLD

TENANTS

20
(AS AT 30 JUN 2017)

GROSS LETTABLE AREA

36,731 SQ FT⁽¹⁾

PURCHASE PRICE

S\$61.0M

MARKET VALUATION

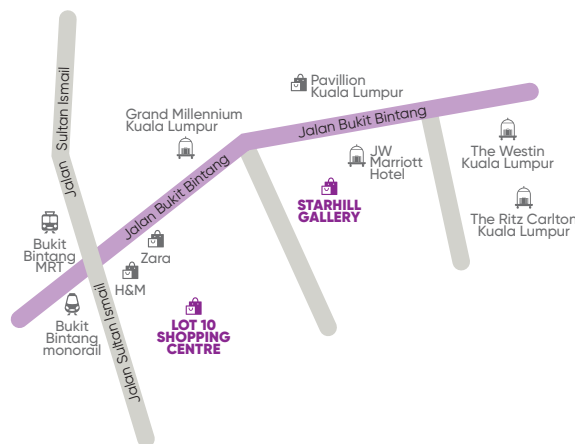
S\$53.9M
(AS AT 30 JUN 2017)



MALAYSIA PROPERTIES

STARHILL GALLERY & LOT 10 PROPERTY

Starhill Gallery and Lot 10 Property are strategically situated at the ritzy Bukit Bintang district which is one of Kuala Lumpur's premier shopping districts and home to many prestigious international hotels, prime office buildings and shopping complexes.



Kuala Lumpur
–Ranked 4th in
CNN World's Best
Shopping Cities.

STARHILL GALLERY AND LOT 10 PROPERTY – IN THE HEART OF BUKIT BINTANG

The Malaysia Properties comprise distinctive and vibrant shopping malls strategically located in Bukit Bintang, Kuala Lumpur's premier shopping and entertainment district with many prestigious international hotels, prime office buildings and shopping centres. Kuala Lumpur was ranked 7th Most Visited City in the World in Mastercard's Global Destinations Cities Index for 2016 and was ranked 4th by CNN as one of the World's Best Shopping Cities.

Starhill Gallery features a high-profile tenant base with international designer labels and luxury watch and jewellery brands.

Lot 10 offers young and trendy urbanites a wide range of fashion, dining and entertainment offerings. Lot 10 is located next to the Bukit Bintang monorail station, with the H&M store directly connected to the station via a platform.

In July 2017, the new Bukit Bintang station of the Klang Valley MRT project's Sungai Buloh-Kajang Line commenced operations. Connecting residents in the Greater Kuala Lumpur and Klang Valley region to the city, the new MRT line serves a corridor with a population of 1.2 million people, and transports approximately 400,000 passengers per day⁽¹⁾. An entrance to the MRT station is located in front of Lot 10, providing commuters greater accessibility to the mall and Starhill Gallery.

Note:

⁽¹⁾ Mass Rapid Transport Corporation Sdn Bhd website.

MALAYSIA PROPERTIES

TENURE
FREEHOLD

TENANT

1

MASTER TENANT
(AS AT 30 JUN 2017)

NET LETTABLE AREA

306,113^{SQ FT}

PURCHASE PRICE

S\$271.3^M

MARKET VALUATION

S\$221.2^M

(AS AT 30 JUN 2017)

STARHILL GALLERY

181 JALAN BUKIT BINTANG,
55100 KUALA LUMPUR,
MALAYSIA



/ Patek Philippe boutique at Starhill Gallery

LUXURY SHOPPING AT STARHILL GALLERY

Starhill Gallery has a total NLA of 306,113 sq ft and sits on a freehold site connected to two luxury hotels, the JW Marriott Hotel Kuala Lumpur and The Ritz Carlton Kuala Lumpur. Starhill Gallery attracts discerning tourists and shoppers and comprises seven retail floors each offering a distinct and unique shopping experience. Starhill Gallery houses flagship stores of watch brands such as Audemars Piguet, Chopard, Bedat & Co, HYT and Richard Mille. In addition, Starhill Gallery has a wide range of fashion and lifestyle offerings including luxury labels Louis Vuitton, Dior, Valentino, Van Cleef & Arpels, McQ by Alexander McQueen and British department store Debenhams.

STARHILL GALLERY

Shopping centre comprising part of a seven-storey building with five basements and a 12-storey annex building with three basements.





/ Louis Vuitton and Dior boutiques at Starhill Gallery

Starhill Gallery has put Malaysia on the world's horological map with its annual retail-focused luxury watch and jewellery showcase, "A Journey Through Time". The event has succeeded in building Kuala Lumpur as a high-end shoppers' destination while highlighting Malaysia's duty free status for luxury goods. In its tenth year, the 2016 event was held from 4 to 13 November 2016. The Starhill Gallery Fashion Week is also held annually to showcase Spring/Summer collections from international brands like Debenhams, Kenzo, McQ by Alexander McQueen and Valentino to local labels such as Khoon Hooi and Mita Tam Style Studio.

LOT 10 PROPERTY

Eight-storey building with a basement and lower ground floor for retail use and a seven-storey annex building (excluding Isetan).

LOT 10 PROPERTY
50 JALAN SULTAN ISMAIL,
50250 KUALA LUMPUR,
MALAYSIA



MALAYSIA PROPERTIES

Lot 10 Hutong received the Platinum award at the Kuala Lumpur Mayor's Tourism Awards 2017 (Foodcourt)

TENURE

99YRS

LEASEHOLD ESTATE
(EXPIRING ON 29 JUL 2076)

TENANT

1

MASTER TENANT
(AS AT 30 JUN 2017)

NET LETTABLE AREA

256,811^{SQ FT}

PURCHASE PRICE

S\$173.0^M

MARKET VALUATION

S\$136.3^M

(AS AT 30 JUN 2017)



/ Rejuvenated Lot 10 interior

meet.play.#loveLot10

Lot 10 is revitalising the mall's tenant mix and shopping experience

FASHION AND ENTERTAINMENT FOR YOUNG URBANITES AT LOT 10

Lot 10 Property sits on a 99-year leasehold site expiring on 29 July 2076 with a NLA of 256,811 sq ft. Lot 10 Property is positioned to appeal to young urbanites. Lot 10 is home to the first H&M store in Malaysia and a three-storey Zara store spanning 16,402 sq ft. Notable tenants in Lot 10 also include Braun Buffel, Celebrity Fitness, The Coffee Bean & Tea Leaf, Timberland, Samsung, Alpha Hub and the Yes Mobile flagship store.

The basement houses the Lot 10 Hutong, a heritage gourmet village which offers a truly gastronomic experience right in the heart of Bukit Bintang. It has been listed by New York Times as one of the "Top 37 Asian Odysseys". In 2017, Lot 10 Hutong received the Platinum award in the Foodcourt category at the Kuala Lumpur Mayor's Tourism Awards 2017, which recognise and reward establishments that achieve the highest levels of excellence in service and promote Kuala Lumpur as an international tourist destination.

REJUVENATION OF LOT 10

Since 2016, Lot 10 has been undergoing rejuvenation and is repositioned to appeal to tech-savvy young urbanites. Improvements include remodeling its interior ceiling, a new hoisting system that allows moving decorative pieces to hang down the central atrium, new escalators, lifts and signage and a redesigned carpark. The drop-off entrance to the mall next to the monorail station has also been revamped, while the main entrance features colour-changing smart LED lights. In conjunction with the new Bukit Bintang MRT station, a new entrance to Lot 10 is currently being built which

would lead shoppers directly from the street level to the shops at level 1, tapping into the enlarged population catchment served by the MRT line.

STABLE INCOME FROM MASTER LEASE

A master lease with Katagreen Development Sdn Bhd, an indirect wholly-owned subsidiary of YTL Corporation Berhad, is in place at both Starhill Gallery and Lot 10 Property. The leases have a fixed term of 3+3 years commencing on 28 June 2010, and was extended for a further three-year term with an approximately 6.7% increase in rent effective from 28 June 2016.



/ Entrance to Bukit Bintang MRT station in front of Zara store at Lot 10

CHINA PROPERTY

The China Property has secured a new long-term tenant and is currently under renovation.



Subject to change.
Artist's impression.

TENURE

40 YRS

LEASEHOLD ESTATE
(EXPIRING ON 27 DEC 2035)

TENANT

1

(AS AT 30 JUN 2017)

GROSS FLOOR AREA

100,854 SQ FT

CHINA PROPERTY
NO. 19, 4TH SECTION,
RENMINNAN ROAD,
CHENGDU, CHINA

PURCHASE PRICE

S\$ 70.6 M

MARKET VALUATION

S\$ 32.1 M

(AS AT 30 JUN 2017)

CHINA PROPERTY

A four-storey building for retail use

The China Property is located in Chengdu, the capital city of Sichuan province. The property has a GFA of approximately 100,854 sq ft and comprises four levels of retail space with a mezzanine floor. Situated within the Second Ring Road, it is in close proximity to high-end residences, offices and the US Consulate in Chengdu. The Nijiaqiao MRT Station is located in front of the property and provides convenient access.

REPOSITIONING THE MALL

The China Property has secured a new long-term tenant, Markor International Home Furnishings Co., Ltd., one of the largest furniture retailers in China. It is listed on the Shanghai Stock Exchange with a market capitalisation of RM8.5 billion (approximately S\$1.7 billion) as at 30 June 2017. This new long-term tenancy agreement, which incorporates a fixed rent with periodic rental step-up, will replace the department store model and

provide income stability amidst the challenging retail landscape in Chengdu. The Renhe Spring Zongbei department store ceased operations in January 2017 and is currently under renovation with completion due end-2017. As a result of the conversion from a department store model to a single fixed lease tenancy model, the valuation of the China Property declined to RMB158 million as at 31 December 2016 and remained the same as at 30 June 2017.

JAPAN PROPERTIES

Starhill Global REIT's Japan portfolio consists of three contemporary commercial buildings located within walking distance from major subway stations in prime Tokyo areas.



DAIKANYAMA

EBISU FORT

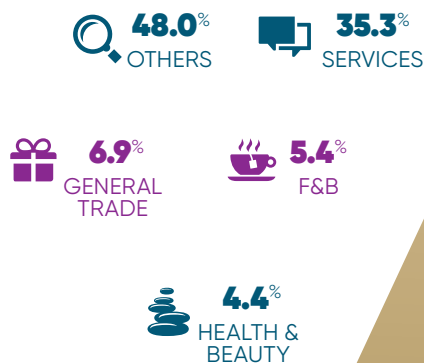
NAKAMEGURO PLACE

As at 30 June 2017, Starhill Global REIT's Japan portfolio consists of three contemporary commercial buildings located in the heart of prime Tokyo in areas of Ebisu and Meguro, and within walking distance from major subway stations. The portfolio was refined in May 2017 with the divestment of Harajuku Secondo at a sale consideration of JPY410.2 million (or approximately S\$5.1 million), representing a 22.4% premium to its latest valuation.

These three properties appeal to young and stylish urbanites. As at 30 June 2017, the Japan Properties are all fully occupied.

Having weighed the costs and benefits of earthquake insurance for the Japanese assets, the claimable sum and that their contribution to Starhill Global REIT's portfolio is approximately 1.9% by asset value as at 30 June 2017, no specific earthquake insurance has been taken up, which is consistent with the industry practice in Japan.

RETAIL TRADE MIX BY GROSS RENTAL CONTRIBUTION (AS AT 30 JUN 2017)



OCCUPANCY RATE



PURCHASE PRICE

S\$101.2 M⁽¹⁾

MARKET VALUATION

S\$59.6 M
(AS AT 30 JUN 2017)

TENURE

FREEHOLD

TENANTS

15
(AS AT 30 JUN 2017)

NET LETTABLE AREA

30,429 SQ FT

Note:

⁽¹⁾ Excludes Harajuku Secondo which was divested to Tosei K.K. in May 2017 for JPY410.2 million, above the latest valuation done as at 31 March 2017. The open market value was derived using the discounted cash flow and income capitalisation methods.

MARKET OVERVIEW

SINGAPORE MARKET

According to Singapore's Ministry of Trade and Industry, the Singapore economy grew by 2.9% yoy in the second quarter of 2017⁽¹⁾, faster than the 2.5% growth in the first quarter of 2017, owing to the robust growth from the manufacturing sector and improving outlook of the global economy. For 2017, the country's economy is expected to grow by 2.0% to 3.0%⁽¹⁾, a revision from the initial forecast of 1.0% to 3.0%.

Singapore Tourism Market

Growth in international visitor arrivals remains modest with a 4.5% yoy increase for the first half of 2017, and the increase was largely supported by growth from Singapore's traditional markets like China and India⁽²⁾. For the first quarter of 2017, the tourism sector recorded growth in visitor arrivals and tourism receipts of 4% and 15% respectively⁽³⁾. Notably, there has been strong arrivals from China's Tier 1 and 2 cities due to increased flight connectivity and marketing efforts by Singapore Tourism Board (STB). From June 2015, mainland Chinese visitors are extended a multi-journey visa for a maximum of 10 years, making it more convenient for return trips to Singapore⁽⁴⁾. The resurgence in mainland Chinese visitorship was also attributed to STB's partnerships with digital channels and online travel review websites to reach out to the Chinese consumers through their unique digital ecosystem⁽⁵⁾. Likewise, STB is also focusing its efforts on strategic industry partnerships to reach out to the Indian Tier 1 and 2 markets⁽⁵⁾.

To boost tourism, STB has also partnered with local aviation industry bodies⁽⁶⁾, as well as partnerships for themed events and activities⁽⁷⁾. The government has also allocated S\$700 million as a third tranche of the Tourism Development Fund for 2016 to 2020. Higher air passenger traffic is expected when Changi Airport Terminal 4 opens in the second half of 2017⁽⁸⁾.

Singapore Retail Demand, Supply and Outlook

Orchard Road is the most popular free-access tourist destination in Singapore⁽⁹⁾, and the renowned shopping belt houses a concentration of the top 10 global luxury brands⁽¹⁰⁾. With one of the highest GDP per capita in the world⁽¹¹⁾, Singapore remains an attractive market for international mid-tier to luxury retail brands. In 2016, Singapore ranked behind Hong Kong and Japan in Asia, with 46 new retail entrants, and ranked fifth internationally in CBRE's global city rankings of international retailer presence⁽¹²⁾. According to the Urban Redevelopment Authority, as at the end of the second quarter of 2017, islandwide public and private retail pipeline is approximately 6.0 million sq ft till 2021⁽¹³⁾, with most supply in the fringe and suburban areas⁽¹⁴⁾. Supply in the Orchard area remains limited with no visible pipeline from 2017. Consumer sentiments remain modest with the retail sales index in Singapore (excluding motor vehicle sales) rising 4.0% in June 2017⁽¹⁵⁾. Due to challenges in the retail landscape, the average prime Orchard Road retail rents have been on a downtrend to S\$31.30 psfpm in the second quarter of 2017, while rental outlook for the rest of 2017 and into 2018 is muted⁽¹⁶⁾.

Singapore Office Supply and Outlook

For the office sector, average rents for Grade A and B space in the second quarter of 2017 stabilised to S\$8.95 psfpm and S\$7.25 psfpm respectively, following eight quarters of consecutive decline. However, the rents registered declines of 5% on a yoy basis. As at the end of the second quarter of 2017, islandwide public and private office pipeline is approximately 7.3 million sq ft till 2021⁽¹³⁾. A more active leasing market has improved the pre-commitment levels for occupancy, and most of the leasing activity and interest was concentrated on developments in the Core CBD⁽¹⁶⁾. However, rents outside the Core CBD continue to come under downward pressure on the back of competition for tenants to backfill space vacated by occupiers upgrading to newer and better premises in the CBD⁽¹⁷⁾.

AUSTRALIA MARKET

The Australian economy is expected to strengthen gradually, as the transition of the economy from its reliance on the resource sector gains traction. Low interest rates are also lending support to the transitioning economy. The central bank has recently maintained its interest rates⁽¹⁸⁾ to manage the country's economic adjustment. Gross domestic product is expected to grow by 2.5% to 3.5% for the year to December 2017. For the quarter ended March 2017, the Australian economy recorded a 1.7% yoy growth on a seasonally-adjusted volume basis⁽¹⁸⁾. While retail sales inched up and employment data improved, the current outlook for consumption remains subdued owing to slow growth in wages and household debt⁽¹⁸⁾. For the 12 months to June 2017, retail sales in South Australia recorded a 4.2% yoy growth while Western Australia recorded a 0.4% yoy growth in seasonally adjusted terms⁽¹⁹⁾. In the retail scene, Australia is likely to continue to attract international brand entrants in 2017 owing to favourable macroeconomic conditions, population and consumption growth, as well as low international brand penetration of 28%⁽²⁰⁾. Mid-range fashion and specialist clothing brands are expected to increasingly contribute to brand entry over the next five years, and they tend to focus on CBD locations given their broad target market⁽²⁰⁾.

Adelaide Retail Market

In South Australia, retail sales have seen a sustained trend of above national average growth⁽¹⁹⁾, while rent growth in the CBD remained stable in the second quarter of 2017⁽²¹⁾. International brands such as Adidas, Levi's and Lululemon Athletica have been securing flagship stores along Rundle Mall recently⁽²²⁾. Clothing and footwear remains the key tenant type in Rundle Mall, accounting for nearly 40% of the tenants in the precinct⁽²²⁾.

MARKET OVERVIEW

Perth Retail Market

The retail environment for the resource-based economy remains challenging, on the back of lower than national average retail turnover, subdued wages and employment growth as well as a softening housing market⁽²³⁾. However, landlords of city centre retail spaces are taking this opportunity to commit to upgrading works⁽²⁴⁾. Raine Square and Forrest Chase, located in Murray Street Mall alongside SGREIT's Plaza Arcade, are currently being refurbished.

MALAYSIA MARKET

In the first quarter of 2017, Malaysia's economy remained resilient, recording a growth of 5.6% as the economy remains supported by the services, manufacturing and agriculture sectors, while private consumption was one of the main catalysts for growth⁽²⁵⁾. For the whole of 2017, the Malaysian economy is expected to remain on a steady growth path and achieve 4.3% to 4.8% growth⁽²⁶⁾. In Kuala Lumpur, the second phase of the Sungai Buloh-Kajang MRT line commenced in July 2017 and it is expected to serve 400,000 commuters daily⁽²⁷⁾. An entrance to the new Bukit Bintang MRT station is located in front of Lot 10, connecting commuters to the existing Bukit Bintang monorail station.

Malaysia Retail Market

Meanwhile, retail sales for the first quarter of 2017 have yet to recover from the impact of Goods & Services Tax and fell further by 1.2% yoy⁽²⁸⁾. While retail sales rose by 7.6% in the second quarter of 2017⁽²⁵⁾, trading conditions (including higher costs of goods and rising operating costs) remain tough for retailers and consumer sentiments remain cautious. In the fourth quarter of 2016, 2.03 million sq ft of new retail space was completed⁽²⁹⁾. Construction activity is robust with about 16.6 million sq ft of retail space in development and due to be completed by 2019⁽²⁹⁾ and the retail sector in Klang Valley is expected to be competitive in the next few years, although the majority of future mall supply is in the fringe of Kuala Lumpur.

Malaysia Tourism Market

In 2016, international visitor arrivals to Malaysia increased 4% to 26.8 million while tourism receipts rose 19% to RM82.1 billion⁽³⁰⁾, as the improvement is attributed to improved flight accessibility and currency depreciation. Tourism Malaysia is targeting 31.8 million in tourist arrivals with tourism receipts of RM118 billion for 2017⁽³⁰⁾.

CHINA RETAIL MARKET

Based on preliminary readings, China's GDP growth was maintained at 6.9% in the second quarter of 2017⁽³¹⁾, an uptick from the 6.7% growth in the previous corresponding period. In the first half of 2017, nationwide retail sales grew 10.3%⁽³¹⁾ while retail sales in Chengdu grew 11.2%⁽³²⁾. Chengdu's retail environment remains competitive as the city is among the top five global markets for shopping centre completions in 2016 with over 530,000 square metres of retail space completed in 2016⁽³³⁾, and another 330,000 square metres of new space in the first quarter of 2017⁽³⁴⁾.

JAPAN RETAIL MARKET

Japan's gross domestic product grew by an annualised 1%, according to revised figures⁽³⁵⁾. For the month of June 2017, retail sales grew 2.2% yoy⁽³⁵⁾, maintaining a steady positive trend for the second quarter of 2017. After mild softness, first floor rents in Tokyo have increased, continuing a stable trend despite short-term fluctuations⁽³⁶⁾. While investment volumes decreased significantly in 2016 due to a lack of opportunities, capitalisation rates continued to compress in selected areas, indicating that demand for prime retail assets remains sound⁽³⁶⁾.

Notes:

- ⁽¹⁾ Ministry of Trade and Industry Singapore, MTI Narrows 2017 GDP Growth Forecast to "2.0 to 3.0 Per Cent", 11 August 2017
- ⁽²⁾ Singapore Tourism Board, International Visitor Arrivals
- ⁽³⁾ Singapore Tourism Board, Tourism Sector Performance, Q1 2017 Report
- ⁽⁴⁾ Immigration & Checkpoints Authority, Extension of Validity of Multiple Journey Visa for Nationals of the People's Republic of China, 15 May 2015
- ⁽⁵⁾ Singapore Tourism Board, Year in Review, 14 February 2017
- ⁽⁶⁾ Singapore Tourism Board, CAG, SIA and STB sign new joint partnership, 17 April 2017
- ⁽⁷⁾ Singapore Tourism Board, Singapore Tourism Board and The Walt Disney Company Southeast Asia to Form Multi-Year Collaboration, 13 April 2017
- ⁽⁸⁾ Singapore Tourism Board, Tourism Industry Conference 2016 – Speech by Mr S Iswaran, Minister for Trade and Industry, 26 April 2016
- ⁽⁹⁾ Singapore Tourism Board, Annual Tourism Statistics 2015, 6 March 2017
- ⁽¹⁰⁾ Brandz™/Millward Brown Top 100 Most Valuable Global Brands 2017
- ⁽¹¹⁾ International Monetary Fund, World Economic Outlook, April 2017
- ⁽¹²⁾ CBRE, How Global is the Business of Retail, 2017
- ⁽¹³⁾ Urban Redevelopment Authority Singapore, Release of 2nd Quarter 2017 Real Estate Estimates, 28 July 2017
- ⁽¹⁴⁾ CBRE MarketView Singapore, Q1 2017
- ⁽¹⁵⁾ Department of Statistics Singapore, Retail Sales Index, Food & Beverage Services Index, 11 August 2017
- ⁽¹⁶⁾ CBRE MarketView Singapore, Q2 2017
- ⁽¹⁷⁾ Jones Lang LaSalle News Flash, URA 2Q17 Real Estate Statistics, 28 July 2017
- ⁽¹⁸⁾ Reserve Bank of Australia, Statement by Phillip Lowe, Governor: Monetary Policy Decision, 1 August 2017
- ⁽¹⁹⁾ Australia Bureau of Statistics
- ⁽²⁰⁾ CBRE Research, Asia Pacific Real Estate Market Outlook, Australia, 2017
- ⁽²¹⁾ CBRE MarketView, Australia Retail, Q2 2017
- ⁽²²⁾ Colliers, Retail, Research & Forecast Report, Australia, First Half 2017
- ⁽²³⁾ Jones Lang LaSalle, Perth Retail Market Overview, Q2 2017
- ⁽²⁴⁾ ABC News, Half-full or half-empty? What's Happening to Perth's Empty Shopfronts, 9 July 2017
- ⁽²⁵⁾ Department of Statistics Malaysia
- ⁽²⁶⁾ Bank Negara Malaysia, Outlook and Policy in 2017
- ⁽²⁷⁾ Mass Rapid Transit Corporation
- ⁽²⁸⁾ The Edge Malaysia, Malaysia's Retail Industry Records -1.2% Sales Growth in 1Q on Weak CNY Sales, 8 June 2017
- ⁽²⁹⁾ CBRE Research, Asia Pacific Real Estate Market Outlook, Malaysia 2017
- ⁽³⁰⁾ Tourism Malaysia
- ⁽³¹⁾ National Bureau Statistics of China
- ⁽³²⁾ Chengdu Bureau of Statistics
- ⁽³³⁾ CBRE, Global Shopping Centre Development, April 2017
- ⁽³⁴⁾ CBRE MarketView China, Q2 2017
- ⁽³⁵⁾ Ministry of Economy, Trade and Industry, Japan
- ⁽³⁶⁾ Savills, Spotlight, Japan Retail, April 2017

FINANCIAL REVIEW

FINANCIAL PERFORMANCE

GROUP	FY 2016/17 (S\$'000)	FY 2015/16 (S\$'000)	CHANGE (%)
Gross revenue	216,364	219,679	(1.5%)
Property expenses	(49,476)	(49,357)	0.2%
Net property income	166,888	170,322	(2.0%)
Non property expenses	(57,595)	(57,325)	0.5%
Net income before tax	109,293	112,997	(3.3%)
Change in fair value of derivative instruments	1,425	(6,487)	NM
Foreign exchange gain/(loss)	3,819	(11,610)	NM
Change in fair value of investment properties	(16,321)	77,973	NM
Gain/(Loss) on divestment of investment properties	770	(87)	NM
Impairment loss on intangible asset	-	(11,214)	(100.0%)
Total return for the period before tax and distribution	98,986	161,572	(38.7%)
Income tax	1,268	2,324	(45.4%)
Total return for the period after tax, before distribution	100,254	163,896	(38.8%)
Non-tax deductible/(chargeable) items and other adjustments	10,191	(47,394)	NM
Income available for distribution	110,445	116,502	(5.2%)
Income to be distributed to Unitholders	107,315	112,987	(5.0%)
Distribution per Unit	4.92 cents	5.18 cents	(5.0%)
Total operating expenses ⁽¹⁾	69,235	68,875	0.5%
Net asset value ⁽²⁾	2,009,346	2,017,551	(0.4%)
Total operating expenses to net asset value	3.4%	3.4%	NM

Notes:

⁽¹⁾ Total operating expenses mainly comprise property expenses, management fees and trust expenses, including all fees and charges paid to the Manager and Trustee.

⁽²⁾ Net assets as at 30 June 2017 and 30 June 2016 respectively.

Group revenue of S\$216.4 million for FY 2016/17 was 1.5% lower than S\$219.7 million achieved in FY 2015/16. NPI for the Group was S\$166.9 million, representing a decrease of 2.0% over the corresponding period, mainly due to lower contributions from Wisma Atria Property and Ngee Ann City Property (Office), as well as Myer Centre Adelaide, Plaza Arcade, China and Japan Properties, partially offset by stronger performance of Ngee Ann City Property (Retail), Malaysia Properties and David Jones Building.

Singapore Properties contributed 62.2% of total revenue, or S\$134.5 million in FY 2016/17, 0.2% higher than in FY 2015/16. NPI increased by 0.3% to S\$107.0 million for FY 2016/17, mainly due to the increase in base rent from Toshin master lease at Ngee Ann City Property (Retail) from June 2016 as well as the recognition of S\$1.9 million pre-termination rental compensation for a lease at Wisma Atria Property which has been filled up, partially offset by

lower occupancies for Singapore offices as well as lower average rents at Wisma Atria Property (Retail).

Australia Properties contributed 22.7% of total revenue, or S\$49.1 million in FY 2016/17, 1.6% lower than in FY 2015/16. NPI was S\$31.5 million, 4.9% lower than in FY 2015/16, mainly due to Plaza Arcade redevelopment works, lower revenue at Myer Centre Adelaide partly due to vacancies and outgoing adjustments, allowance for rent arrears, as well as higher expenses, partially offset by higher occupancy at David Jones Building and appreciation of A\$ against S\$.

Malaysia Properties contributed 12.6% of total revenue, or S\$27.3 million in FY 2016/17, 6.0% higher than in FY 2015/16. NPI was S\$26.4 million, 6.4% higher than in FY 2015/16, mainly due to extension of master leases at higher rental rates from June 2016, partially offset by depreciation of RM against S\$.

China and Japan Properties contributed 2.5% of total revenue, or S\$5.4 million in FY 2016/17. NPI was S\$1.9 million, 65.6% lower than in FY 2015/16, mainly in line with the mall repositioning at the China Property, loss of contributions from Roppongi Terzo and Harajuku Secondo which were divested in January 2016 and May 2017 respectively, as well as depreciation of RMB against S\$, partially offset by appreciation of JPY against S\$.

Non property expenses were S\$57.6 million in FY 2016/17, 0.5% higher than in FY 2015/16, mainly due to higher management fees and borrowing costs, partially offset by higher bank interest income earned in FY 2016/17.

Finance expenses for FY 2016/17 were S\$38.9 million, S\$0.2 million or 0.4% higher than in FY 2015/16. This was mainly due to interest cost incurred on the 10-year S\$70 million Series 004

FINANCIAL REVIEW

MTN issued in October 2016 and one-time write off of upfront borrowing costs following the repayment of loans in FY 2016/17, partially offset by full amortisation of the remaining capitalised premium on the interest rate caps in FY 2015/16 and lower interest costs on other existing borrowings for FY 2016/17.

Management fees for FY 2016/17 were S\$16.2 million, S\$0.3 million or 1.8% higher than in FY 2015/16, mainly in line with the higher average value of trust property during the current year.

Trust expenses for FY 2016/17 were S\$3.5 million, S\$0.1 million or 2.3% higher than in FY 2015/16. This was mainly due to higher expenses incurred by Australia Properties and Malaysia Properties.

The net gain on derivative instruments of S\$1.4 million for FY 2016/17 represents mainly the change in the fair value of interest rate swaps and caps entered into for the Group's borrowings, as well as foreign exchange forward contracts.

The net foreign exchange gain for FY 2016/17 arose mainly from the unrealised foreign exchange gain on the translation of JPY term loan, offset by realised foreign exchange differences from the settlement of forward contracts.

The change in fair value on investment properties of S\$16.3 million for FY 2016/17 represented the net revaluation loss on the Group's investment properties.

The gain on divestment for FY 2016/17 represented the difference between the net proceeds (including directly attributable costs) from divestment and the carrying amount of Harajuku Secondo divested in May 2017 (January 2016: loss on divestment of Roppongi Terzo).

The impairment loss on intangible asset for FY 2015/16 represented the impairment of goodwill arising from acquisition of Top Sure Investment Limited recorded in June 2016 and determined based on the difference between carrying amount and the recoverable amount.

The variance in income tax credit was mainly attributed to lower deferred tax reversal arising from downward revaluation of the China Property as well as withholding tax payment for the Malaysia Properties in FY 2016/17, partially offset by lower corporate tax and withholding tax provisions for China Property and lower withholding tax provision for the Australia Properties.

Income available for distribution for FY 2016/17 was S\$110.4 million, a decrease of S\$6.1 million or 5.2% over FY 2015/16. Income to be distributed to the Unitholders for FY 2016/17 was S\$107.3 million, a decrease of S\$5.7 million or 5.0% over FY 2015/16, mainly due to lower NPI, the effects of straight-lining rent adjustments and withholding tax for Malaysia income.

Total DPU for FY 2016/17 was 4.92 cents, representing a decrease of 5.0% over DPU of 5.18 cents achieved in FY 2015/16.

ASSETS AND LIABILITIES

The Group's total assets as at 30 June 2017 were S\$3,219.4 million, representing a decrease of approximately S\$2.7 million or 0.1%, compared to S\$3,222.2 million as at 30 June 2016, mainly due to the decrease in trade and other receivables. The Group's portfolio of 11 prime properties across five countries was independently revalued at S\$3,136.3 million as at 30 June 2017 (June 2016: 12 properties, S\$3,136.6 million), resulting in a net revaluation loss of S\$16.3 million for the current year. The lower portfolio valuation was mainly due to downward revaluation of the China Property (following the conversion to a single tenancy model) and the Malaysia Properties (softer retail outlook and new upcoming supply), as well as the divestment of Harajuku Secondo. The decrease was partially offset by upward revaluation of the Australia Properties and Singapore Properties, as well as positive net movement in foreign currencies in relation to the overseas properties. The fair values of the properties include capital expenditure incurred and straight-line rental adjustments during the current year. The geographic breakdown of the portfolio by asset value as at 30 June 2017 was as follows: Singapore 68.5%, Australia 17.2%,

Malaysia 11.4%, Japan 1.9%, and China 1.0%.

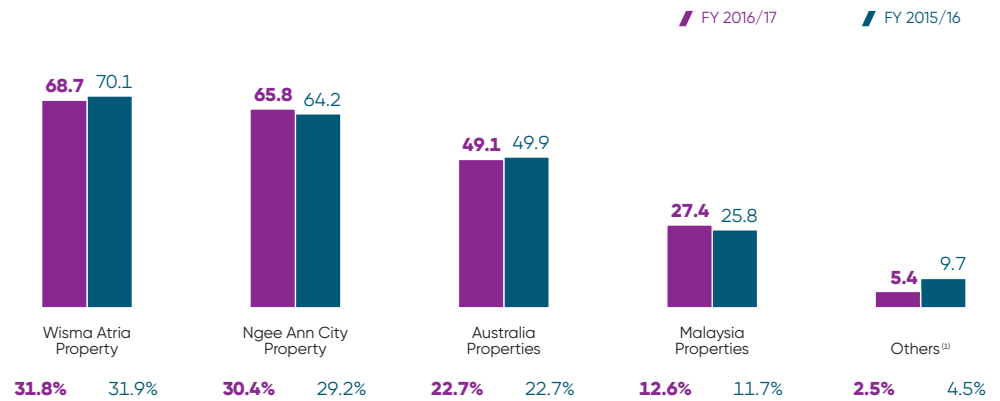
The Group's total liabilities as at 30 June 2017 were S\$1,210.1 million, representing an increase of S\$5.5 million or 0.5%, compared to S\$1,204.6 million as at 30 June 2016, mainly due to increase in borrowings, partially offset by decrease in deferred tax liabilities, and trade and other payables. The net increase in total borrowings was mainly due to the issuance of S\$70 million Series 004 MTN, partially offset by the net repayment of RCF of S\$2 million, S\$10.1 million (JPY0.8 billion) of JPY loan and S\$50 million of term loan during the current year. The decrease in deferred tax liabilities was mainly due to the downward revaluation of China Property. Gearing increased slightly from 35.0% as at 30 June 2016 to 35.3% as at 30 June 2017.

The Group's net asset value as at 30 June 2017 was S\$2,009.3 million (NAV per Unit of S\$0.92), representing a decrease of approximately S\$8.2 million or 0.4%, compared to S\$2,017.6 million (NAV per Unit of S\$0.92) as at 30 June 2016.

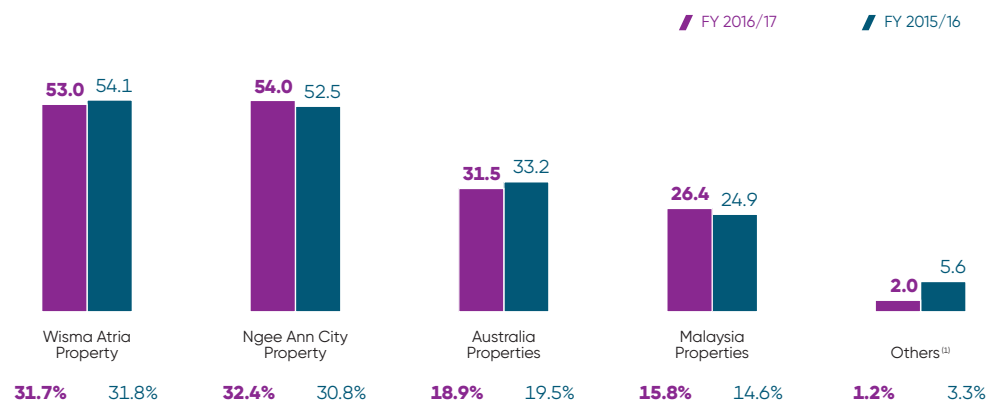
CASH FLOW

Total net cash inflow (excluding effects of exchange rate differences) for FY 2016/17 was S\$0.1 million, largely comprising cash flows generated from operating activities of S\$141.1 million, partially offset by cash outflow from financing activities of S\$137.9 million and investing activities of S\$3.1 million. Cash outflows from financing activities comprised mainly repayment of borrowings and distributions paid to Unitholders, partially offset by proceeds from borrowings. The cash outflow from investing activities related mainly to capital expenditure on investment properties, partially offset by net proceeds on divestment of Harajuku Secondo in May 2017.

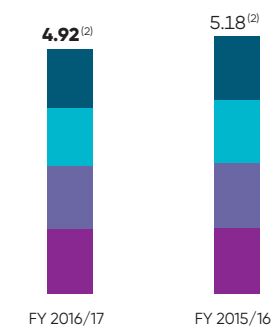
GROSS REVENUE (S\$ MILLION)



NET PROPERTY INCOME (S\$ MILLION)

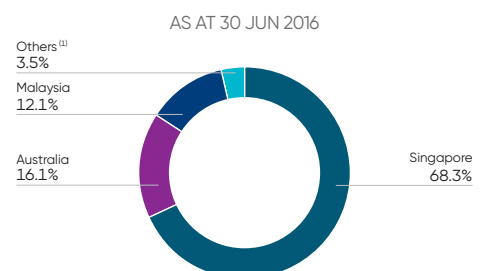
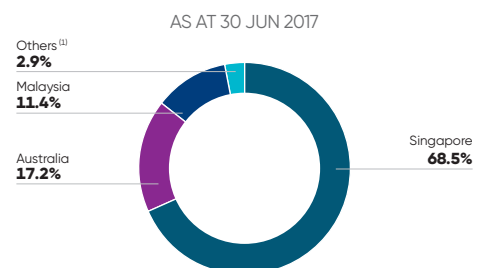


DISTRIBUTION PER UNIT (CENTS)



	FY 2016/17	FY 2015/16
1Q	1.30	1.31
2Q	1.26	1.32
3Q	1.18	1.26
4Q	1.18	1.29
Total	4.92	5.18

ASSET VALUE BY COUNTRY



Notes:

⁽¹⁾ Others comprise of one property in Chengdu, China and three (FY 2015/16: four) properties in Tokyo, Japan as at 30 June 2017.

⁽²⁾ The computation of DPU for FY 2016/17 and FY 2015/16 was based on number of units entitled to distributions comprising 2,181,204,435 units in issue.

CAPITAL MANAGEMENT

PRUDENT CAPITAL MANAGEMENT TO OPTIMISE UNITHOLDERS' RETURNS

Starhill Global REIT's main objective when managing capital is to optimise Unitholders' returns through a mix of available capital sources. The Group monitors capital on the basis of both the gearing ratio and interest service coverage ratio 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.

In August 2016, the Group issued five-year Series 3 Japan bond of JPY0.8 billion (maturing in August 2021). The proceeds of issuance were used to redeem the Series 2 Japan bond of JPY0.8 billion ahead of its maturity in November 2016.

In October 2016, the Group issued S\$70 million unsecured 10-year 3.14% Series 004 MTN (maturing in October 2026) under its S\$2 billion Multicurrency MTN Programme. S\$50 million of the net proceeds were used in December 2016 to prepay part of the S\$250 million term loan maturing in September 2018, while the balance was used to meet capital expenditure requirements and/or for working capital purposes.

In November 2016, JPY0.8 billion of the remaining JPY5.2 billion term loan was prepaid using sales proceeds from the divestment of Roppongi Terzo.

In June 2017, the Group entered into an agreement with the same bank for an approximately four-year secured term loan facility of A\$145 million to refinance its existing loan of the same amount in November 2017, ahead of its maturity in May 2018.

In July 2017, the Group entered into an unsecured facility agreement with a club of seven banks, comprising (a) four-year term loan facility of S\$200 million; (b) five-year term loan facility of S\$260 million; and (c) five-year revolving credit facilities of S\$240 million (of which S\$50 million is uncommitted), which will be used to refinance the existing unsecured S\$250 million and S\$200 million term loans in September 2017, ahead of

their respective maturities in June 2018 and September 2018, with the balance available for working capital purposes.

Following the above early refinancing of the S\$ and A\$ term loans, the average debt maturity profile will be lengthened from 2.6 years as at 30 June 2017 to approximately 4.5 years and Starhill Global REIT would have no significant refinancing requirement until June 2019.

In July and August 2017, the Group has prepaid JPY350 million term loan and JPY55 million Series 3 Japan bond respectively using the net proceeds from the divestment of Harajuku Secondo in May 2017.

As at 30 June 2017, Starhill Global REIT's outstanding debt stood at approximately S\$1,137 million with a gearing ratio of 35.3%, and approximately S\$2.3 billion (73%) of the Group's investment properties

are unencumbered, enhancing its financial flexibility. The Manager intends to continue with its prudent capital management.

Starhill Global REIT's current financial risk management policy is described in greater details below.

INTEREST RATE RISK MANAGEMENT

In order to protect the Group's earnings from interest rate volatility and provide stability to Unitholders' returns, Starhill Global REIT hedges substantially its interest rate exposure within the short to medium term by using fixed rate debt and interest rate derivatives including interest rate swaps and caps.

As at 30 June 2017, Starhill Global REIT hedged about 99% of its debt, of which 88% were hedged by a combination of fixed rate debt and interest rate swaps, and the remaining 11% were hedged using

DEBT GEARING AND HIGHLIGHTS

AS AT 30 JUN 2017

SGD term loans	S\$450m
JPY term loan	S\$54m
SGD RCF	S\$3m
Singapore MTNs	S\$295m
Malaysia MTN	S\$105m
Australia term loans	S\$220m
Japan bond	S\$10m
Total Debt	S\$1,137m
Gearing ratio ⁽¹⁾	35.3%
Fixed/hedged debt ratio ⁽²⁾	99%
Unencumbered assets ratio	73%
Interest cover for the year ended 30 June 2017	4.2x
Weighted average interest rate per annum ⁽³⁾	3.16%
Starhill Global REIT corporate rating:	
- Standard & Poor's ⁽⁴⁾	BBB+

Notes:

⁽¹⁾ Based on consolidated deposited property.

⁽²⁾ Including interest rate derivatives such as interest rate swaps and caps.

⁽³⁾ As at 30 June 2017. Includes interest rate derivatives but excludes upfront costs.

⁽⁴⁾ Standard & Poor's has affirmed its "BBB+" rating in March 2017, with a stable outlook.

interest rate caps. The weighted average interest rate was approximately 3.16% per annum as at 30 June 2017. The interest service coverage ratio was a healthy 4.2 times for the year ended 30 June 2017. The Manager intends to continue to secure diversified funding sources from both financial institutions and capital markets when opportunities arise, while keeping Starhill Global REIT's ongoing cost of debt competitive.

FOREIGN EXCHANGE RISK MANAGEMENT

As at 30 June 2017, Starhill Global REIT is exposed to foreign exchange risk arising from its investments in Australia, Malaysia, China and Japan. The income generated from these investments and net assets are denominated in foreign currencies. In managing its currency risks associated with its foreign

investments, Starhill Global REIT has adopted the following income and capital hedging strategies.

Income hedging

Starhill Global REIT's core portfolio is largely based in Singapore, which contributed approximately 62% of its revenue for the year ended 30 June 2017. Starhill Global REIT actively monitors the exchange rates and assesses hedging on a case-by-case basis. The impact of the volatility in the foreign currencies mainly Australian dollar and Malaysian Ringgit on its distributions has been partially mitigated by having foreign currency denominated borrowing as a natural hedge, and short-term foreign currency forward contracts.

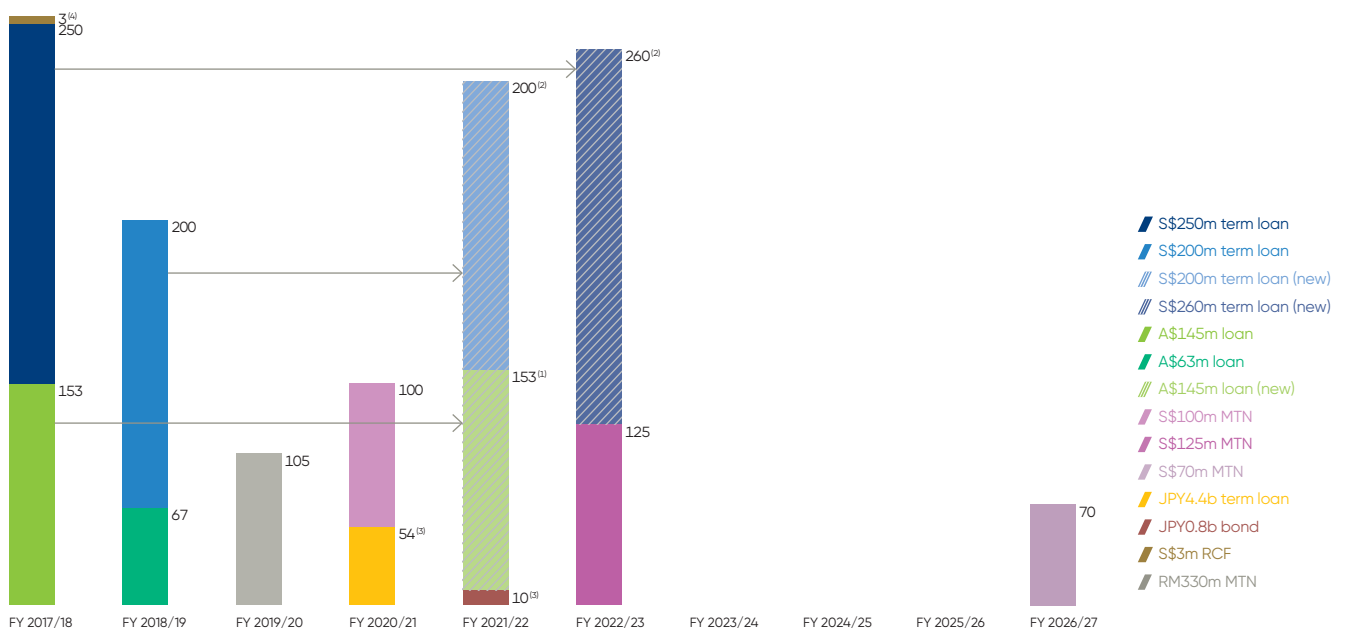
Capital hedging

In managing the currency risks associated with the capital values of Starhill Global REIT's overseas assets,

borrowings are denominated in the same currency as the underlying assets to the extent feasible, to provide a natural currency hedge. As the investments in overseas assets are generally long term in nature, the remaining net positions of the foreign exchange risk on such investments are not hedged.

DEBT MATURITY PROFILE

AS AT 30 JUN 2017 (S\$ MILLION)



Notes:

⁽¹⁾ In June 2017, the Group has secured the refinancing of its A\$145 million loan with the same bank ahead of its maturity in May 2018. The utilisation is expected to take place in November 2017, which will extend the maturity to November 2021.

⁽²⁾ In July 2017, the Group has secured the refinancing of its S\$250 million and S\$200 million loans ahead of their respective maturities in June 2018 and September 2018. The utilisation of the new facilities with a club of seven banks, comprising four and five year tranches, are expected to take place in September 2017.

⁽³⁾ In July and August 2017, the Group has prepaid JPY350 million term loan and JPY55 million Series 3 Japan bond respectively using the net proceeds from the divestment of Harajuku Secondo in May 2017.

⁽⁴⁾ The Group has fully repaid the outstanding short-term RCF of S\$3 million in July 2017.

RISK MANAGEMENT

The Manager has put in place an enterprise risk management framework for Starhill Global REIT, comprising procedures and protocol to identify and initiate mitigation of enterprise risks which may arise in the management and operations of Starhill Global REIT, particularly in the areas of asset acquisitions, asset integration, financial risk management, and workplace safety and health. To address each of these areas, the Manager has adopted policies and/or hired or designated staff with specific expertise in that area, and continues to assess the potential impact of risks which may arise and the necessary response or process to effectively mitigate those risks.



ASSET ACQUISITION PROCESS

Prior to any new acquisition, each of the key risks attributable to the acquisition or the subsequent management of the asset is assessed. Functional heads in the Manager are responsible for this process. The Board is made aware of all key risks considered and that these have been addressed or mitigated appropriately.



ASSET INTEGRATION PROCESS

Following every successful acquisition, it is imperative that each asset is quickly integrated into Starhill Global REIT's existing portfolio, from financial, operational and compliance perspectives. This process is activated before the closing of each acquisition, and completed as soon as practicable thereafter.



WORKPLACE SAFETY AND HEALTH

The Manager complies in all material respects with the Singapore's Workplace Safety and Health Act. We have also put in place appropriate fire safety practices for the Singapore assets of Starhill Global REIT. For more information on workplace health and safety, please refer to page 70 of this Annual Report.



FINANCIAL RISK MANAGEMENT POLICY

Starhill Global REIT'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 rates and foreign currency risks. Where appropriate, the Manager may hedge against the volatility of interest rates, foreign currency net income and foreign currency investments. Starhill Global REIT 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 Starhill Global REIT's activities.

The policies contain the parameters and processes for managing these risks, and define the roles and responsibilities of those who manage the process. For more information on financial risk management, please refer to pages 128 to 134 of this Annual Report.



BUSINESS CONTINUITY PLANNING

The Manager has developed a plan to address the impact and recovery of unforeseen disruptions or emergency circumstances to its business and operations. Key areas such as information technology, finance, regulatory compliance, vital record storage and recovery are addressed, to ensure smooth continuation of the Manager's and the Property Manager's essential business operations, in the event of a major disruption or contingency.



OPERATIONAL RISK SELF ASSESSMENTS (ORSA)

The Manager has an ORSA protocol to ensure a regular review and assessment of the internal processes which have been implemented under the enterprise risk management framework. The Manager periodically conducts ORSA to assess the key risks and controls identified. This process also ensures that adequate resources are allocated to mitigate these risks.



RISK REPORTING

The Manager actively assesses and manages legal and compliance risks for Starhill Global REIT. Such risks may arise in each of the various jurisdictions Starhill Global REIT has assets located in, with the application of different laws and regulatory requirements, the enforceability of counterparty obligations and/or changes to applicable laws and regulations. Quarterly reports are made to the Manager's Audit Committee (on an exceptions basis), and the Board is regularly updated on all such matters.



WHISTLE BLOWING POLICY

The Board has established a whistle blowing policy, pursuant to which employees and any other persons may, in confidence, raise concerns about potential or actual improprieties in financial or other operational matters, so as to facilitate independent investigations of such matters and ensure that appropriate remedial and follow-up action is taken. On an ongoing basis, the whistle blowing policy is covered during staff orientation to promote fraud awareness.

INVESTOR RELATIONS AND COMMUNICATIONS

Starhill Global REIT keeps Unitholders and the financial community abreast of its latest developments and strategic direction through equitable, timely and effective communications. The Manager employs communication channels such as announcements, press releases, briefing sessions, investor presentations, annual reports, corporate video, corporate website and emails to disseminate information on its financial and operational performance, business plans and latest developments.

The Manager is active in engaging investors and analysts through regular meetings, property tours and attending conferences both locally and overseas throughout the year. In FY 2016/17, the Manager participated in a number of investor conferences and roadshows in Singapore, Hong Kong, Japan and Korea. As at 30 June 2017, Starhill Global REIT is covered by a total of 11 research houses. Starhill Global REIT is a component stock of FTSE ST REIT Index.

The Manager continues to be proactive in reaching out to Unitholders, prospective investors and analysts. It is committed to sharing accurate information with the investing public in a timely manner.

RESEARCH COVERAGE

- CIMB Research
- Daiwa Securities Capital Markets
- DBS Vickers Research
- Macquarie Capital Securities
- Maybank Kim Eng Research
- Nomura
- OCBC Securities
- Religare Capital Markets
- RHB Research
- UBS Investment Research
- UOB Kay Hian Research

FY 2016/17

INVESTOR RELATIONS ACTIVITIES

1Q FY 2016/17

(1 Jul to 30 Sep 2016)

- Release of FY 2015/16 financial results and analysts' results briefing
- Release of FY 2015/16 Annual Report
- Post-FY 2015/16 financial results investors' lunch hosted by Macquarie
- Macquarie ASEAN Conference, Singapore
- UBS Hong Kong Corporate Access Day, Hong Kong

2Q FY 2016/17

(1 Oct to 31 Dec 2016)

- Release of 1Q FY 2016/17 financial results
- Annual General Meeting

3Q FY 2016/17

(1 Jan to 31 Mar 2017)

- Release of 2Q FY 2016/17 financial results
- Post-2Q FY 2016/17 financial results investors' lunch hosted by Religare
- SGA-CLSA-REITAS S-REITs Corporate Day, Seoul
- RHB-Okasan REITs Conference, Tokyo

4Q FY 2016/17

(1 Apr to 30 Jun 2017)

- Release of 3Q FY 2016/17 financial results
- Post-3Q FY 2016/17 financial results investors' lunch hosted by DBS
- Citibank ASEAN C-Suite Forum 2017, Singapore

UNITHOLDERS' ENQUIRIES

If you have any enquiries or would like to find out more about Starhill Global REIT, please contact:

THE MANAGER

YTL Starhill Global REIT Management Limited

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#21-08 Ngee Ann City Tower B
Singapore 238874
Phone: +65 6835 8633
Fax: +65 6835 8644
Email: info@ytlstarhill.com
Website: www.starhillglobalreit.com

THE UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.

50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Phone: +65 6536 5355
Fax: +65 6438 8710
Website: www.boardroomlimited.com

For depository-related matters such as change of details pertaining to Unitholders' investment records, please contact:

UNITHOLDER DEPOSITORY

The Central Depository (Pte) Limited

9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138588
Phone: +65 6535 7511
Fax: +65 6535 0775
Email: asksgx@sgx.com
Website: www1.cdp.sgx.com

SUSTAINABILITY REPORT

BOARD STATEMENT

We are pleased to present our inaugural sustainability report. This report is being published ahead of the effective date of the new reporting requirements mandated by SGX, and demonstrates Starhill Global REIT's (SGREIT) emphasis on sustainability and our ongoing commitment towards creating a sustainable business model.

Our sponsor, YTL Corporation Berhad (YTL), promotes sustainable business practices amongst its businesses and stakeholders, and continues to search and implement proactively the pillars of its sustainability strategy. As a signal of its commitment towards sustainable development, YTL pledged its support for the United Nations' Sustainable Development Goals alongside other global firms, underscoring YTL's commitment towards sustainable development. YTL's sustainability framework – Marketplace, Environment, Our People and Community, serves as a guidance for the future sustainability direction and reporting processes of SGREIT.

The Board recognises that adopting best practices in the environment, social and governance (ESG) aspects of our business are fundamental in building resilient and sustainable business operations and performance for the long term. In formulating its business strategies, the Board has considered sustainability issues and together with the management team, has determined the material ESG factors for SGREIT.

As we continue our sustainability journey, we will progressively add metrics and targets that are material to our business and will provide more insights in our next report.

SUSTAINABILITY REPORT /

Board Statement / **60**

About this Report / **61**

Sustainability at
Starhill Global REIT / **62**

Embracing the Marketplace / **64**

Environment Conservation / **65**

Empowering Our People / **70**

Enriching Communities / **73**

GRI content index for
'in accordance' – Core / **74**



ABOUT THIS REPORT

SCOPE OF THE REPORT

The scope of this report covers the financial year from 1 July 2016 to 30 June 2017. The report has been prepared in accordance with the Global Reporting Initiative (GRI) G4 Guidelines – Core, and the GRI Construction and Real Estate Sector Supplement (CRESS).

Unless otherwise stated, the report covers the ESG performance of SGREIT's properties across its core portfolio of properties in Singapore, Australia and Malaysia, with FY 2015/16 data for comparison, where available. Environmental performance pertains only to the common areas within SGREIT's properties which are actively managed by the property managers, and where the Manager (YTL Starhill Global REIT Management Limited) has the ability to monitor and influence the efficiency of utilities.

The environmental performance of the report does not include master-tenanted areas and long-term leases over which SGREIT does not have operational control, namely Toshin at Ngee Ann City Property, Myer department store at Myer Centre Adelaide and David Jones department store at David Jones Building. The data presented includes the master-tenanted properties in Malaysia which is under a master lease with Katagreen Development Sdn Bhd, an indirect wholly-owned subsidiary of YTL, but excludes the data on the remaining space at Ngee Ann City Property whereby the common areas of the Property are not within the operational

control of SGREIT. The data on waste for Singapore encompasses Wisma Atria under the Management Corporation Strata Title. This includes Wisma Atria Property which is owned and managed by SGREIT, as well as Isetan's own strata space. The data on recycled waste for Malaysia refers to its used cooking oil while data on the total waste for Malaysia is not available.

The Product Responsibility and Human Capital performance indicators pertain only to the Manager and the Property Manager (YTL Starhill Global Property Management Pte. Ltd) in Singapore. Data on the Manager's workforce is reported in relation to the Manager in Singapore and does not include the small team in China. Countries which account for less than 5% of revenue and not deemed strategic were not included in the scope of reporting. Please refer to figure 1 for the summarised report scope.

This report forms part of SGREIT's Annual Report FY 2016/17 and can be viewed or downloaded from www.starhillglobalreit.com. We aim to provide a clear and comprehensive representation of our annual progress creating economic, environmental and social value by addressing the interests of our stakeholders. As part of our continued efforts to improve our reporting, we welcome stakeholders to submit their comments and feedback to info@ytlstarhill.com.

This Sustainability Report will be published annually to report on the performance and strategy on issues that are key to our stakeholders.

FIGURE 1: PROPERTIES IN SCOPE FOR THE REPORT

PORTFOLIO BY COUNTRY	ENVIRONMENTAL	PRODUCT RESPONSIBILITY	COMMUNITY	HUMAN CAPITAL
SINGAPORE				
Wisma Atria Property	■	■	■	■
Ngee Ann City Property ⁽¹⁾		■	■	■
AUSTRALIA				
Myer Centre, Adelaide ⁽¹⁾	■		■	
David Jones Building, Perth ⁽¹⁾	■		■	
Plaza Arcade, Perth	■		■	
MALAYSIA				
Starhill Gallery, Kuala Lumpur	■		■	
Lot 10 Property, Kuala Lumpur	■		■	
JAPAN				
Daikanyama ^{(2) (3)}		N.A.		
Ebisu Fort ^{(2) (3)}		N.A.		
Nakameguro Place ^{(2) (3)}		N.A.		
CHINA				
China Property ^{(2) (4)}		N.A.		

Notes:

⁽¹⁾ Data presented does not include the master-tenanted areas and long-term leases which SGREIT does not have operational control, namely Toshin at Ngee Ann City Property, Myer department store at Myer Centre Adelaide and David Jones department store at David Jones Building. The data presented includes the master-tenanted properties in Malaysia which is under a master lease with Katagreen Development Sdn Bhd, an indirect wholly-owned subsidiary of YTL but excludes the data on the remaining space at Ngee Ann City Property.

⁽²⁾ Countries which account for less than 5% of revenue and not deemed strategic are not included in the scope of reporting.

⁽³⁾ Beneficially owned by Starhill Global REIT One TMK.

⁽⁴⁾ Held by Renhe Spring Department Store Co., Ltd.

SUSTAINABILITY REPORT

SUSTAINABILITY AT STARHILL GLOBAL REIT

OUR APPROACH TO SUSTAINABILITY

Our sustainability programme is aligned with the strategic sustainability directives of SGREIT's sponsor, YTL. Led by the CEO of YTL Starhill Global REIT Management Limited, the Manager of SGREIT, Mr Ho Sing, the SGREIT Group Sustainability Committee (GSC)

which comprises key representatives from the Manager and the Property Manager in Singapore, was established to facilitate the embedding of sustainable practices within the organisation. We are dedicated to our Group's core values of integrity, client commitment,

strive for profitability, fulfilment for our people, teamwork and maintaining the highest standards. We remain focused on our sustainability framework as indicated below which is derived from the materiality issues selected following the assessment made by the GSC (refer to figure 3):



EMBRACING THE MARKETPLACE

- Corporate Governance
- Anti-Corruption and Whistle-Blowing
- Risk Management
- Health and Safety
- Personal Data Security
- Tenant Satisfaction
- Unitholder Communications



ENVIRONMENT CONSERVATION

- Sustainable Certification of our Properties
- Energy Efficiency
- Water Conservation
- Waste Management



EMPOWERING OUR PEOPLE

- Well-balanced Workplace – Health & Safety
- Fair Employment
- Employee Well-Being and Engagement
- Talent Management



ENRICHING COMMUNITIES

- Local Communities

STAKEHOLDER ENGAGEMENT

Our stakeholders are important to us. Engagement with our stakeholders is an integral aspect of our business and long-term sustainability goals. We engage our stakeholders regularly through various communication platforms seeking to address their issues and concerns while we strive to build lasting relationships.

STAKEHOLDER GROUPS	PURPOSE & GOAL	MODES OF ENGAGEMENT	KEY CONCERNS RAISED BY STAKEHOLDER GROUP
Tenants	<ul style="list-style-type: none"> • Provide a comfortable and safe environment and quality tenant mix • Collaborative efforts with tenants to drive business at the mall 	<ul style="list-style-type: none"> • Joint promotional and strategic partnerships • Tenant satisfaction survey 	<ul style="list-style-type: none"> • Create a conducive mall environment • Differentiated tenant mix • Stable shopper traffic
Investors	<ul style="list-style-type: none"> • Provision of accurate information to the investing public through timely communication 	<ul style="list-style-type: none"> • Dedicated Investor Relations section on the company's website • SGXNET announcements • Annual General Meeting • Annual report • Results briefings to analysts, investors and media • Meetings with investors, roadshows and conferences • Mall tours upon requests • Corporate video 	<ul style="list-style-type: none"> • Access to high quality real estate investment • Business performance and strategy • Sustainable delivery of returns
Shoppers	<ul style="list-style-type: none"> • Identifying shoppers' needs and improving their shopping experience at the mall 	<ul style="list-style-type: none"> • Marketing and promotional programmes and events • Online and mobile platforms • Social media 	<ul style="list-style-type: none"> • Create a conducive mall environment • Differentiated tenant mix • Stable shopper traffic
Employees	<ul style="list-style-type: none"> • Inclusive environment with enhanced wellbeing and productivity, with potential and opportunities to develop skills 	<ul style="list-style-type: none"> • Weekly department meetings • Annual performance appraisals • Recreational and team building activities • Training courses • Employment incentives 	<ul style="list-style-type: none"> • Communicating business strategy and developments • Reward and recognition • Training and career development • Employee wellness activities
Partners (Government, Regulators, Suppliers)	<ul style="list-style-type: none"> • Compliance with government policies, rules and regulations • Fair and reasonable treatment 	<ul style="list-style-type: none"> • Regular meetings, feedback and correspondences 	<ul style="list-style-type: none"> • Sharing of best practices • Compliance with rules and regulations
Community	<ul style="list-style-type: none"> • Contribute to the communities we operate in 	<ul style="list-style-type: none"> • Corporate social responsibility programme 	<ul style="list-style-type: none"> • Environment • Employee philanthropy

MATERIALITY ASSESSMENT

Determining materiality helps us identify and prioritise our efforts.

The GSC undertook a materiality assessment to define the key material issues for SGREIT. Guided by independent sustainability consultants, the assessment took reference to international standards from GRI G4 Guidelines and the GRI CRESS. A list of six material issues has been identified and assessed by key representatives from the Manager and Property Manager in Singapore (refer to figures 2 and 3).

The Manager regularly takes into consideration key issues that would interest stakeholders surfaced from its member representations in strategic associations including the REIT Association of Singapore, Investor Relations Professionals Association (Singapore) as well as engagement with government agencies and regulators including

Building and Construction Authority, Monetary Authority of Singapore, Singapore Exchange Limited and Urban Redevelopment Authority of Singapore. The Property Manager is a member of the Orchard Road Business Association.

In Adelaide, the Centre Manager of Myer Centre Adelaide serves as a main contact for the Adelaide City Council, and a designated officer, Executive Manager, Public Realm, serves as a main point of contact on general issues. Myer Centre Adelaide is associated with the Rundle Mall Management Authority which focuses on promoting the Rundle Mall precinct.

The Malaysia Properties are members of the Bukit Bintang Kuala Lumpur City Centre (BBKLCC) Tourism Association which works with selected malls within the precinct to promote shopping tourism.

FIGURE 2: MATERIALITY MATRIX

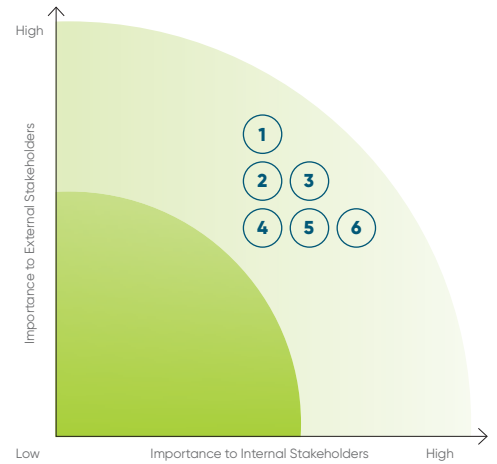


FIGURE 3: MATERIAL ISSUES SELECTED FOR SUSTAINABILITY REPORTING

NO.	CATEGORY	ESG ISSUES	MAPPED TO GRI ASPECTS
1	Economic Performance	Economic and financial contribution to the business and SGREIT stakeholders	• Economic Performance
2	Governance	Corporate Governance	• Anti-corruption
		Business Ethics	• Ethics and Integrity
3	Environment	Energy use and conservation	• Energy
		Water use and conservation	• Water
		Waste Management	• Effluents and Waste
4	Product Responsibility	Health and Safety Protection of General Public and adjacent communities	• Customer Health and Safety
		Sustainable certification of properties	• Unmapped to GRI G4 ⁽¹⁾
5	Community	Employment practices (fair employment practices, well-being and engagement)	• Employment • Training and Education (Unmapped to GRI G4 ⁽¹⁾)
		Enriching Communities	• Unmapped to GRI G4 ⁽¹⁾
		Security of Information	• Customer Privacy
6	Stakeholder Relations	Stakeholder communications	• Product and Service Labelling

Note:

⁽¹⁾ There is no corresponding aspect for this ESG topic under the GRI G4 Guidelines.

SUSTAINABILITY REPORT



EMBRACING THE MARKETPLACE

OUR APPROACH

- Delivering profitable and sustainable business growth through effective compliance and risk management
- Operating our business responsibly with accountability
- Strengthening responsible stewardship of our assets, products and services

CORPORATE GOVERNANCE

The Manager believes that strong and effective corporate governance is essential in protecting the interests of the Unitholders of SGREIT and is critical to the success of its performance as the Manager. The Manager is committed to the highest standards of corporate governance and transparency in the management of SGREIT and operates in the spirit of the Code of Corporate Governance 2012 in the discharge of its responsibilities as Manager. For more details on SGREIT's Corporate Governance, please refer to pages 76 to 88 of this Annual Report.

ANTI-CORRUPTION AND WHISTLEBLOWING

SGREIT maintains a zero-tolerance stance towards corruption. The Manager has implemented an anti-corruption policy which provides specific guidance on anti-corruption practices (such as the prohibition on bribery), and sets out the procedures to follow for specific circumstances such as the provision and/or accepting of gifts, donations and entertainment. The policy also sets out specific principles and practices in place to prevent, detect and report instances of corruption, bribery and extortion.

In conjunction with SGREIT's zero-tolerance stance towards corruption, the Manager has also established a whistleblowing policy, pursuant to which employees and any other persons may, in confidence, raise concerns about potential or actual improprieties in financial or other operational matters, so as to facilitate independent investigations of such matters and ensure that appropriate remedial and follow-up action is taken.

In FY 2016/17, there were no reported cases of material non-compliance with any laws and regulations (including anti-corruption laws).

RISK MANAGEMENT

Effective risk management is a fundamental part of SGREIT's business strategy. Recognising and managing risk is central to the business and to protecting Unitholders' interests and value. The Manager has in place an enterprise risk management (ERM) framework and policies approved by the Board that provide a structured approach to identifying and managing the material risks that could arise in the course of managing SGREIT.

For more details on SGREIT's Risk Management, please refer to page 58 of this Annual Report.

Supply Chain

Our supply chain includes our property managers, tenants and suppliers for various services. Our tenants and suppliers are selected for their reputation, track records and expertise in their field. In addition, compliance with local government and legal requirements is a criterion for appointed contractors and service providers. For engagements that are complex or entail high financial risks, due diligence is carried out to ascertain their financial standing and track record for heightened risk.

HEALTH AND SAFETY

SGREIT is committed to upholding high standards of health, hygiene and safety standards for our tenants and shoppers alike. The Manager and Property Managers are committed to giving their best efforts in providing a safe and healthy environment within our properties. The Manager

complies with all material aspects with the Singapore Workplace Safety and Health Act. We have also put in place appropriate fire safety measures and standard operating procedures with appropriate response plans in preparation for fire evacuation and emergencies. Properties in Singapore are managed by property management teams who are trained in first aid. The properties are also subject to fire safety audits. Fire and evacuation drills are conducted once a year for both the malls and office blocks in Singapore, Australia and Malaysia to familiarise tenants and staff with the emergency response plans. In Adelaide, all staff are trained in emergency procedures, and an annual inspection on fire and emergency controls is carried out by an external consultant for compliance. Myer Centre Adelaide hosts the monthly Adelaide CBD BusinessWatch meetings whereby the various security divisions and the South Australia Police Division get together with representatives from major organisations to discuss issues relating to security, safety, threats and risks, enabling a strong working relationship between the centre management and South Australia Police Division.

In October 2016, an incipient fire broke out within a tenant's premises at Wisma Atria. Shoppers and tenants at the mall were immediately evacuated and the Property Manager worked closely with the Singapore Civil Defence Force in ensuring the safety of shoppers and tenants at the mall. After investigation, the incipient fire was found to be accidental and of electrical origin, and a Building Structure Inspectorate from the Building Construction Authority was on site to verify that the structural integrity of the building was not affected, with no damage to the common area of the mall. The new electrical installation for the unit was inspected and cleared by an officer from Singapore Power Group.

On 28 September 2016, Myer Centre Adelaide was closed for operations for the day as the state of Adelaide, South Australia was affected by a state-wide power loss following severe storms which destroyed the city's critical infrastructure. The centre was evacuated and closed until power was restored the following day.

On 3 March 2017, the mall was affected momentarily by a state-wide power spike. Power was restored almost immediately and the mall was able to reset and regain its power services very quickly, causing minimal disruption to the mall operations.

Personal Data Security

The Manager and Property Manager in Singapore place utmost importance on the security of personal data in compliance with the Singapore Personal Data Protection Act 2012 (PDPA). The Manager has a personal data protection policy in place which sets out the approach for both the Manager and the Property Manager in Singapore in achieving compliance with the PDPA, and lists clear guidelines governing the collection, use, protection and disclosure of individuals' personal data.

Tenant Satisfaction

Satisfied customers are quintessential elements to our success, and it is imperative that through communication and customer satisfaction, we build long-lasting relationships with them. On a yearly basis, the Property Manager in Singapore gathers annual feedback from tenants at SGREIT's Singapore Retail and Office Properties in terms of property management services offered and general building security & maintenance. In the tenant survey that was conducted in FY 2016/17 at our Singapore properties, the majority of the response was in the "Satisfied" range.

Unitholder Communications

The Manager is committed to equitable, timely and effective communications through various channels such as SGX announcements, press releases, briefing sessions, investor presentations and conferences, annual reports, corporate video, corporate website and emails to disseminate information on its financial and operational performance, business plans and latest developments. Investor relations materials are vetted by the Manager for accuracy, consistency, and compliance with policies.



ENVIRONMENT CONSERVATION

OUR APPROACH

- Promoting energy efficiency in our properties
- Improving water efficiency

SGREIT believes in managing our business better to create long-term value for our stakeholders. Environmental protection not only makes business sense but it is also the Manager's responsibility as a responsible corporate citizen. We complement our sustainability efforts by embracing practices that are more environmentally friendly, improving efficiency of energy, water and waste management in our properties, raising awareness on climate change among our employees and by encouraging customers to make sustainable choices.

SGREIT strives to improve its efficiency on resources by reducing its energy and water consumption, and waste, while key indicators are monitored regularly at our properties in Singapore, Australia and Malaysia. In 2015, Wisma Atria Property received the PUB Water Efficient Building (Basic) certification.

Ngee Ann City is a leading energy efficient building in Singapore and has achieved the Building & Construction Authority (BCA) Green Mark Platinum standard for three consecutive years.

SUSTAINABLE CERTIFICATION OF OUR PROPERTIES

CERTIFICATION	DESCRIPTION OF AWARDS/ CERTIFICATIONS/ RATINGS/ LABELLING SCHEMES	PROPERTY	YEAR OF AWARD
PUB Water Efficient Building (Basic)	Adopt water efficient flow rates and flush volume through the use of water efficient fittings	Wisma Atria, Singapore	2015
BCA Green Mark - Platinum	Evaluates energy efficiency, water efficiency, environment protection, indoor environment quality and other green features of the building	Ngee Ann City, Singapore	2015
NABERS Energy Base Building – 4.5 star rating	Evaluates performance, measures impact of actions taken, addresses issues and makes improvements on the energy performance of a building	Myer Centre Adelaide – Terrace Towers	2017

ENERGY EFFICIENCY

The Paris Agreement has been ratified by 151 countries out of 197 countries to date. In 2016, Singapore ratified its commitment to the Paris Agreement, formalising its pledge to reduce its emission intensity by 36% from 2005 levels by 2030, and to stabilise emissions with the aim of peaking around 2030. Singapore also outlined in its Climate Action Plan released in July 2016 that improving energy efficiency across all sectors, will continue to be Singapore's key

strategy to reduce greenhouse gas emissions. In support of this cause, SGREIT is committed to a long-term target to achieve a 15% reduction in energy consumption over a 10-year period from FY 2016/17 for the Singapore Properties.

The primary source of energy at SGREIT properties is electrical energy. In FY 2016/17, the electrical energy consumption registered a reduction (figure 4), largely contributed by the energy saving initiatives undertaken.

SUSTAINABILITY REPORT

Since 2015, SGREIT properties have been progressively switching to using LED lights as a sustainable initiative towards energy efficiency. Wisma Atria has been progressively changing all the fluorescent lights in its carpark and common areas to LED lights, and ongoing efforts are made to fit the entire mall with energy efficient lighting. At Myer Centre Adelaide, lights in the common areas in the retail and office sections and its basement carpark have been replaced with LED lights to reduce electricity usage. Similarly, both Starhill Gallery and Lot 10 in Malaysia retrofitted the lights in its carparks with LED lights since 2015.

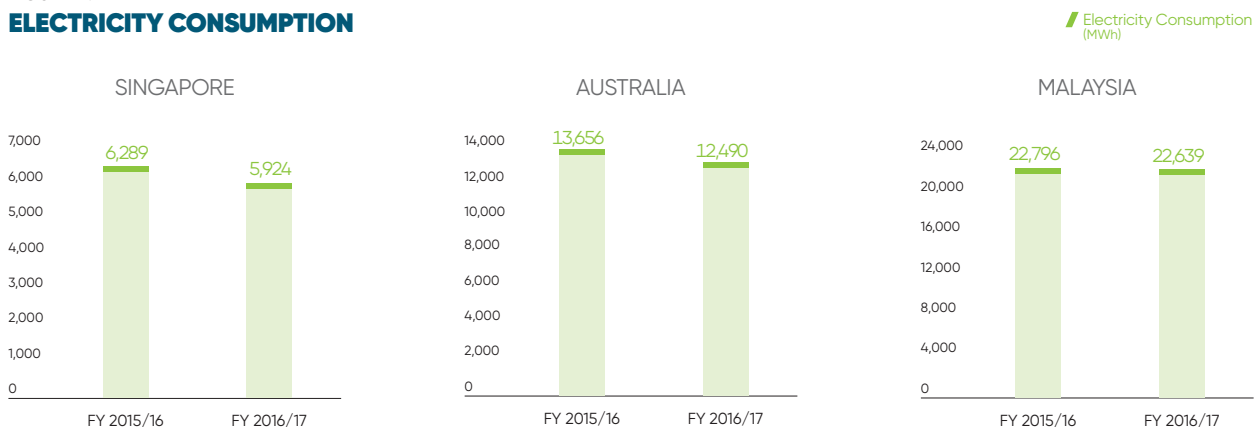
In FY 2015/16, a software was commissioned and installed at Myer Centre Adelaide to optimise the operation of the cooling towers and chillers for the recently installed heating, ventilation and air-conditioning system (HVAC) plant through which healthy building conditions are achieved as it ensures safety and comfort of the indoor environment. There was a reduction in the energy consumed by the HVAC plant, thus resulting in reduced operating costs.

Since 2012, the offices of the Manager and Property Manager in Singapore have been recognised for their green efforts at Project Eco-Office, an initiative between Singapore Environment Council and City Developments Limited that

recognises environmentally-friendly practices in workplaces. Wisma Atria and the Malaysia Properties have been extending their continued support for Earth Hour by switching off facade lights for the buildings. At Wisma Atria, there are designated parking lots reserved for electric cars. To raise awareness of the importance of alternative energy, Lot 10 installed a bicycle battery charging station at the mall. In FY 2016/17, the Manager organised a visit to Gardens by the Bay for staff, to raise awareness on horticulture and biodiversity. We target to continue in our efforts to organise and participate in environmental activities to promote awareness and encourage green behaviour among our stakeholders.

FIGURE 4:

ELECTRICITY CONSUMPTION



NGEE ANN CITY – TOP 10 ENERGY EFFICIENT BUILDINGS IN SINGAPORE (RETAIL)



Ngee Ann City is a leading energy efficient building in Singapore and it was awarded the Building & Construction Authority (BCA) Green Mark Platinum standard in 2015. The criteria include building annual occupancy rate, air-conditioned areas, air-conditioning system's lifespan and building functions within the building.

Highlights:

- Replacement of existing water chillers with energy efficient ones
- Replacement of all chilled and condenser water pumps
- Replacement of existing lighting
- Installation of green features such as energy consumption monitoring systems
- Car park ventilation system

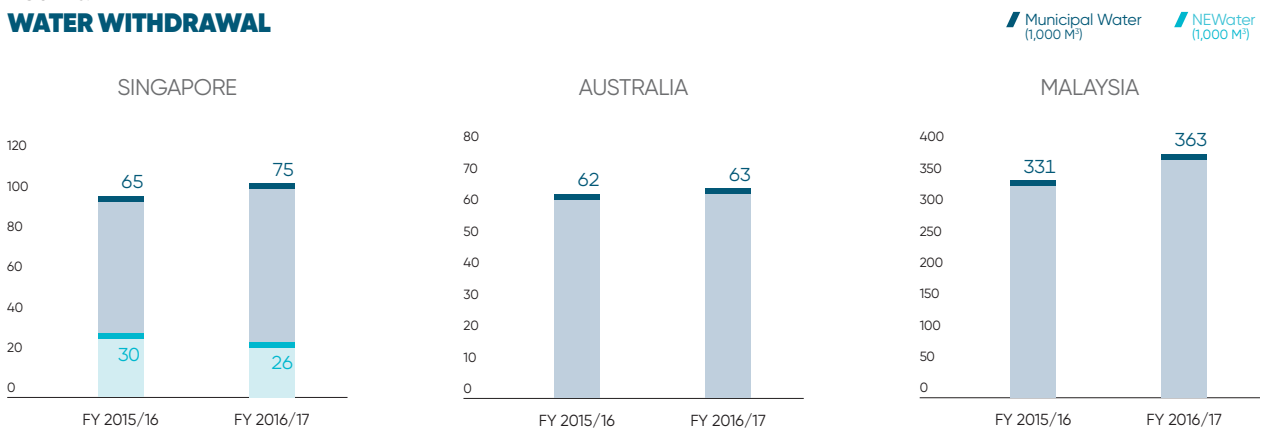


MAKING THE SWITCH TO LED

Since 2015, SGREIT's properties Wisma Atria Property, Myer Centre Adelaide, Starhill Gallery and Lot 10 Property have progressively replaced fluorescent lights with LED lights in the common areas and carparks of the malls. Ongoing efforts are made to fit the malls with energy efficient lighting.

Starhill Global REIT has set a long-term target to achieve a 15% reduction in energy consumption over a 10-year period from FY 2016/17 for the Singapore Properties.

FIGURE 5:
WATER WITHDRAWAL



WATER CONSERVATION

Water is a scarce resource and the Manager is conscious of the importance of contributing to water conservation and reduction in water usage.

Wisma Atria is fitted with water-saving features including tap flow restrictors, waterless urinal system and fittings approved by Public Utilities Board (PUB)'s Water Efficiency Labelling Scheme in Singapore. Wisma Atria has in place a Water Efficiency Management Plan (WEMP) and its usage of private water meters in essential areas as mandated by PUB.

The WEMP allows the identification of areas to reduce water consumption and raise water efficiency through the understanding of water usage within the building, while advanced warnings on possible pipe leakages is evidenced through the monitoring of water consumption via the private meters. In Singapore, all of our water comes from public utilities. In 2015, Wisma Atria achieved PUB's Water Efficiency Building (Basic) certification.

In FY 2016/17, the water consumption in Singapore increased slightly due to the progressive reopening of Isetan's

operations at Wisma Atria, thereby resulting in increased water usage. Likewise, there was an increase in water consumption in the Malaysia Properties following the reopening of Isetan's own operations after its renovations. However, water usage in Australia remained stable. There were water conservation initiatives at Myer Centre Adelaide such as waterless urinals installed in the current year.

SUSTAINABILITY REPORT

WASTE MANAGEMENT

We aim to reduce waste and encourage recycling efforts at our properties.

There are various wastes generated at SGREIT properties (figures 6 and 7). While most of the wastes produced relate to general wastes, which are non-hazardous, the wastes are managed in accordance to the industry types of the tenants of the properties. For example, in the Food and Beverage (F&B) environment, food wastes are recycled as much as possible as illustrated by the properties in Malaysia, Starhill Gallery

and Lot 10 Property, where used cooking oil from their F&B vendors are sold to a third-party oil recycling company that processes the used oil into biodiesel. In FY 2016/17, both shopping malls recycled 2,591 kg of used cooking oil. Since 2015, the malls have recycled nearly 16 tonnes of used cooking oil.

On the other hand, cardboard wastes, a significant contributor of waste by retail tenants, are collected on a daily basis. The Property Manager also encourages retail and office tenants to separate their recyclable waste. Our Singapore

properties are served by National Environment Agency registered waste collectors.

There are other general wastes which are dealt accordingly in a responsible manner. At Myer Centre Adelaide, most of the wastes collected are delivered to their respective dedicated facilities for sorting and recycling apart from the non-recyclable wastes which accounts for approximately 2.5% of the total waste.



Joseph Yeoh (right), Vice President, YTL Land & Development Berhad, testing out the bicycle battery charging station at the media conference for Lot 10's Earth Hour participation.



Staff of the Manager visited Gardens by the Bay to learn more about biodiversity.

EARTH HOUR PARTICIPATION 25 MARCH 2017

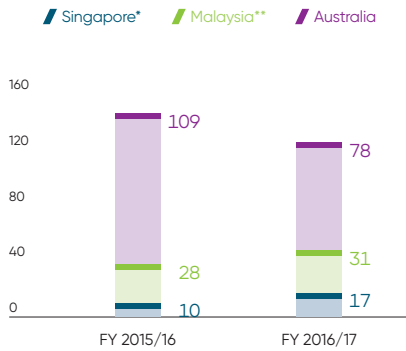
Wisma Atria, Starhill Gallery and Lot 10 have been supporting the Earth Hour cause by switching off the malls' facade lights.

Lot 10 installed a bicycle battery charging station at the mall to create awareness of alternative energy to shoppers. The mall also collaborated with a local design college and invited interior design students to showcase their most creative designs

for sustainable mall furniture using recycled or recyclable materials. At Starhill Gallery, Shook! Restaurant commemorated the event with an annual candlelit display of the Earth Hour logo.

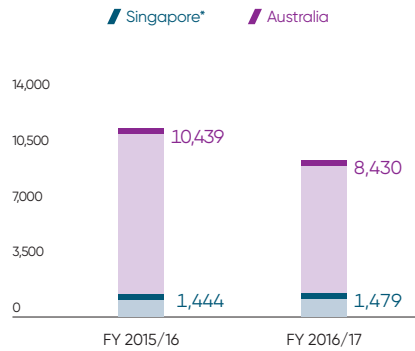
Prior to the event day, the Manager organised a visit to Gardens by the Bay for staff, to raise awareness of horticulture and biodiversity.

FIGURE 6:
TOTAL RECYCLED WASTES (kg)



* Data on waste encompasses Wisma Atria under the Management Corporation Strata Title. This includes Wisma Atria Property which is owned and managed by SGREIT, as well as Isetan's own strata space.

FIGURE 7:
NON-RECYCLED WASTES GENERATED* (tonnes)**



** Data on recycled waste for Malaysia refers to its used cooking oil.

*** Excludes Malaysia as data on total waste is not available.

In Singapore, the offices of the Manager and Property Manager have been certified by Project Eco-Office – an initiative between Singapore Environment Council and City Developments Limited that recognises environmentally-friendly practices in workplaces – for the fifth year running. Employees are encouraged to 'Reduce, Reuse and Recycle' through several initiatives. To minimise paper wastage, the printing default has been set to double-sided printing in black and white and employees are encouraged to reduce printing. Paper for publications such as the annual report have labels from the Forest Stewardship Council.

PROMOTING CYCLING IN THE CITY

Myer Centre Adelaide extends its concessionary bicycle parking facilities which includes lockers and showers to its tenants and the public as a community service, to help the Adelaide City Council promote cycling in the city.



Eco-Office Certification

Since 2012, the offices of the Manager and Property Manager in Singapore have been recognised for their green efforts at Project Eco-Office.

SUSTAINABILITY REPORT



EMPOWERING OUR PEOPLE

OUR APPROACH

- Creating a well-balanced workplace that is healthy and safe
- Fostering fair and equitable workplace conditions
- Caring for our employees through active engagement
- Nurturing human capital through learning and development

CREATING A WELL-BALANCED WORKPLACE THAT IS HEALTHY AND SAFE

Human capital is one of our key assets and the Manager firmly believes that human assets are critical and need to be nurtured and developed. We instil a strong sense of belonging in our people through our Purpose, Values and Principles which are the building blocks of our culture. Our Purpose unifies us in a shared vision, our Values guide our work behaviour, and our Principles articulate our mission in business.

Health and Safety

The Manager complies in all material aspects with Singapore’s Workplace Safety and Health (WSH) Act. The WSH Act is an essential part of a framework to cultivate good safety habits in all individuals, so as to create a strong safety culture at workplaces. The WSH Act requires stakeholders to take reasonably practicable measures to ensure the safety and health of persons at the workplace. Apart from compliance with the policies, all staff are provided with a wide range of life

and medical insurance plans that help to protect them. On an annual basis, the fire extinguisher at the office of the Manager is re-validated. Selected staff of the Property Manager are trained in first aid courses.

In FY 2016/17, two staff from the Property Manager in Singapore were injured due to smoke inhalation with regards to the incipient fire incident at Wisma Atria in FY 2016/17 (refer to page 64). As a result, 40 man-days were lost and a rate of 418 man-days lost per million man-hours work (i.e. Accident Severity Rate) was recorded. The affected employees have since resumed work.

FAIR EMPLOYMENT – FOSTERING FAIR AND EQUITABLE WORKPLACE CONDITIONS

Professional success cannot be fully enjoyed without work-life integration. A diverse workforce spanning different generations, genders and nationalities generate significant value to a harmonious workplace. In building an inclusive workplace, we advocate the importance of team integration, a positive workplace culture and work ethos.

FIGURE 8: TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CATEGORY AND GENDER



FIGURE 9: EMPLOYEE HIRES IN FY 2016/17 BY EMPLOYMENT CATEGORY AND GENDER

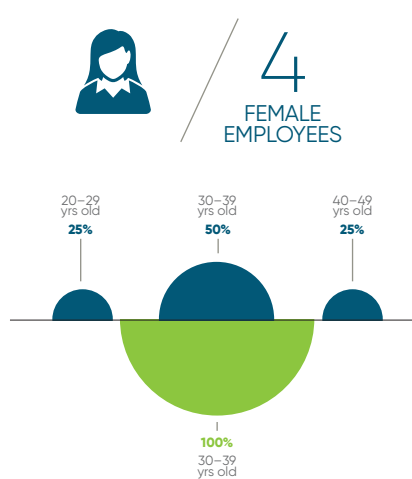
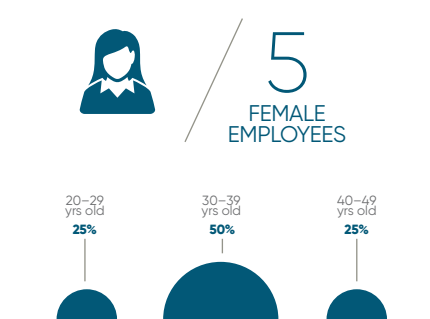


FIGURE 10: EMPLOYEE TURNOVER IN FY 2016/17 BY EMPLOYMENT CATEGORY AND GENDER



FY 2015/16



In Singapore, the Manager adopts a fair stance on providing equal opportunities and fair employment practices, and is guided by its membership in the Singapore National Employer Federation.

We have maintained a diverse workforce in terms of age, gender and skill sets. As at 30 June 2017, the Manager has 24 employees, all located in Singapore. There are no temporary or part-time employees in the Manager's workforce*. The average turnover rate for FY 2016/17 was 21% while the average hiring rate was 17%. Please refer to figures 8, 9 and 10 for a detailed breakdown on the profile of our workforce.

EMPLOYEE WELL-BEING – CARING FOR OUR EMPLOYEES THROUGH ACTIVE ENGAGEMENT

The Manager cares about its people and the demands each individual faces at different life stages. Family-friendly initiatives such as staggered work-hours and monthly "Bright Sky Day" are implemented at the workplace. On Bright Sky Day, staff can start their weekend early by leaving

We promote the merits of healthy living and encourage staff to take control of their physical and mental health as part of a holistic lifestyle.

early on Friday to spend more time with their families, or to pursue their personal interests and for better work-life harmony. The Manager also participates in the annual "Eat With Your Family Day" initiative by the Centre for Fathering in Singapore which encourages companies and schools to end the day at 5pm to spend time with their family.

We continually promote the merits of healthy living and encourage staff to take control of their physical and mental health as part of a holistic lifestyle. Comprehensive health screening programmes were organised for our staff as part of our health & wellness initiatives.

To forge stronger team dynamics, teambuilding activities and workshops such as a terrarium workshop, a photography walk at Gardens by the Bay, as well as lunch talks on "Mythbusters" and "Cognitive Efficacy" were organised. Festive events such as Chinese New Year and Mid-Autumn Festival were celebrated together with colleagues. Our continuous efforts in implementing workplace health activities ensure that our people continue to live well-balanced work lives resulting in a happier, healthier and productive workforce.

* SGREIT is managed by the Manager, YTL Starhill Global REIT Management Limited. The data reported is in relation to the Manager in Singapore and does not include the small team in China.



/ Terrarium workshop



/ Lunar New Year celebrations at the Singapore office



/ Photography walk at Gardens by the Bay

SUSTAINABILITY REPORT

In FY 2016/17, one eligible female employee and one eligible male employee went on maternity and parental leave respectively and returned to work. The Manager also provides government-paid maternity and paternity leave to all eligible female and male employees in Singapore. Employees enjoy a range of benefits including medical insurance, birthday leave, wedding vouchers, child birth vouchers and service awards for eligible employees.

Eligible employees of the Manager and Property Manager in Singapore are also incentivised on their attendance through the company's 'Perfect Attendance Award' issued quarterly. For FY 2016/17, 55% of the eligible employees of the Manager in Singapore achieved perfect attendance for the year.

TALENT MANAGEMENT – NURTURING HUMAN CAPITAL THROUGH LEARNING AND DEVELOPMENT

To be future ready, it is vital our people stay relevant and take on larger roles. Our people development framework provides a wide range of learning, development and educational opportunities. It equips them with the skills and competencies to make positive contributions to the organisation, keep pace with changing work dynamics and enables our people to grow personally and professionally. We invest in training, workshops and seminars on management, technical, communication, leadership and other topics.

Our annual staff performance appraisal includes creating a development plan to identify learning

requirements and set goals for employees for the next review period.

We aspire to develop and strengthen the leadership core and rolled out the "Executive Development Programme" aimed at nurturing business unit leaders. Selected high potential executives acquire broad-based knowledge and update their general management and leadership skills to be ready for future growth opportunities.

Internal and external professionals were engaged to address knowledge gaps and coach technical mastery and execution excellence. Concurrently, the intern placement programme provides our people with valuable mentoring and supervisory experience.

To be future ready, it is vital our people stay relevant and take on larger roles.



/ Team bonding bowling session



/ Creative lantern making workshop



ENRICHING COMMUNITIES

OUR APPROACH

- Local Communities - Strive to positively impact and enrich the lives of people in the communities where we operate

Giving back to the community and being a socially responsible corporate citizen is core to SGREIT's business strategy.

In Singapore, Wisma Atria Property and Ngee Ann City Property are integrated with accessibility features where practicable and we draw reference from the Code of Accessibility in the Built Environment

2013 by the Building and Construction Authority, which was introduced to support the Singapore Government's efforts in building an inclusive society. The Code includes requirements catering to families, elderly and persons with disabilities.

Amongst the countries where we operate, we are committed and strive to positively impact the lives of

people where we operate in through our participation in corporate social responsibility activities. We encourage staff volunteerism for employees to give back to society and we take advantage of our space to generate awareness for social causes.

In Adelaide, Myer Centre Adelaide proactively leases its spaces and uses its influence to generate awareness for social causes including Retina Australia, Greenpeace Fundraising, Flying Doctors and Red Shield. As part of the Rundle Mall Management Authority's community support programme, Myer Centre Adelaide has been a supporter with a donation of A\$0.50 per car parked on ANZAC Day, in remembrance of war heroes and returned servicemen.

SHOP & LEARN AT WISMA ATRIA

The Manager organises an annual year-end Christmas celebration for underprivileged children, and collaborates closely with its tenants to create a unique and meaningful event. In FY 2016/17, about 20 children and teenagers, aged 6 to 16 years from Chen Su Lan Methodist Children's Home in Singapore were invited to Wisma Atria. They were given retail vouchers to shop for their Christmas presents while learning from staff volunteers about the virtues of planning, budgeting and decision-making. Tenants BricksWorld, Picnic and Typo contributed to the event.



Shop & Learn community activity for the beneficiaries from Chen Su Lan Methodist Children's Home



A musical performance by the children beneficiaries of Charwiki at Lot 10

CHRISTMAS CHEER AT LOT 10

Lot 10 worked with Charwiki, a Kuala Lumpur-based non-profit organisation for underprivileged children, to encourage shoppers to buy gifts to fulfil the wishes of the beneficiaries which were listed on the organisation's website, and then sent directly to the welfare homes. The beneficiaries included ten welfare homes in Kuala Lumpur and Selangor, namely Rainbow Home, Charis Hope Learning Centre, Yayasan Sunbeams Home, IQ70plus (Malaysian Association for

the Guardians of the Intellectually Challenged), United Learning Centre, House of Joy, Hriphi Community School, Rumah Jaireh, Rumah Victory Children and Youth Home, and Divine Mercy Boys Home.

YTL Foundation also held a Christmas Hope Bazaar at the mall's concourse where handmade items by the underprivileged children were on sale with all proceeds channelled to the children's homes.

CHRISTMAS AT WISMA ATRIA

Wisma Atria donated the proceeds from its Christmas Cheer promotion to charity. Shoppers donated S\$5 and redeemed candy, cotton candy or a photo print at the mall's indoor event space.



SUSTAINABILITY REPORT

GRI CONTENT INDEX FOR 'IN ACCORDANCE' – CORE

GENERAL STANDARD DISCLOSURES

STRATEGY AND ANALYSIS		SECTION	IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES		SECTION
G4-1	Statement from the most senior decision-maker of the organisation about sustainability	Board Statement (Page 60)	G4-17	List all entities included or not included in organisation's financial statements	About This Report (Page 61)
G4-2	Provide a description of key impacts, risks, and opportunities	Board Statement (Page 60)	G4-18	Process for defining report content and how the organisation has implemented the reporting principles for defining report content	Sustainability at Starhill Global REIT (Pages 62-63)
ORGANISATIONAL PROFILE		SECTION	G4-19	Material aspects identified in the process for defining report content	Sustainability at Starhill Global REIT (Page 63)
G4-3	Name of the organisation	Annual Report FY 2016/17 (Page 1)	G4-20	For each material aspect, report the aspect boundary within the organisation	About This Report (Page 61)
G4-4	Primary brands, products, and/or services	Annual Report FY 2016/17 (Page 1)	G4-21	Report the aspect boundary outside the organisation	Sustainability at Starhill Global REIT (Page 62)
G4-5	Location of organisation's headquarters	Annual Report FY 2016/17 (Page 1)	G4-22	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	Not applicable, as this is the first report
G4-6	Number and names of countries where the organisation operates	Annual Report FY 2016/17 (Page 1)	G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	Not applicable, as this is the first report
G4-7	Nature of ownership and legal form	Annual Report FY 2016/17 (Page 1)	STAKEHOLDER ENGAGEMENT		SECTION
G4-8	Markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	Annual Report FY 2016/17 (Page 1)	G4-24	List of stakeholder groups engaged by the organisation	Sustainability at Starhill Global REIT: Stakeholder Engagement (Page 62)
G4-9	Scale of the reporting organisation	Annual Report FY 2016/17 (Page 17)	G4-25	Basis for identification and selection of stakeholders with whom to engage	Sustainability at Starhill Global REIT: Stakeholder Engagement (Page 62)
G4-10	Employee Profile	Empowering Our People: Fair Employment (Pages 70-71)	G4-26	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Sustainability at Starhill Global REIT: Stakeholder Engagement (Page 62)
G4-11	Percentage of employees covered by collective bargaining agreements	Our employees are not covered by collective bargaining agreements.	G4-27	Key topics and concerns raised through stakeholder engagement, and how the organisation has responded	Sustainability at Starhill Global REIT: Stakeholder Engagement (Page 62)
G4-12	Organisation's supply chain	Annual Report FY 2016/17: Risk Management (Page 64)	REPORT PROFILE		SECTION
G4-13	Significant changes during the reporting period	None	G4-28	Reporting period for information provided	About This Report (Page 61)
G4-14	Whether and how the precautionary approach or principle is addressed by the organisation	Embracing the Marketplace: Risk Management (Page 64)	G4-29	Date of most recent previous report	Not applicable, as this is the first report
G4-15	Externally-developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	Not applicable	G4-30	Reporting cycle	About This Report (Page 61)
G4-16	Memberships of associations	Sustainability at Starhill Global REIT (Page 63)	G4-31	Contact point for questions regarding the report or its contents	About This Report (Page 61)
			G4-32	Report on 'In accordance' option, GRI Content Index, reference to external assurance	-
			G4-33	Policy and current practice with regard to seeking external assurance for the report	Not applicable

SPECIFIC STANDARD DISCLOSURES

GOVERNANCE		SECTION
G4-34	Governance structure of the organisation	Annual Report FY 2016/17 (Page 17)
G4-56	Organisation's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Embracing the Marketplace: Corporate Governance (Page 64)
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity, such as helplines or advice lines	Embracing the Marketplace: Anti-corruption & Whistleblowing (Page 64)
G4-58	Internal and external mechanisms for reporting concerns about ethical and lawful behaviour, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	Embracing the Marketplace: Anti-corruption & Whistleblowing (Page 64)
CATEGORY: ECONOMIC		
MATERIAL ASPECT: ECONOMIC PERFORMANCE		SECTION
G4-EC1	Direct economic value generated and distributed	Annual Report FY 2016/17 (Page 3)
CATEGORY: ENVIRONMENTAL		
MATERIAL ASPECT: ENERGY		SECTION
G4-EN3	Energy consumption within the organisation	Environment Conservation: Energy Efficiency (Pages 65-66)
G4-EN6	Reduction of energy consumption	Environment Conservation: Energy Efficiency (Pages 65-66)
MATERIAL ASPECT: WATER		SECTION
G4-EN8	Total water withdrawal by source	Environment Conservation: Water Conservation (Page 67)
MATERIAL ASPECT: EFFLUENTS AND WASTE		SECTION
G4-EN23	Total weight of waste by type and disposal method	Environment Conservation: Waste Management (Page 68-69)
CATEGORY: SOCIAL		
SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK		
MATERIAL ASPECT: EMPLOYMENT		SECTION
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Empowering Our People: Fair Employment (Pages 70-71)
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	Empowering Our People: Employee Well-being (Pages 71-72)
G4-LA3	Return to work and retention rates after parental leave, by gender	Empowering Our People: Employee Well-being (Page 72)
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY		SECTION
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region and by gender	Embracing the Marketplace: Health and Safety (Page 70)
MATERIAL ASPECT: TRAINING AND EDUCATION		SECTION
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	Empowering Our People: Nurturing Human Capital through Learning and Development (Page 72)
SUB-CATEGORY: SOCIETY		
MATERIAL ASPECT: COMPLIANCE		SECTION
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Embracing the Marketplace: Anti-corruption & Whistleblowing (Page 64)
SUB-CATEGORY: PRODUCT RESPONSIBILITY		
MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY		SECTION
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	Embracing the Marketplace: Health and Safety (Page 64)
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	Embracing the Marketplace: Health and Safety (Pages 64-65)
MATERIAL ASPECT: PRODUCT AND SERVICE LABELING		SECTION
G4-PR5	Results of surveys measuring customer satisfaction	Embracing the Marketplace: Tenant Satisfaction (Page 65)
MATERIAL ASPECT: CUSTOMER PRIVACY		SECTION
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No complaints for FY 2016/17

CORPORATE GOVERNANCE

MANAGER OF STARHILL GLOBAL REIT

YTL Starhill Global REIT Management Limited was appointed the Manager of Starhill Global REIT in accordance with the terms of the Starhill Global REIT Trust Deed dated 8 August 2005 (as amended) ("Trust Deed").

The Manager of Starhill Global REIT has general power of management over the assets of Starhill Global REIT. The primary role of the Manager is to set the strategic direction of Starhill Global REIT and to make recommendations to HSBC Institutional Trust Services (Singapore) Limited, as trustee of Starhill Global REIT ("Trustee") on acquisitions, divestments and enhancement of the assets of Starhill Global REIT, in accordance with its stated business strategy and the terms of the Trust Deed. Other important functions and responsibilities of the Manager include:

1. using its best endeavours to ensure that the business of Starhill Global REIT is carried out and conducted in a proper and efficient manner and to conduct all transactions with, or for Starhill Global REIT, at arm's length;
2. preparing property business plans on a regular basis, which may contain proposals and forecasts on net income, capital expenditure, sales and valuations, explanations of major variances to previous forecasts, written commentary on key issues and underlying assumptions on rental rates, occupancy costs and any other relevant assumptions. The purpose of these plans is to manage the performance of Starhill Global REIT's assets;
3. ensuring compliance with applicable laws and regulations, and the Trust Deed;
4. attending to all communications with Unitholders; and
5. supervising the property managers in performing the day-to-day property management functions (such as leasing, marketing, maintenance, promotion and accounting) for the properties, pursuant to the property management agreements.

Starhill Global REIT, which is constituted as a trust, has no direct staff of its own (other than the staff

of its China subsidiary). It is externally managed by the Manager, who appoints experienced and well-qualified management staff to run its operations. All Directors and employees of the Manager are remunerated by the Manager, and not by Starhill Global REIT.

The Trust Deed provides inter alia for the removal of the Manager in certain situations, including by way of resolution passed by a simple majority of Unitholders present and voting at a general meeting duly convened, with no Unitholder being disenfranchised.

On 16 September 2010, the Manager obtained a capital markets services licence from the MAS to conduct REIT management activities under the Securities and Futures Act, Chapter 289 of Singapore ("SFA").

CORPORATE GOVERNANCE CULTURE

The Manager believes that strong and effective corporate governance is essential in protecting the interests of the Unitholders of Starhill Global REIT and is critical to the success of its performance as the Manager.

The Manager is committed to the highest standards of corporate governance and transparency in the management of Starhill Global REIT and operates in the spirit of the Code of Corporate Governance 2012 ("Code") in the discharge of its responsibilities as Manager.

The following sections describe the Manager's primary corporate governance policies and practices with specific references to the Code, which incorporate measures for avoiding conflicts of interest, including prioritising the interests of Unitholders over those of the Manager. Where there are differences from the principles and guidelines of the Code, an explanation has been provided in this section. These policies and practices also ensure that applicable laws and regulations including the listing rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Code of Collective Investment Schemes ("CIS Code") (including the Property Funds Appendix) issued by the MAS, the SFA and the tax ruling dated 20 May 2005 issued by the Inland Revenue Authority of Singapore

are complied with, and that the Manager's obligations in the Trust Deed are honoured.

(A) BOARD MATTERS

The Board's Conduct of Affairs

Principle 1:

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and Management remains accountable to the Board.

The Board of Directors of the Manager ("Board") is responsible for the overall management and corporate governance of the Manager and Starhill Global REIT, including establishing performance objectives for the management team of the Manager ("Management") and monitoring the achievement of these objectives. All Board members participate in matters relating to corporate governance, business operations and risk management, and financial performance.

Each Director must act honestly, with due care and diligence, and in the best interest of Unitholders. This obligation ties in with the Manager's prime responsibility in managing the assets and liabilities of Starhill Global REIT for the benefit of Unitholders. Decisions are taken objectively in the interests of Starhill Global REIT. The Manager has adopted guidelines, details of which are set out on pages 85 to 86 for related party transactions and dealing with conflicts of interests.

Board meetings are scheduled and held at least once every quarter. Four Board meetings were held in FY 2016/17. The Constitution of the Manager permits Board meetings to be held by way of teleconference and videoconference. Directors meet to discuss and review the strategies and policies of Starhill Global REIT, including any significant matters pertaining to acquisitions and disposals, the annual budget, and the financial performance of Starhill Global REIT measured against a previously approved budget. The Board also reviews and approves the release of Starhill Global REIT's quarterly and annual results. The Board will generally review matters

which have an impact on the business risks and management of liability of Starhill Global REIT, and acts on comments and recommendations from the auditors of Starhill Global REIT.

The Board has considered and reviewed sustainability issues in the environment, social and governance aspects of our business. More information on the material sustainability issues of Starhill Global REIT are set out from pages 60 to 75 of this Annual Report.

In the discharge of its functions, the Board is supported by an Audit Committee that provides independent oversight of Management and which also serves to ensure that there are appropriate checks and balances. The Board has established a system of internal controls and an enterprise risk management framework. The application of the policies and protocol under the framework is further described in the section "Risk Management" on page 58. The Board has adopted a set of internal controls with approval limits for capital expenditure, investments and divestments, bank borrowings and cheque signatories, amongst others. Apart from matters that specifically require Board approval, such as the issue of new units, income distributions and other returns to Unitholders, the Board approves transactions exceeding certain threshold limits, while delegating authority for matters below those limits to Management to facilitate operational efficiency.

Changes to regulations, policies and accounting standards are monitored closely. Where the changes have significant impact on Starhill Global REIT and its obligations of continuing disclosure, the Directors will be briefed during Board meetings or by circulation of Board papers. Further, Directors have access to programmes, courses or seminars organised by the Singapore Institute of Directors ("SID"). During FY 2016/17, the Manager arranged for Mr Ching Yew Chye, who is based in Malaysia, to attend courses organised by the SID which covered the statutory and regulatory compliance obligations of listed companies and risk management essentials. The costs of training are borne by the Manager. The Board

has reviewed the current training and professional development programmes in place for the Directors.

Newly appointed directors are briefed on their roles and responsibilities as Directors of the Manager, and of the business activities and strategic directions of Starhill Global REIT. Upon appointment, a formal letter setting out the director's duties, obligations and responsibilities, together with the Trust Deed and latest annual report will be given to the director. The Manager has in place an orientation programme aimed at familiarising new Directors with the business activities and strategic directions of Starhill Global REIT, the corporate governance and risk management structure and practices, as well as their disclosure obligations as Directors. The Manager conducted an orientation programme for the two Independent Non-Executive Directors of the Manager appointed during FY 2016/17, Mr Lim Kok Hoong and Mr Ching Yew Chye. An orientation programme will be conducted for Mr Tan Woon Hum, who was recently appointed as an Independent Non-Executive Director of the Manager on 1 August 2017. Appropriate training will also be provided to first-time directors.

Board Composition

Principle 2:

There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision-making.

The Board comprises six members, three of whom are Independent Non-Executive Directors. As such, there is a strong and independent element on the Board. A Director who has no relationship with the Manager, its shareholders who hold 10% or more of the voting shares in the Manager, Unitholders who hold 10% or more of the units in issue of Starhill Global REIT, its related corporation or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of Starhill Global REIT is considered to be independent. The assessment of

a Director's independence also takes into account the enhanced independence requirements and the definition of "independent director" as set out in the draft amendments to the Securities and Futures (Licensing and Conduct of Business) Regulations ("Draft SF(LCB)R"). Under the enhanced independence requirements set out in the Draft SF(LCB)R, an independent director is one who: (i) is independent from any management and business relationship with the Manager and Starhill Global REIT, (ii) is independent from any substantial shareholder of the Manager and any substantial unitholder of Starhill Global REIT, and (iii) has not served on the Board for a continuous period of 9 years or longer.

Mr Ching Yew Chye has disclosed that he is the independent non-executive Chairman of AIA Berhad, a subsidiary of AIA Group Limited, a substantial unitholder of Starhill Global REIT. Despite the foregoing, the Board has assessed Mr Ching's independence and has taken the view that his independent judgment and ability to act in the interests of all unitholders as a whole will not be impeded, given that Mr Ching is not an executive but an independent director of AIA Berhad and is not appointed on the Board as a nominee of any AIA entities. He is also not a director of any substantial unitholder or controlling unitholder of Starhill Global REIT, and the businesses of Starhill Global REIT and AIA Berhad or AIA Group Limited are distinctly different and there are therefore unlikely to be any competing interests.

In addition, Mr Tan Woon Hum has disclosed that he is a partner of M/s Shook Lin & Bok LLP ("SLB"), which provides services to the Trustee from time to time. As the amount of legal fees paid to SLB by Starhill Global REIT in FY 2016/17 and FY 2015/16 is insubstantial in relation to the revenue of SLB, and Mr Tan will not be personally involved in legal services to be provided by SLB for Starhill Global REIT, the Board has assessed Mr Tan's independence and has taken the view that his independent judgment and ability to act in the interests of all unitholders as a whole will not be impeded.

CORPORATE GOVERNANCE

None of the Independent Directors have any relationships which are likely to affect his independent judgment and ability to act in the interests of all unitholders as a whole. The independence of the Independent Directors is assessed by the Board on an annual basis. As and when any relationship which is likely to affect an Independent Director's judgment and ability to act in the interests of all unitholders as a whole arises, the affected Director is expected to disclose such relationship to the Board.

The Board notes that Dr Michael Hwang had served on the Board for more than nine years from the date of his appointment and the Board subjected his independence to rigorous review. The Board (excluding Dr Hwang) considered that Dr Hwang has remained independent of character and judgment. He had continued to express independent, impartial and autonomous viewpoints, debate issues objectively, scrutinise and challenge Management on important issues and sought clarification and amplification when deemed necessary. Notwithstanding the Board's assessment that Dr Hwang has remained independent of character and judgment, Dr Hwang has stepped down from the Board, and Mr Tan Woon Hum has succeeded him with effect from 1 August 2017, in line with the requirements under the Draft SF(LCB)R which provide that independent directors should not serve for a period of nine years or longer. Thereafter, Independent Directors will not serve more than nine years from their date of appointment on the Board.

The composition of the Board as at 30 June 2017 is as follows:

Tan Sri Dato' (Dr) Francis Yeoh Sock Ping
Non-Executive Chairman
(Non-independent)

Mr Ho Sing
Executive Director & Chief Executive Officer (Non-independent)

Dato' Yeoh Seok Kian
Non-Executive Director
(Non-independent)

Mr Lim Kok Hoong
Lead Independent Director
(Non-executive) (Independent)

Dr Michael Hwang
(succeeded by Mr Tan Woon Hum with effect from 1 August 2017)
Non-Executive Director (Independent)

Mr Ching Yew Chye
Non-Executive Director (Independent)

As Lead Independent Director, Mr Lim Kok Hoong has the discretion to hold meetings with the Independent Directors (without the presence of Management) as he deems appropriate or necessary, and he will provide feedback to the Non-Executive Chairman, where appropriate. The Lead Independent Director is available to unitholders where they have concerns and for which contact through the normal channels of the Chief Executive Officer ("CEO") or the Chief Financial Officer ("CFO") has failed to resolve or is inappropriate. The Non-Executive Directors participate in setting and developing strategies and goals for Management, and reviewing and assessing Management's performance. This enables Management to benefit from their external and objective perspective of issues that are brought before the Board. It also enables the Board to interact and work with Management through a healthy exchange of ideas and views to help shape the strategic process.

The size of the Board and core competencies of its members in various fields of accounting, finance, business management and legal, together with their relevant industry knowledge and strategic planning experience, effectively serve Starhill Global REIT and the Manager. Management is able to benefit from their diverse and objective perspectives on issues that are brought before the Board with a healthy exchange of ideas and views between the Board and Management.

The Board is of the view that its current composition comprises persons who, as a group, provide the necessary core competencies and that the current Board size is appropriate, taking into consideration the nature and scope of Starhill Global REIT's operations.

When the Board decides to appoint new directors, it will consider suitable candidates without regard to gender, as the ultimate choice should primarily be based on merit.

The profiles of the Directors are set out on pages 20 and 21 of this Annual Report.

Chairman and Chief Executive Officer Principle 3:

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The positions of Chairman and CEO are held by two separate persons in order to maintain effective segregation of duties. There is a clear separation of the roles and responsibilities between the Chairman and the CEO. The Chairman, Tan Sri Dato' (Dr) Francis Yeoh Sock Ping, and the CEO, Mr Ho Sing, are not related.

The Chairman facilitates active Board discussion on matters concerning the business of Starhill Global REIT, and ensures that the Board satisfactorily oversees and evaluates the implementation of Starhill Global REIT's strategy, policies, business plans and Board decisions. In addition, the Chairman ensures that the members of the Board receive complete, adequate and timely information, facilitates the effective contribution of the Non-Executive Directors, encourages constructive relations within the Board and between the Board and Management, ensures effective communication with Unitholders and promotes a high standard of corporate governance.

The CEO works with the Chairman and the Board in formulating strategies for Starhill Global REIT and is responsible for implementing Starhill Global REIT's strategies and its day-to-day operations.

Board Membership

Principle 4:

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The Manager has not established a nominating committee as the Board undertakes the function of a nominating committee, including assessing the independence of the Independent Directors on an annual basis. The Manager, taking into account the capacity of the Board to undertake the responsibilities of a nominating committee in light of the activities and scale of the business of Starhill Global REIT, the fact that independent directors constitute half of the Board of the Manager and that the nomination policy is required to be approved by the Board, including by at least a majority of Independent Directors, does not consider it necessary for the Board to establish a nominating committee. The Independent Directors constitute half the Board and therefore play a substantial role and assures the objectivity and independence of the decision-making process.

Directors of the Manager are not subject to periodic retirement by rotation, nor re-appointment through voting by unitholders, as the Manager is a wholly-owned subsidiary of YTL Corporation Berhad and Independent Directors comprise a minimum of one-half of the Board.

The composition of the Board is reviewed regularly to ensure that it has the appropriate mix of expertise and experience. The composition of the Board (including the selection of candidates for new appointments as part of the Board's renewal process) is determined in accordance with the following principles:

1. The Board should comprise directors with a broad range of commercial experience including expertise in fund management and experience in all facets of the property or real estate industry; and
2. At least half of the Board should comprise independent directors.

A director with multiple board representation is expected to ensure sufficient attention is given to the affairs of the Manager and Starhill Global REIT. The Manager believes that putting a maximum limit on the number of directorships a Director can hold is arbitrary, given that time requirements and complexity for each vary, and thus

should not be prescriptive. A sufficient safeguard is requiring each Director to confirm his ability to devote sufficient time and attention to the affairs of the Manager and Starhill Global REIT, having regard to all his other listed company board representations and other principal commitments.

No alternate directors were appointed during FY 2016/17.

Any Director may source for and nominate new Directors to be appointed by the Board of Directors, through their extensive networks and contacts. If necessary, the Board may seek advice from the Singapore Institute of Directors or external search consultants. During FY 2016/17, new potential directors of both genders were sourced through contacts and recommendations, including recommendations from the Singapore Institute of Directors, contacts from Directors, and recommendations from relevant industry professionals.

Selections and nominations are made based on the following guidelines:

- Integrity;
- Relevant expertise (sector and functional) and the degree to which his or her skill set complements the skill set of the other Board members;
- Reputation and standing in the market;
- In the case of prospective Independent Directors, independence based on the criteria in the Code;
- The fit and proper criteria issued by MAS;
- Potential Directors will be considered without regard to gender, and the ultimate choice will primarily be based on merit; and
- The Director should be likely to have adequate time to discharge his duties.

Board Performance

Principle 5:

There should be a formal assessment of the effectiveness of the Board as a whole and its Board committees and the contribution by each director to the effectiveness of the Board.

The Manager believes that the performance of the Manager, and the

Board, is reflected in the long-term success of Starhill Global REIT.

Reviews of Board performance are conducted once a year. Directors are required to complete a questionnaire evaluating the Board and the Audit Committee. The questionnaire covers areas such as Board composition, access to information, Board processes, risk management, Board training and development, understanding of the business, strategic planning and any specific areas where improvements may be made. The Board will evaluate and discuss the results of the annual Board performance review with a view towards improving the effectiveness of the Board. Pursuant to the Board evaluation process, the Board is satisfied that it has achieved its performance objectives for FY 2016/17.

In cases where the Director(s) have multiple listed board representations, the Board conducts an annual review to ensure that they are able to and have been devoting sufficient time to discharge their responsibilities adequately. Each Director confirmed his ability to devote sufficient time and attention to the affairs of the Manager and Starhill Global REIT, having regard to all his other listed company board representations and other principal commitments. Notwithstanding that some of the Directors have multiple board representations, the Board is satisfied that each Director is able to and has been adequately carrying out his duties as a Director of the Manager.

The Manager believes that contributions from each Director go beyond his attendance at Board and committee meetings. Contributions by an individual Board member take other forms, which includes providing objective perspectives of issues, facilitating business opportunities and strategic relationships, and accessibility to Management outside of a formal environment of Board and/or Audit Committee meetings. A Director of the Manager would have been appointed on the principles outlined earlier in this statement, and on his/her ability to contribute to the proper guidance of the Manager in its management of Starhill Global REIT.

CORPORATE GOVERNANCE

The number of Board and Audit Committee meetings held and attended by each Board member in FY 2016/17 is as follows:

	BOARD	AUDIT COMMITTEE
	NO. OF MEETINGS HELD IN FY 2016/17: 4	NO. OF MEETINGS HELD IN FY 2016/17: 4
	ATTENDED	ATTENDED
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	4	NA
Mr Ho Sing	4	NA
Dato' Yeoh Seok Kian	4	NA
Mr Lim Kok Hoong (appointed w.e.f. 1 January 2017)	2	2
Mr Ching Yew Chye (appointed w.e.f. 1 November 2016)	2	2
Dr Michael Hwang (resigned w.e.f. 1 August 2017)	4	4
Mr Keith Tay Ah Kee (resigned w.e.f. 1 November 2016)	2	2
Dr Hong Hai (resigned w.e.f. 1 February 2017)	2	2

Access to Information

Principle 6:

In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Management provides the Board with regular updates on financial results, market and business developments, and business and operational information. Board papers and agenda are provided to each Director in advance of Board meetings so that Directors can review and consider the matters being tabled beforehand. Management provides the Board with management accounts of Starhill Global REIT on a quarterly basis to enable the Board to keep abreast of Starhill Global REIT's financial performance. In addition, as and when any significant matter arises, Management promptly brings these matters to the Board's attention and provides the Board with the relevant financial information.

Where necessary, senior members of Management participate in Board meetings to provide additional insights and to respond to any queries from Directors. The Board has unfettered access to senior members

of Management and the company secretary at all times. The Board also has access to independent professional advice (legal, financial or otherwise) where appropriate or necessary, with the cost borne by the Manager or Starhill Global REIT, as appropriate. The company secretary of the Manager will render necessary assistance to the Board and will ensure that the Board procedures are followed and that applicable laws and regulations are complied with. Under the direction of the Chairman, the company secretary's responsibilities include ensuring good information flow between the Board and its committees and between Management and Non-Executive Directors and advising the Board on all governance matters. The company secretary attends all Board and Audit Committee meetings of the Manager to take minutes. The appointment and removal of the company secretary is a Board reserved matter.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7:

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Level and Mix of Remuneration

Principle 8:

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

Disclosure on Remuneration

Principle 9:

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The remuneration of Directors and staff of the Manager is paid by the Manager from the fees it receives from Starhill Global REIT, and not by Starhill Global REIT itself.

The Manager has not established a remuneration committee as the Board undertakes the function of a remuneration committee. The Manager, taking into account the capacity of the Board to undertake the responsibilities of a remuneration committee in light of the activities and scale of business of Starhill Global REIT, the fact that independent directors constitute half of the Board of the Manager and that the remuneration policy is required to be approved by the Board, including by at least a majority of Independent Directors, does not consider it necessary for the Board to establish a remuneration committee. The Independent Directors constitute half the Board and therefore play a substantial role and assures the objectivity and independence of the decision-making process.

The Board approves the remuneration policy of the Manager, Directors' fees for Non-Executive Directors, remuneration packages for the CEO and CFO, the total variable bonus amount payable to all employees and the corporate

performance targets for payment of variable bonus. Such matters will also require approval by at least a majority of Independent Directors.

The Board of Directors seeks expert advice on remuneration and governance matters from external consultants, where necessary. The Board will ensure that existing relationships between the group and its appointed remuneration consultants, if any, will not affect the independence and objectivity of the external remuneration consultants. For FY 2016/17, Aon Hewitt Singapore Pte Ltd ("Aon") and Carrots Consulting Pte Ltd ("Carrots") were engaged to provide advice to the Board on salary benchmarking for the CEO, CFO and certain senior executives. Each of Aon and Carrots did not have any relationships with the Manager, its controlling shareholder or related entities that would affect their independence.

Directors Remuneration

The remuneration of the Non-Executive Directors for FY 2016/17 comprises entirely of Directors' fees payable in cash. Directors' fees are subject to approval by the Board of Directors and the shareholders of the Manager. Each Director abstains from voting in respect of the fees payable to their respective selves. The Directors' fees take into account industry practices and norms on remuneration. Each Director is paid a basic fee and the Chairman and the Chairman of the Audit Committee are paid a higher fee in view of the greater responsibility carried by that office. The CEO does not receive Directors' fees as he receives employee remuneration from the Manager. Each Director will be remunerated based on their level of responsibilities on the Board and the Audit Committee, in accordance with the following framework:

FEE STRUCTURE		FEES (PER ANNUM)
Board of Directors	Non-Executive Chairman	S\$100,000
	Non-Executive Director	S\$63,000
Audit Committee	Chairman and Lead Independent Director	S\$10,000
	Member	S\$5,000

The total amount of Directors' fees (gross before net of withholding tax) paid to the Non-Executive Directors for FY 2016/17 are as follows:

NON-EXECUTIVE DIRECTORS' FEES NAME OF DIRECTOR	FY 2016/17
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	S\$100,000
Dato' Yeoh Seok Kian	S\$63,000
Mr Lim Kok Hoong	S\$36,083 ⁽¹⁾
Dr Michael Hwang	S\$68,000
Mr Ching Yew Chye	S\$45,333 ⁽²⁾
Mr Keith Tay Ah Kee	S\$24,333 ⁽³⁾
Dr Hong Hai	S\$40,917 ⁽⁴⁾

Notes:

⁽¹⁾ Mr Lim Kok Hoong was appointed as Independent Non-Executive Director of the Board and member of the Audit Committee with effect from 1 January 2017 and as Lead Independent Non-Executive Director and Chairman of the Audit Committee with effect from 1 February 2017.

⁽²⁾ Mr Ching Yew Chye was appointed as Independent Non-Executive Director of the Board and member of the Audit Committee with effect from 1 November 2016.

⁽³⁾ Mr Keith Tay Ah Kee resigned as Lead Independent Non-Executive Director of the Board and Chairman of the Audit Committee with effect from 1 November 2016.

⁽⁴⁾ Dr Hong Hai was re-designated as Lead Independent Non-Executive Director and Chairman of the Audit Committee with effect from 1 November 2016, and resigned as Lead Independent Non-Executive Director and Chairman of the Audit Committee with effect from 1 February 2017.

Employee Remuneration

To support the business growth and aspirations, the Manager is committed to strengthen its leadership capability and organisational effectiveness through talent management. As such, the Manager adopts a remuneration philosophy that is directed towards the attraction, retention and motivation of competent employees and key talents to ensure the long-term success of Starhill Global REIT.

It emphasises on performance-based remuneration by linking total compensation directly to the achievement of organisational and individual performance goals, and gives consideration to the equitability and market competitiveness of its remuneration practices.

In determining the mix of different forms of remuneration for executive officers, the Board seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate in finding a balance between fixed and performance related components.

Total remuneration comprises the following components:

- Fixed remuneration comprises base salary, Central Provident Fund contributions, Annual Wage Supplement and benefits and allowances.
- Variable bonus payments, paid wholly in cash, incentivises and rewards individuals for their performance, efforts and achievement. The payment of variable bonus is subject to achievement of Starhill Global REIT's DPU, and the Manager's profit after tax targets, with substantial emphasis on the performance of Starhill Global REIT to align employee interests with the interests of Starhill Global REIT. In approving the variable bonus for FY 2016/17, the Board is satisfied that the performance targets have been largely achieved.
- A long-term deferred bonus scheme, awarded wholly in cash, is put in place to retain selected management executives and talent who are key in the business operation. The scheme focuses on strengthening its organisational capability and leadership core, with the objective of encouraging loyalty and ensuring that decisions are taken with a long-term view in mind.

CORPORATE GOVERNANCE

No share/unit option schemes or share/unit schemes have been implemented. The Manager ensures that performance-related remuneration is aligned with the interests of the Unitholders and will promote the long-term success of the Manager. The Board has reviewed the remuneration components above and is satisfied that there is reasonable mitigation of any potential misalignment of interests, taking into account (i) the Board's discretion (including the requirement for approval by not less than a majority of Independent Directors) to determine whether the remuneration payable is in line with the remuneration policy; (ii) the substantial emphasis placed on the performance of Starhill Global REIT; and (iii) the absence of any remuneration payment in the form of shares or interest in the controlling unitholder of Starhill Global REIT or its related entities.

The Manager is cognisant of the requirement to disclose (i) the remuneration of the CEO and each individual Director on a named basis, (ii) the remuneration of at least the top five executive officers (who shall not include the CEO and Directors), on a named basis, in bands of S\$250,000 and (iii) the aggregate total remuneration paid to the top five executive officers. The Board has assessed and decided against the disclosure of the remuneration of the CEO and executive officers on a named basis, whether in exact quantum or in bands of S\$250,000 and of the aggregate total remuneration paid to the top five executive officers because it is not in the Manager's best interest to do so, taking into account, inter alia, the commercial sensitivity and confidential nature of remuneration matters, the presence of highly competitive conditions for talent in the industry, which is relatively small, the importance of ensuring stability and continuity of business operations of Starhill Global REIT with a competent and experienced management team in place and the negative impact which such disclosure may have on the Manager in attracting and retaining talent on a long-term basis. The non-disclosure will not be prejudicial to the interests of Unitholders as

sufficient information is provided on the Manager's remuneration policy to enable Unitholders to understand the link between the remuneration paid to the CEO and executive officers and performance.

There were no employees of the Manager who were immediate family members of a Director or the CEO and whose remuneration exceeds S\$50,000 during FY 2016/17. "Immediate family member" refers to the spouse, child, adopted child, step-child, sibling or parent of the individual.

(C) ACCOUNTABILITY AND AUDIT

Accountability

Principle 10:

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Manager provides Unitholders with quarterly and annual financial statements. The Board, with the support of Management, is responsible for providing a balanced and informed assessment of Starhill Global REIT's performance, position and prospects, including interim and other price-sensitive public reports, and reports to regulators (if required). Management provides the Board with management accounts on a quarterly basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment. Financial reports and other material information are disseminated to Unitholders through announcements to SGX-ST via SGXNET, Starhill Global REIT's website and where applicable, press releases, of the performance, position and prospects of Starhill Global REIT.

Risk Management and Internal Controls

Principle 11:

The Board is responsible for the governance of risk. The Board should ensure that the Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Effective risk management is a fundamental part of Starhill Global REIT's business strategy. Recognising and managing risk is central to the business and to protecting Unitholders' interests and value. The Manager has in place an enterprise risk management ("ERM") framework and policies, which have been approved by the Board that provide a structured approach to identifying and managing the material risks that could arise in the course of managing Starhill Global REIT. The ERM framework and policies are monitored and reviewed by the Board as and when appropriate, and major developments and significant revisions to the ERM framework or policies will be submitted to the Board for approval. An independent consultant also reviews the ERM framework and the identified risks and control activities, and provides a report to the Board once every two years. Material risks at both the Manager and Starhill Global REIT levels are managed through this ERM framework.

The Audit Committee has also been tasked by the Board to include risk management within its oversight role. This includes the review of material risks identified by Management with respect to the business operations of the Manager, Starhill Global REIT and the assets of Starhill Global REIT.

Application of the policies and protocol under the ERM framework in respect of Starhill Global REIT assets and operations is further described in the section "Risk Management" on page 58.

The Manager has put in place a system of internal controls, compliance procedures and processes to safeguard Starhill Global REIT's assets and Unitholders' interests, manage risks and ensure compliance with high standards of corporate governance. Financial risk management is exercised in accordance with a robust policy. During FY 2016/17, the Audit Committee and the Board, with the assistance of the internal and external auditors, has reviewed the adequacy and effectiveness of Starhill Global REIT's system of risk

management and internal controls that address material risks, including material financial, operational, compliance and information technology risks. No significant weaknesses were noted from the auditors' respective reviews. The findings were discussed, followed up and where appropriate, rectifications were made by Management.

The Board has also received assurance from the CEO and CFO of the Manager that:

- (a) The financial records of Starhill Global REIT have been properly maintained and the consolidated financial statements give a true and fair view of Starhill Global REIT's operations and finances; and
- (b) Starhill Global REIT's system of risk management and internal controls in place within the Group were adequate and effective as at 30 June 2017 in addressing the material risks in the Group, including material financial, operational, compliance and information technology risks.

Based on the system of risk management and internal controls established and maintained by the Manager, work performed by the internal and external auditors, reviews performed by Management, and the assurance from the CEO and CFO of the Manager, the Board with the concurrence of the Audit Committee is of the opinion that Starhill Global REIT's system of risk management and internal controls in place within the Group were adequate and effective as at 30 June 2017 in addressing the material risks in the Group, including material financial, operational, compliance and information technology risks. The CEO and the CFO of the Manager have obtained similar assurances from the function heads of the Manager.

The Board notes that the system of risk management and internal controls provides reasonable, but not absolute, assurance that Starhill Global REIT will not be adversely affected by any event that could be reasonably foreseen as it works to achieve its business objectives.

In this regard, the Board also notes that no system of risk management and internal controls can provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

Audit Committee

Principle 12:

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee is established by the Board from amongst the Directors of the Manager and currently comprises three members, all of whom are Independent Non-Executive Directors. The members of the Audit Committee as at 30 June 2017 are Mr Lim Kok Hoong (Chairman), Dr Michael Hwang and Mr Ching Yew Chye. Dr Michael Hwang has since been succeeded on the Audit Committee by Mr Tan Woon Hum with effect from 1 August 2017. The members of the Audit Committee, collectively, have relevant accounting and financial management expertise or experience and are qualified to discharge the Audit Committee's responsibilities. No former partner or director of the Manager's existing auditing firm or audit corporation is a member of the Audit Committee within a period of 12 months commencing on the date of his ceasing to be a partner of the auditing firm or director of the auditing corporation, or for as long as he has any financial interest in the auditing firm or auditing corporation.

The Audit Committee assists the Board in overseeing the ERM framework and any matters of significance affecting financial reporting and internal controls of Starhill Global REIT.

The terms of reference for the Audit Committee include:

1. reviewing audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by Management;
2. monitoring the procedures in place to ensure compliance with

- applicable legislation, the listing manual of the SGX-ST and the Property Funds Appendix;
3. reviewing and making recommendations to the Board in relation to the financial statements and the audit report;
4. monitoring the procedures established to regulate Related Party Transactions (as defined below), including ensuring compliance with the provisions of the relevant regulations;
5. making recommendations to the Board on the appointment, reappointment and removal of the external auditors, and approving the remuneration and terms of engagement of such auditors; and
6. ensuring that the internal audit function is adequately resourced through outsourcing the appointment to a reputable accounting firm where appropriate and approving their appointment, removal and remuneration.

During FY 2016/17, the Audit Committee performed independent reviews of the financial statements of Starhill Global REIT before the announcement of Starhill Global REIT's quarterly and full-year results, including key areas of management judgment.

The Audit Committee also reviewed and approved both the internal auditor's and the external auditor's audit plans of Starhill Global REIT for FY 2016/17. The audit findings and recommendations put up by the internal auditor and the external auditor were reported and discussed at the Audit Committee meetings.

The Audit Committee is responsible for the nomination of external auditors and internal auditors, and reviewing the adequacy and effectiveness of existing audits in respect of cost, scope and performance. The Audit Committee meets with the internal auditor at least once a year and with the external auditor at least once every quarter without the presence of Management, to discuss any matters which the Audit Committee or the auditors believe should be discussed privately without the presence of Management.

The Audit Committee is authorised to investigate any matters within its terms of reference. It has unfettered access to and cooperation from Management and

CORPORATE GOVERNANCE

to reasonable resources to enable it to discharge its functions. The Audit Committee has also reviewed all non-audit services provided by the external auditor and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditor. The aggregate amount of fees paid and payable to the external auditor for FY 2016/17 and the breakdown into audit fees and non-audit fees are set out on page 124. Pursuant to Rule 1207(6)(c) of the listing manual of the SGX-ST, the Manager confirms that Starhill Global REIT has complied with Rules 712 and 715 of the listing manual in relation to the appointment of the external auditor.

The Audit Committee has reviewed the procedures in place to ensure that employees of the Manager and any other persons are provided with well-defined and accessible channels to report on potential or actual improprieties in financial or other operational matters, in confidence, and for the independent investigation of any reports by employees and any other persons and appropriate follow up action. Reports may be made to the compliance officer and to the Chairman of the Audit Committee via email at whistleblowing@ytstarhill.com.

The Audit Committee meets at least once every quarter.

As part of its oversight role over financial reporting, the Audit Committee has reviewed the following key audit matter identified by the external auditor:

Internal Audit

Principle 13:

The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Audit Committee has appointed PricewaterhouseCoopers LLP to perform the internal audit functions. The internal auditor subscribes to, and is guided by the Standards for the Professional Practice of Internal Auditing developed by the Institute of Internal Auditors, Inc ("IIA") and has incorporated these standards into its audit practices and meets with the standards set by the IIA. To ensure that the internal audits are performed effectively, the internal auditor recruits and employs suitably qualified professional staff with the requisite skill sets and experience. For FY 2016/17, the Audit Committee has reviewed the adequacy and effectiveness of the internal audit function and was satisfied that the internal audit function was adequately resourced and has appropriate standing within Starhill Global REIT and the Manager.

The internal auditor provides risk assessment services and controls assurance in order to ensure internal controls are aligned to business objectives and address related risks, and reports directly to the Audit Committee. Management is responsible for addressing issues identified by the internal auditor. The internal auditor will also audit and report on the appropriateness and effectiveness of processes for the management of Related Party

Transactions at least once a year. In addition, the Trustee also has a right to review the internal audit reports so as to ascertain that the Property Funds Appendix has been complied with. The internal auditor has unrestricted access to the Audit Committee, and access to the Manager's and Starhill Global REIT's documents, records, properties and personnel, where relevant to their work.

(D) UNITHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14:

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Principle 15:

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Principle 16:

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Manager upholds a strong culture of continuous disclosure and transparent communication with Unitholders and the investing community. The Manager has in place a dedicated team performing the investor relations function and has developed a communications policy, the cornerstone

SIGNIFICANT MATTER	HOW THE AUDIT COMMITTEE REVIEWED THE MATTER AND WHAT DECISIONS WERE MADE
Valuation of investment properties	<p>The Audit Committee reviewed the outcomes of the annual external valuation process and discussed the details of the valuation of Starhill Global REIT's investment properties with the Management and the external auditor.</p> <p>The Audit Committee had a robust discussion with Management and the professional valuers to review the methodology, bases and assumptions used in arriving at the valuation of the Singapore, Australia and Malaysia investment properties (the "key investment properties"). The work performed by the external auditor was considered by the Audit Committee, including their assessment of the appropriateness of the valuation methodologies and assumptions applied in the valuation of the key investment properties.</p> <p>No significant matter came to the attention of the Audit Committee in the course of the review.</p>

of which is delivery of timely and full disclosure of all material information relating to Starhill Global REIT by way of announcements via SGXNET in the first instance and then including the announcements on Starhill Global REIT's website at www.starhillglobalreit.com. Where there is inadvertent disclosure of material information made to a select group, the Company will make the same disclosure publicly to all others as promptly as possible, where appropriate or necessary. More details on the Manager's investor relations activities and efforts are set out on page 59.

Starhill Global REIT's website contains recent announcements, press releases, presentations, and past and current reports to Unitholders. The website also provides visitors with the option of signing up for a free email alert service on public materials released by the Manager in relation to Starhill Global REIT.

The Manager also participates in investor conferences locally and overseas as part of its efforts to cultivate and maintain regular contact with investors and analysts and to build interest in and strengthen the branding of Starhill Global REIT.

All Unitholders are sent a copy of the Starhill Global REIT Annual Report prior to an Annual General Meeting. As and when an Extraordinary General Meeting of the Unitholders is to be held, each Unitholder is sent a copy of a circular to Unitholders which contains details of the matters to be proposed for Unitholders' consideration and approval.

Unitholders are invited to attend these meetings to put forward any questions they may have on the matters on the agenda. Proxy forms containing voting rules and procedures are provided to Unitholders. During the meeting, Unitholders are also briefed on the detailed voting procedures and to ensure transparency, the Manager conducts electronic poll voting and all votes cast for or against and their respective percentages will be displayed "live" immediately at the meeting after the conduct of each

poll and detailed results showing the number of votes cast for and against each resolution and the respective percentages are announced on SGXNET.

Notices for the general meetings of Unitholders setting out all items of business to be transacted at the general meetings are also announced on SGXNET. Members of the Board, representatives of the Trustee, the Manager's senior management and the external auditor of Starhill Global REIT are in attendance at such general meetings, and Unitholders are given the opportunity to air their views and ask questions regarding the matters to be tabled at the general meetings. Resolutions put to the general meeting are separate unless they are interdependent and linked, and the reasons and material implications are explained. Minutes of general meetings will be made available to Unitholders at their request.

The Manager is in full support of unitholder participation at AGMs. A Unitholder is allowed to appoint one or two proxies to attend and vote at the general meetings in his/her stead. Where a Unitholder is a relevant intermediary (including but not limited to, a nominee company, a custodian bank or a CPF agent bank), such Unitholder may appoint more than two proxies to vote on its behalf at the meeting through proxy forms sent in advance, provided that each proxy must be appointed to exercise the rights attached to a different Unit or Units held by it.

The Manager is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

Starhill Global REIT's distribution policy is to distribute at least 90% of its taxable income.

(E) ADDITIONAL INFORMATION

Dealing With Related Party

Transactions

Review procedures for related party transactions

The Manager has established internal control procedures to ensure that transactions involving the Trustee, as

trustee for Starhill Global REIT, and any Interested Person or Interested Party as defined in the listing manual of the SGX-ST and the Property Funds Appendix respectively ("Related Party Transactions") are undertaken on normal commercial terms and will not be prejudicial to the interests of Starhill Global REIT or the Unitholders. As a general rule, the Manager would have to demonstrate to the Audit Committee that such transactions satisfy the foregoing criteria, which may entail obtaining (where practicable) quotations from parties unrelated to the Manager, or obtaining valuations from independent professional valuers (in accordance with the Property Funds Appendix).

In addition, the following procedures are followed:

1. Transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) below 3.0% of Starhill Global REIT's latest audited net tangible assets will be subject to review by the Audit Committee;
2. Transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 3.0% but below 5.0% of Starhill Global REIT's latest audited net tangible assets will be subject to the review and prior approval of the Audit Committee. Such approval shall only be given if the transactions are on normal commercial terms and consistent with similar types of transactions made by the Trustee, as trustee for Starhill Global REIT, with third parties which are unrelated to the Manager; and
3. Transactions (either individually or as part of a series or if aggregated with other transactions involving the same related party during the same financial year) equal to or exceeding 5.0% of Starhill Global REIT's latest audited net tangible assets will be subject to review and prior approval

CORPORATE GOVERNANCE

of the Audit Committee which may, as it deems fit, request advice on the transaction from independent sources or advisers, including obtaining valuations from professional valuers. Further, under the listing manual of the SGX-ST and the Property Funds Appendix, such transactions would have to be approved by Unitholders at a meeting of Unitholders.

Where matters concerning Starhill Global REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of Starhill Global REIT with a related party of the Manager or Starhill Global REIT, the Trustee is required to satisfy itself that such transactions are conducted on normal commercial terms and are not prejudicial to the interests of Starhill Global REIT or Unitholders and are in accordance with all applicable requirements of the Property Funds Appendix and/or the listing manual of the SGX-ST relating to the transaction in question. Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a related party of the Manager or Starhill Global REIT. If the Trustee is to sign any contract with a related party of the Manager or Starhill Global REIT, the Trustee will review the contract to ensure that it complies with the requirements relating to interested party transactions in the Property Funds Appendix and the provisions of the listing manual of the SGX-ST relating to interested person transactions as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST or other relevant authority to apply to real estate investment trusts.

Internal control procedures

The Manager's internal control procedures are intended to ensure that Related Party Transactions are conducted on normal commercial terms and are not prejudicial to Unitholders. The Manager maintains a register to record all Related Party Transactions (and the basis, including, where practicable, the quotations obtained to support such basis, on which they are entered into) which are entered into by Starhill Global REIT. The Manager has incorporated into its internal audit plan a review of all

Related Party Transactions entered into by Starhill Global REIT.

The Audit Committee reviews the internal audit reports to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with. The Audit Committee periodically reviews all Related Party Transactions to ensure compliance with the internal control procedures and with the relevant provisions of the listing manual of the SGX-ST and the Property Funds Appendix. The review includes the examination of the nature of the transaction and its supporting documents or such other data deemed necessary by the Audit Committee. If a member of the Audit Committee or any Director has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction. The Manager discloses in Starhill Global REIT's Annual Report the aggregate value of Related Party Transactions (equal to or exceeding S\$100,000 each in value) entered into during the relevant financial year.

Dealing With Conflicts Of Interest

The Manager has instituted the following procedures to deal with potential conflicts of interest issues which may arise in managing Starhill Global REIT:

1. The Manager will not manage any other real estate investment trust which invests in the same type of properties as Starhill Global REIT;
2. All executive officers will be employed by the Manager;
3. All resolutions in writing of the Directors of the Manager in relation to matters concerning Starhill Global REIT must be approved by a majority of the Directors, including at least one independent Director;
4. At least half of the Board shall comprise independent Directors;
5. All Related Party Transactions must be reviewed by the Audit Committee and/or approved by a majority of the Audit Committee in accordance with the materiality thresholds and procedures outlined above. If a member of the Audit Committee has an interest in a transaction, he will abstain from voting;

6. In respect of matters in which a Director of the Manager or his Associates (as defined in the listing manual of the SGX-ST) have an interest, direct or indirect, such interested Director will abstain from voting. In such matters, the quorum must comprise a majority of the Directors of the Manager and must exclude such interested Director; and
7. The Manager and its Associates are prohibited from being counted in a quorum for or voting at any meeting of Unitholders convened to approve any matter in which the Manager or any of its Associates have a material interest.

The Directors of the Manager are under a fiduciary duty to Starhill Global REIT to act in its best interests in relation to decisions affecting Starhill Global REIT when they are voting as a member of the Board. In addition, the Directors and executive officers of the Manager are expected to act with integrity at all times. It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of Starhill Global REIT with a related party of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) on the matter. If the said law firm is of the opinion that the Trustee has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors of the Manager (including its independent Directors) have a duty to ensure that the Manager so complies.

Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of Starhill Global REIT with a related party of the Manager and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take

action against a related party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such related party.

Dealing In Starhill Global REIT Units

Each Director of the Manager is required to give notice to the Manager of his acquisition of units or of changes in the number of units which he holds or in which he has an interest, within two business days after such acquisition or changes in interest. All dealings in units by Directors of the Manager are announced via SGXNET.

The Directors and employees of the Manager are encouraged, as a matter of internal policy, to hold units but are prohibited from dealing in the units during the following periods:

1. a one-month period preceding the announcement of annual financial results;
2. a two-week period preceding the announcement of quarterly financial results; or
3. any period when there exists any matter which constitutes non-public price-sensitive information in relation to the securities of Starhill Global REIT.

The Directors and employees of the Manager are advised not to deal in the units on short-term considerations. In addition, the Manager will announce via SGXNET the particulars of its holdings in the units and any changes thereto within one business day after the date on which it acquires or disposes of any units, as the case may be. The Manager has also undertaken to MAS that it will not deal in the units during the period commencing one month before the public announcement of Starhill Global REIT's annual and half-year financial results and two weeks before the public announcement of Starhill Global REIT's quarterly financial results, and ending on the date of announcement of the relevant results.

Fees Payable to the Manager

The Manager is entitled to the following fees:

(i) Base Fee

The Base Fee covers the operational and administrative expenses incurred

by the Manager in executing its responsibilities to manage Starhill Global REIT's portfolio.

The Manager is entitled to receive a base fee of 0.5% per annum of the Value of Trust Property as defined on pages 101 and 102 (excluding GST) ("Base Fee") or such higher percentage as may be fixed by an Extraordinary Resolution of a meeting of Unitholders.

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 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.

During FY 2016/17, the Manager has elected to receive 100% of the Base Fee in cash. In accordance with clause 15.1.1 of the Trust Deed, this shall be payable monthly in arrears.

(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 Financial Year exceeds the accumulated return (comprising capital gains and accumulated distributions and assuming re-investment of all distributions) of a benchmark index ("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 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.

The Performance Fee, whether payable in any combination of cash and units or solely in cash or units will be payable annually in arrears within 30 days after the last day of each financial year. Please refer to page 102 for further details on the Performance Fee.

The Performance Fee is based on accumulated return (comprising capital gains and accumulated distributions and assuming all distributions are re-invested in the Trust) of the units, such that where the accumulated return for the Trust Index exceeds the total return of the Benchmark Index, the Manager will be paid a Performance Fee. The interests of the Manager are therefore aligned with the interests of the Unitholders as the Performance Fee would be commensurated with the value that the Manager delivers to Unitholders in the form of such accumulated return. In addition, the Manager has to ensure that the Trust Index outperforms the Benchmark Index. This motivates and incentivises the Manager to grow the accumulated return to Unitholders and outperform the Benchmark Index on a long-term and sustainable basis through proactive asset management strategies, asset enhancement initiatives, disciplined investments and prudent capital and risk management. By pegging performance fee to accumulated return, the Manager will not take on excessive short-term risks that will affect returns to Unitholders.

(iii) Acquisition Fee

The Manager is entitled to an Acquisition Fee as set out in clause 15.2 of the Trust Deed. This is earned by the Manager upon completion of an acquisition. The fee seeks

CORPORATE GOVERNANCE

to motivate and compensate the Manager for the time and effort spent in sourcing, evaluating and executing acquisitions that meet Starhill Global REIT's investment criteria and increase long-term returns for Unitholders. Additional resources and costs incurred by the Manager in the course of seeking out new acquisition opportunities include, but are not limited to, due diligence efforts and man hours spent in evaluating the transactions. The Manager provides these services over and above the provision of ongoing management services with the aim of enhancing long-term returns, income sustainability and achieving the investment objectives of Starhill Global REIT.

The Acquisition Fee is calculated at 1% of the value of the real estate acquired and subject to the Property Funds Appendix, shall be paid to the Manager in the form of cash and/or Units (as the Manager shall elect). The Acquisition Fee is payable to the Manager 14 days after the completion of the relevant acquisition. Please refer to page 103 for further details on the Acquisition Fee.

As required by the Property Funds Appendix, where an acquisition constitutes an "interested party transaction", the Acquisition Fee payable to the Manager will be in the form of units which shall not be sold within one year from the date of issuance. This motivates the Manager to ensure that any acquisitions from interested parties perform and contribute to Unitholders' returns.

(iv) Divestment Fee

The Manager is entitled to a Divestment Fee as set out in clause

15.3 of the Trust Deed. This is earned by the Manager upon completion of a divestment. This fee seeks to motivate and compensate the Manager for its efforts in maximising value for Unitholders by selectively divesting properties that have reached a stage which offers limited scope for further income growth and recycle capital and optimise Starhill Global REIT's portfolio. The fee covers additional costs and resources incurred by the Manager, including but not limited to, sourcing for buyers, due diligence efforts and man hours spent in the course of the transactions.

In accordance to clause 15.3 of the Trust Deed, the Divestment Fee is calculated at 0.5% of the value of the real estate divested and subject to the Property Funds Appendix, shall be paid to the Manager in the form of cash and/or units (as the Manager may elect). The Divestment Fee is payable as soon as practicable after the completion of the relevant divestment. Please refer to page 103 for further details on the Divestment Fee.

As required by the Property Funds Appendix, where a divestment constitutes an "interested party transaction", the Divestment Fee payable to the Manager shall be in the form of units, which shall not be sold within one year from the date of issuance.

The Divestment Fee is lower than the Acquisition Fee because the sourcing, evaluating and executing of potential acquisition opportunities generally require more resources, effort and time on the part of the Manager as compared to divestments.

FINANCIALS

FINANCIAL STATEMENTS /Report of the Trustee / **90**Statement by the Manager / **91**Independent Auditors' Report / **92**Balance Sheets / **95**Statements of Total Return / **96**Distribution Statements / **97**Statements of Movements in Unitholders' Funds / **98**Investment Properties Portfolio Statement / **99**Consolidated Cash Flow Statement / **100**Notes to the Financial Statements / **101**

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") and its subsidiaries (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 Trustee shall monitor the activities of YTL Starhill Global 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, first supplemental deed dated 20 April 2006, amended and restated deed dated 8 August 2007, second amended and restated deed dated 10 December 2007, second supplemental deed dated 22 April 2010, third supplemental deed dated 7 June 2010, fourth supplemental deed dated 17 March 2014 and third amending and restating deed dated 4 August 2016 (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Group during the year ended 30 June 2017 covered by these financial statements, set out on pages 95 to 136 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,

HSBC Institutional Trust Services (Singapore) Limited



Esther Fong

Senior Vice President, Trustee Services

Singapore
29 August 2017

STATEMENT BY THE MANAGER

In the opinion of the directors of YTL Starhill Global REIT Management Limited (the "Manager"), the accompanying financial statements set out on pages 95 to 136, 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 information, are drawn up so as to give a true and fair view of the financial position of Starhill Global Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") as at 30 June 2017, 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 ended 30 June 2017 in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* issued by the Institute of Singapore Chartered Accountants 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 Starhill Global REIT Management Limited



Ho Sing
Director

Singapore
29 August 2017

INDEPENDENT AUDITORS' REPORT

**UNITHOLDERS OF STARHILL GLOBAL
REAL ESTATE INVESTMENT TRUST**
(CONSTITUTED IN THE REPUBLIC OF
SINGAPORE PURSUANT TO A TRUST DEED
DATED 8 AUGUST 2005 (AS AMENDED))

Report on the financial statements

Opinion

We have audited the financial statements of Starhill Global Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively, the "Group"), which comprise the balance sheet and investment properties portfolio statement of the Group and the balance sheet of the Trust as at 30 June 2017, and the statements of total return, distribution statements, statements of movements in unitholders' funds of the Group and the Trust, and the cash flow statement of the Group for the year ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 95 to 136.

In our opinion, the accompanying consolidated financial statements of the Group and the financial statements of the Trust present fairly, in all material respects, the financial position and portfolio holdings of the Group and financial position of the Trust as at 30 June 2017, and the total return, distributable income and movements in unitholders' funds of the Group and the Trust, and the cash flow of the Group for the year ended on that date in accordance with the recommendations of *Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts"* ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties (Refer to Note 4 to the financial statements)

Risk:

As at 30 June 2017, the Group's investment properties portfolio comprises 11 properties which are retail and office assets in prime locations. These investment properties amounted to \$3,136 million (2016: \$3,137 million) which represented 97% (2016: 97%) of the Group's total assets.

The fair values of the investment properties were determined by external valuers using valuation techniques such as the capitalisation approach and/or discounted cash flow method.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied in deriving the capitalisation, discount and terminal yield rates i.e. a small change in the assumptions may have a significant impact to the valuation.

Our response:

We assessed the Group's processes for the selection of the external valuers, the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers. We also assessed the competency, capability and objectivity of these valuers.

We considered the valuation methodologies used against those applied by other valuers for similar property type. We held discussions with the valuers and challenged the key assumptions applied, including capitalisation, discount and terminal yield rates, by comparing them to market comparables, historical data and available industry data.

Our findings:

The Group has a process for appointing and instructing valuers, and in reviewing, challenging and accepting their valuations. The valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out their work.

Based on our assessment of the valuation methodologies and key assumptions applied, the valuation of investment properties were within an acceptable range of outcome.

Other information

YTL Starhill Global REIT Management Limited, the Manager of the Trust ('the Manager'), is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the RAP 7 issued by the Institute of Singapore Chartered Accountants, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit 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 Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

**UNITHOLDERS OF STARHILL GLOBAL
REAL ESTATE INVESTMENT TRUST**
(CONSTITUTED IN THE REPUBLIC OF
SINGAPORE PURSUANT TO A TRUST DEED
DATED 8 AUGUST 2005 (AS AMENDED))

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Eng Chin Chin.



Public Accountants and
Chartered Accountants

Singapore
29 August 2017

BALANCE SHEETS

AS AT 30 JUNE 2017

		Group		Trust	
	Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Non-current assets					
Investment properties	4	3,136,315	3,136,604	2,147,000	2,141,000
Plant and equipment	5	59	446	-	141
Interests in subsidiaries	6	-	-	608,852	651,509
Derivative financial instruments	7	41	332	41	330
Trade and other receivables	8	-	1,759	-	1,266
		3,136,415	3,139,141	2,755,893	2,794,246
Current assets					
Derivative financial instruments	7	85	140	63	140
Trade and other receivables	8	6,341	5,926	2,110	5,655
Cash and cash equivalents	9	76,603	76,953	30,493	11,740
		83,029	83,019	32,666	17,535
Total assets		3,219,444	3,222,160	2,788,559	2,811,781
Non-current liabilities					
Trade and other payables	10	24,363	24,999	19,003	19,782
Derivative financial instruments	7	1,827	4,747	1,522	2,393
Deferred tax liabilities	11	6,748	9,737	-	-
Borrowings	12	728,386	1,107,521	547,522	790,124
		761,324	1,147,004	568,047	812,299
Current liabilities					
Trade and other payables	10	38,762	39,544	26,554	25,962
Derivative financial instruments	7	2,178	22	1,226	22
Income tax payable		1,942	2,641	-	-
Borrowings	12	405,892	15,398	252,771	5,000
		448,774	57,605	280,551	30,984
Total liabilities		1,210,098	1,204,609	848,598	843,283
Net assets		2,009,346	2,017,551	1,939,961	1,968,498
Represented by:					
Unitholders' funds	13	2,009,346	2,017,551	1,939,961	1,968,498
Units in issue ('000)	14	2,181,204	2,181,204	2,181,204	2,181,204
Net asset value/Net tangible asset per unit (\$) based on:					
- Units issued at the end of the year		0.92	0.92	0.89	0.90

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

STATEMENTS OF TOTAL RETURN

YEAR ENDED 30 JUNE 2017

		Group		Trust	
	Note	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Gross revenue	15	216,364	219,679	134,480	134,251
Property operating expenses	16	(49,476)	(49,357)	(27,518)	(27,576)
Net property income		166,888	170,322	106,962	106,675
Interest income from fixed deposits and bank balances		1,089	914	369	48
Interest income from subsidiaries		-	-	5,806	5,621
Dividend income from subsidiaries	17	-	-	22,771	8,343
Fair value adjustment on security deposits		(20)	(106)	(53)	(404)
Management fees	18	(16,192)	(15,903)	(15,256)	(14,930)
Performance fees	18	-	-	-	-
Trust expenses	19	(3,542)	(3,463)	(2,758)	(3,173)
Finance expenses	20	(38,930)	(38,767)	(25,056)	(24,211)
		109,293	112,997	92,785	77,969
Change in fair value of derivative instruments		1,425	(6,487)	107	(4,959)
Foreign exchange gain/(loss)		3,819	(11,610)	(5,802)	(4,043)
Change in fair value of investment properties	4	(16,321)	77,973	3,493	69,029
Gain/(Loss) on divestment of investment properties ⁽¹⁾		770	(87)	-	-
Impairment loss on investment in subsidiaries	6	-	-	(9,000)	(23,000)
Impairment loss on intangible asset ⁽²⁾		-	(11,214)	-	-
Total return for the year before tax and distribution		98,986	161,572	81,583	114,996
Income tax	21	1,268	2,324	(405)	-
Total return for the year after tax, before distribution		100,254	163,896	81,178	114,996
Non-tax deductible/(chargeable) items and other adjustments		10,191	(47,394)	29,267	1,506
Income available for distribution		110,445	116,502	110,445	116,502
Earnings per unit (cents)					
Basic	22	4.60	7.51	3.72	5.27
Diluted	22	4.60	7.51	3.72	5.27

Notes:

⁽¹⁾ Represents the difference between the net proceeds (including directly attributable costs) from divestment and the carrying amount of Harajuku Secondo in May 2017 (2016: Roppongi Terzo in January 2016).

⁽²⁾ Represents the impairment loss on goodwill arising from acquisition of Top Sure Investment Limited recorded in June 2016 and determined based on the difference between the carrying amount and the recoverable amount of Top Sure Investment Limited and its subsidiary.

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

DISTRIBUTION STATEMENTS

YEAR ENDED 30 JUNE 2017

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Income available for distribution at the beginning of the year	48,755	45,240	48,755	45,240
Total return after tax, before distribution	100,254	163,896	81,178	114,996
Net tax and other adjustments (Note A below)	10,191	(47,394)	29,267	1,506
Income available for distribution	159,200	161,742	159,200	161,742
Distributions during the year:				
Unitholders				
Distribution of 1.29 cents (2015: 1.29 cents) per unit for the period 1 April to 30 June 2016	(28,138)	(28,138)	(28,138)	(28,138)
Distribution of 1.30 cents (2015: 1.31 cents) per unit for the period 1 July to 30 September 2016	(28,356)	(28,574)	(28,356)	(28,574)
Distribution of 1.26 cents (2015: 1.32 cents) per unit for the period 1 October to 31 December 2016	(27,483)	(28,792)	(27,483)	(28,792)
Distribution of 1.18 cents (2016: 1.26 cents) per unit for the period 1 January to 31 March 2017	(25,738)	(27,483)	(25,738)	(27,483)
	(109,715)	(112,987)	(109,715)	(112,987)
Income available for distribution at the end of the year	49,485	48,755	49,485	48,755
Number of units at end of the year ('000)	2,181,204	2,181,204	2,181,204	2,181,204
Distribution per unit for the year (cents)	4.92	5.18	4.92	5.18
Note A – Net tax and other adjustments				
Non-tax deductible/(chargeable) items and other adjustments:				
- Finance costs	1,012	928	2,244	2,144
- Sinking fund contribution	1,808	1,808	1,808	1,808
- Depreciation	141	282	141	282
- Change in fair value of derivative instruments	(1,425)	6,487	(107)	4,959
- Change in fair value of investment properties	16,321	(77,973)	(3,493)	(69,029)
- Deferred tax	(3,065)	(4,196)	-	-
- Impairment loss on investment in subsidiaries	-	-	9,000	23,000
- Impairment loss on intangible asset	-	11,214	-	-
- Foreign exchange (gain)/loss	(4,000)	11,830	5,429	4,043
- Fair value adjustment on security deposits	20	106	53	404
- Other items	(621)	2,120	3,260	2,902
- Net overseas income not distributed to the Trust, net of amount received	-	-	10,932	30,993
Net tax and other adjustments	10,191	(47,394)	29,267	1,506

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

YEAR ENDED 30 JUNE 2017

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Unitholders' funds at the beginning of the year	2,017,551	1,982,791	1,968,498	1,966,489
Operations				
Change in unitholders' funds resulting from operations, before distributions	100,254	163,896	81,178	114,996
Increase in unitholders' funds resulting from operations	100,254	163,896	81,178	114,996
Foreign currency translation reserve				
Translation differences from financial statements of foreign entities	10,877	(23,716)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations	(9,621)	7,567	-	-
Net gain/(loss) recognised directly in unitholders' funds	1,256	(16,149)	-	-
Unitholders' transactions				
Distributions to unitholders	(109,715)	(112,987)	(109,715)	(112,987)
Decrease in unitholders' funds resulting from unitholders' transactions	(109,715)	(112,987)	(109,715)	(112,987)
Unitholders' funds at the end of the year	2,009,346	2,017,551	1,939,961	1,968,498

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

INVESTMENT PROPERTIES PORTFOLIO STATEMENT

AS AT 30 JUNE 2017

Group

Description of property	Tenure	Term of lease	Remaining term of lease	Location	Existing use	Occupancy rate	At valuation		Percentage of total net assets	
						2017 %	2017 \$'000	2016 \$'000	2017 %	2016 %
Wisma Atria Property	Leasehold	Leasehold estate of 99 years expiring on 31 March 2061	44 years	435 Orchard Road, Singapore 238877	Retail/Office	97.7/92.1	997,000 ⁽⁵⁾	996,000	49.6	49.4
Ngee Ann City Property	Leasehold	Leasehold estate of 69 years expiring on 31 March 2072	55 years	391/391B Orchard Road, Singapore 238874	Retail/Office	100.0/93.5	1,150,000 ⁽⁵⁾	1,145,000	57.2	56.7
Myer Centre Adelaide ⁽¹⁾	Freehold	–	–	14–38 Rundle Mall, Adelaide, Australia	Retail/Office	94.6/50.4	317,085 ⁽⁴⁾	299,978	15.8	14.9
David Jones Building ⁽¹⁾	Freehold	–	–	622–648 Hay Street Mall, Perth, Australia	Retail	99.3	169,112 ⁽⁷⁾	153,398	8.4	7.6
Plaza Arcade ⁽¹⁾	Freehold	–	–	650 Hay Street Mall and 185–191 Murray Street Mall, Perth, Australia	Retail	94.1	53,904 ⁽⁷⁾	52,135	2.7	2.6
Starhill Gallery ⁽²⁾	Freehold	–	–	181 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia	Retail/Office	100.0	221,214 ⁽⁸⁾	234,395	11.0	11.6
Lot 10 Property ⁽²⁾	Leasehold	Leasehold estate of 99 years expiring on 29 July 2076	59 years	50 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia	Retail/Office	100.0	136,255 ⁽⁸⁾	143,986	6.8	7.1
Renhe Spring Zongbei Property ⁽³⁾	Leasehold	Leasehold estate of 40 years expiring on 27 December 2035	18 years	No 19, 4 th Section, Renminnan Road, Chengdu, China	Retail	100.0	32,077 ⁽⁹⁾	44,677	1.6	2.2
Ebisu Fort ⁽⁴⁾	Freehold	–	–	1–24–2 Ebisu-Minami, Shibuya-ku, Tokyo, Japan	Retail/Office	100.0	39,574 ⁽¹⁰⁾	41,502	2.0	2.1
Daikanyama ⁽⁴⁾	Freehold	–	–	1–31–12 Ebisu-Nishi, Shibuya-ku, Tokyo, Japan	Retail/Office	100.0	14,994 ⁽¹⁰⁾	15,761	0.7	0.8
Nakameguro Place ⁽⁴⁾	Freehold	–	–	1–20–2 Aobadai, Meguro-ku, Tokyo, Japan	Retail	100.0	5,100 ⁽¹⁰⁾	5,385	0.3	0.3
Harajuku Secondo ⁽⁴⁾	Freehold	–	–	1–19–1 Jingumae, Shibuya-ku, Tokyo, Japan	NA	NA	–	4,387	–	0.2
Investment properties at valuation							3,136,315	3,136,604	156.1	155.5
Other assets and liabilities (net)							(1,126,969)	(1,119,053)	(56.1)	(55.5)
Net assets							2,009,346	2,017,551	100.0	100.0

Notes:

⁽¹⁾ David Jones Building, Plaza Arcade and Myer Centre Adelaide (the "Australia Properties") were acquired on 20 January 2010, 1 March 2013 and 18 May 2015 respectively.

⁽²⁾ Starhill Gallery and Lot 10 Property (the "Malaysia Properties") were acquired on 28 June 2010.

⁽³⁾ Renhe Spring Zongbei Property (the "China Property") was acquired on 28 August 2007.

⁽⁴⁾ The Japan Properties comprise three properties (2016: four) as at 30 June 2017. Harajuku Secondo was divested on 15 May 2017. Daikanyama and Nakameguro Place were acquired on 30 May 2007, whilst Ebisu Fort was acquired on 26 September 2007.

⁽⁵⁾ Based on the valuation performed by CBRE Pte. Ltd. as at 30 June 2017.

⁽⁶⁾ Based on the valuation performed by Jones Lang LaSalle Advisory Services Pty Ltd as at 30 June 2017 and translated at the exchange rate of A\$0.95:\$1.00 (2016: A\$1.00:\$1.00).

⁽⁷⁾ Based on the valuation performed by CBRE Valuations Pty Limited as at 30 June 2017 and translated at the exchange rate of A\$0.95:\$1.00 (2016: A\$1.00:\$1.00).

⁽⁸⁾ Based on the valuation performed by IVPS Property Consultant Sdn Bhd as at 30 June 2017 and translated at the exchange rate of RM3.12:\$1.00 (2016: RM2.99:\$1.00).

⁽⁹⁾ Based on the valuation performed by Knight Frank Petty Limited as at 30 June 2017 and translated at the exchange rate of RMB4.93:\$1.00 (2016: RMB4.92:\$1.00).

⁽¹⁰⁾ Based on the valuation performed by Jones Lang LaSalle K.K. as at 30 June 2017 and translated at the exchange rate of JPY81.37:\$1.00 (2016: JPY76.14:\$1.00).

The Manager believes that the above independent valuers have appropriate professional qualifications and experience in the location and category of the Group's investment properties being valued. Full valuations of the above properties were performed as at year end.

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

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2017

	Group	
	2017 \$'000	2016 \$'000
Cash flows from operating activities		
Total return for the year before tax and distribution	98,986	161,572
Adjustments for:		
Finance income	(1,089)	(914)
Fair value adjustment on security deposits	20	106
Depreciation	361	622
Finance expenses	38,930	38,767
(Gain)/Loss on divestment of investment properties	(770)	87
Plant and equipment written off	80	-
Change in fair value of derivative instruments	(1,425)	6,487
Foreign exchange (gain)/loss	(3,819)	11,610
Change in fair value of investment properties	16,321	(77,973)
Impairment loss on intangible asset	-	11,214
Operating income before working capital changes	147,595	151,578
Trade and other receivables	(2,500)	1,167
Trade and other payables	(1,556)	4,243
Income tax paid	(2,395)	(1,729)
Net cash from operating activities	141,144	155,259
Cash flows from investing activities		
Net proceeds on divestment of investment properties ⁽¹⁾	4,907	29,095
Capital expenditure on investment properties	(9,018)	(1,945)
Purchase of plant and equipment	(53)	(41)
Interest received on deposits	1,090	922
Net cash (used in)/from investing activities	(3,074)	28,031
Cash flows from financing activities		
Borrowing costs paid	(36,115)	(37,272)
Proceeds from borrowings	102,377	252,547
Repayment of borrowings	(94,490)	(262,348)
Distributions paid to unitholders	(109,715)	(112,987)
Net cash used in financing activities	(137,943)	(160,060)
Net increase in cash and cash equivalents	127	23,230
Cash and cash equivalents at 1 July	76,953	51,571
Effects of exchange rate differences on cash	(477)	2,152
Cash and cash equivalents at 30 June	76,603	76,953

Note:

⁽¹⁾ Net cash inflows on divestment of Harajuku Secondo (2016: Roppongi Terzo in January 2016) represent the sale proceeds, net of directly attributable costs paid in May 2017.

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 29 August 2017.

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 Starhill Global 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 approved to be included under the Central Provident Fund ("CPF") Investment Scheme on 14 June 2005.

For financial reporting purpose, Starhill Global Real Estate Investment Trust is regarded as a subsidiary of YTL Corporation Berhad. Accordingly, the ultimate holding company is Yeoh Tiong Lay and Sons Holdings Sdn Bhd, which is incorporated in Malaysia.

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 significant service agreements in relation to the management of the Group and its operations. The fee structure of these services is as follows:

(a) Property management fees and leasing commission

YTL Starhill Global 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:

- (i) one month's base rental for securing a tenancy of three years or more;
- (ii) two thirds of one month's base rental for securing a tenancy of two years or more but less than three years;
- (iii) one third of one month's base rental for securing a tenancy of one year or more but less than two years;
- (iv) one quarter of one month's base rental for securing a renewal of tenancy of three years or more;
- (v) 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
- (vi) 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 also include fees payable mainly to third party property managers of the Australia Properties and Japan Properties.

(b) Management fees

Management fees include fees payable to the Manager, third party asset manager of the Japan Properties, as well as servicer of the Malaysia Properties.

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

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.

NOTES TO THE FINANCIAL STATEMENTS

The Value of Trust Property means:

- (i) the value of all authorised investments of the Group other than real estate related assets;
- (ii) 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
- (iii) 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 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 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.

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 financial 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 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 annually in arrears. If a trigger event occurs in any financial 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 financial year in cash, which shall be calculated, as if the end of the financial 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 financial years. If, at the end of a financial 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 financial 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, any payment to third party agents or brokers shall be borne by the Group, provided that 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 less than 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).

2. BASIS OF PREPARATION**2.1 Statement of compliance**

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 Singapore Chartered Accountants ("ISCA"), 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").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except as set out in the accounting policies below.

2.3 Functional and presentation currency

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.

2.4 Use of estimates and judgements

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.

NOTES TO THE FINANCIAL STATEMENTS

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
- Notes 7 and 24 – Valuation of financial instruments

2.5 Adoption of new/revised FRS

RAP 7 *Reporting Framework for Unit Trusts* ("revised RAP 7") (Revised June 2016) takes into account the changes made to FRS 32 *Financial Instruments: Presentation* and FRS 107 *Financial Instruments: Disclosures* in relation to the offsetting of financial assets and liabilities, and new standards issued after 2012 – namely FRS 110 *Consolidated Financial Statements*, FRS 112 *Disclosure of Interests in Other Entities* and FRS 113 *Fair Value Measurement*. The adoption of this revised RAP 7 did not result in substantial changes to the accounting policies of the Group and the Trust, and had no financial effect on the amounts reported for the current or previous financial period.

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 as explained in Note 2.5.

3.1 Basis of consolidation

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control exists when the Group is exposed to or has rights to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the statement of total return.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the statement of total return.

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. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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 consolidated financial statements.

Accounting for subsidiaries by the Trust

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

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transactions. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. Foreign currency differences arising on retranslation are recognised in the statement of total return.

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore dollars at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates 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 foreign currency translation reserve. When a foreign operation is disposed of, in part or in full, the relevant amount is transferred to the statement of total return.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation. These are recognised in the Trust's statement of total return, and are reclassified to the foreign currency translation reserve in the consolidated financial statements.

3.3 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 when the Group has an obligation to remove the asset or restore the site, an estimate of 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.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and is recognised in the statement of total return.

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 of plant and equipment is recognised in the statement of total return on a straight-line basis over their estimated useful lives of 2 to 5 years.

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

NOTES TO THE FINANCIAL STATEMENTS

3.4 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost on initial recognition, and subsequently at fair value with any changes therein recognised in the statement of total return. Fair value is determined in accordance with the Trust Deed, which requires investment properties to be valued by independent registered valuers in such manner and frequency required under Appendix 6 of the CIS Code ("Property Fund Appendix") issued by MAS.

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.

3.5 Intangible asset

Goodwill

Goodwill and bargain purchase arise upon the acquisition of subsidiaries.

Goodwill represents the excess of the fair value of the consideration transferred over the Group's interest in the net fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in the statement of total return.

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.

3.6 Financial instruments

(i) Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through the statement of total return) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial assets 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 Group 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 Group 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.

The Group classifies non-derivative financial assets into the following category: loans and receivables.

Loans and receivables

Loans 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, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and trade and other receivables. Cash and cash equivalents comprise cash at bank and fixed deposits.

(ii) Non-derivative financial liabilities

The Group initially recognises debt securities issued on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through the statement of total return) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group 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.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. 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.

Other financial liabilities comprise borrowings and trade and other payables.

(iii) 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. The Group does not adopt hedge accounting for its derivative financial instruments as at 30 June 2017.

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

Subsequent to initial recognition, derivatives are measured at fair value. All changes in 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 the statement of total return.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, 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 is also 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.

3.7 Unitholders' funds

Unitholders' funds represent the residual interest in the Group's net assets upon termination and are classified as equity. Expenses incurred in the issuance and placement of units (if any) in the Group are deducted directly against unitholders' funds.

NOTES TO THE FINANCIAL STATEMENTS

3.8 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through the statement of 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.

Loans and receivables

The Group considers evidence of impairment for loans and 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. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and 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 loans and receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised 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 reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU 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 CGU. 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 CGUs. 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.

Impairment losses are recognised in the statement of total return. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (groups of CGUs) and then to reduce the carrying amount of the other assets in the CGU (groups of CGUs) 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.

3.9 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 in the statement of total return.

A liability 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.

3.10 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.

Dividend income

Dividend income is recognised in the statement of total return on the date that the Trust's right to receive payment is established.

3.11 Finance income and finance expenses

Finance income comprises interest income on funds invested and derivative financial instruments. Interest income is recognised as it accrues in the statement of total return, using the effective interest method.

Finance expenses comprises interest expense on borrowings and derivative financial instruments and amortisation of loan acquisition expenses. All borrowing costs are recognised in the statement of total return using the effective interest method.

3.12 Expenses

(i) Property operating expenses

Property operating expenses are recognised on an accrual basis. Included in property operating expenses are mainly property tax, maintenance and sinking fund contributions, leasing and upkeep expenses, marketing expenses, administrative 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 described in Note 1(d).

3.13 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 year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

NOTES TO THE FINANCIAL STATEMENTS

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on 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; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to 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 taxes levied by the same 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.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling dated 20 May 2005 ("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 such distributions.

A qualifying unitholder is a unitholder who is:

- (i) a Singapore-incorporated company which is a tax resident in Singapore;
- (ii) 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);
- (iii) a Singapore branch of a foreign company; or
- (iv) an international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145).

A foreign non-individual unitholder is one who is not a resident of Singapore for income tax purposes and

- (i) which does not have a permanent establishment in Singapore; or
- (ii) 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:

- (i) dividends;
- (ii) interest on shareholder's loans; and
- (iii) foreign-sourced trust distribution

payable by its subsidiaries out of underlying rental income derived from the overseas investment properties. 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 distribute at least 90% of its taxable income for the year ended 30 June 2017 (2016: 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.

3.14 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 Group's Chief Operating Decision Maker 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 \$'000	Trust \$'000
At 1 July 2015	3,116,155	2,071,500
Additions of investment property	1,070	471
Divestment	(29,182)	–
Change in fair value of investment properties	77,973	69,029
Translation differences	(29,412)	–
At 30 June 2016	3,136,604	2,141,000
Additions and straight-line rental adjustments	12,860	2,507
Divestment	(4,137)	–
Change in fair value of investment properties	(16,321)	3,493
Translation differences	7,309	–
At 30 June 2017	3,136,315	2,147,000

Investment properties are stated at fair value based on valuations performed by independent professional valuers having appropriate recognised professional qualifications and experience in the location and category of property being valued.

The Group has a framework with respect to the measurement of fair values of its investment properties, which is regularly reviewed by the Manager.

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.

At 30 June 2017, investment properties with a carrying value of approximately \$843.7 million (2016: \$831.8 million) are mortgaged to secure credit facilities for the Group (Note 12).

NOTES TO THE FINANCIAL STATEMENTS

Fair value hierarchy

The Group's investment properties are valued based on unobservable inputs and classified in Level 3 of the fair value hierarchy. The different levels of the fair value hierarchy are defined in Note 24.

The following table shows the key unobservable inputs used in the valuation models of the investment properties as at 30 June 2017:

Investment properties	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Commercial properties for leasing	<ul style="list-style-type: none"> Capitalisation rates from 3.75% to 8.25% (2016: from 3.90% to 8.25%) Discount rates from 3.80% to 8.50% (2016: from 3.70% to 8.50%) 	The estimated fair value would increase if capitalisation rates and discount rates decrease.

Key unobservable inputs correspond to:

- Capitalisation rates derived from specialised publications from the related markets and comparable transactions.
- Discount rates, which are largely based on the risk-free rate of government bonds in the relevant market, adjusted for a risk premium to reflect the increased risk of investing in the asset class.

5. PLANT AND EQUIPMENT

	Group \$'000	Trust \$'000
Cost:		
At 1 July 2015	3,302	790
Additions	41	-
Disposal/write-off	(14)	-
Translation differences	(161)	-
At 30 June 2016	3,168	790
Additions	53	-
Disposal/write-off	(1,230)	-
Translation differences	(3)	-
At 30 June 2017	1,988	790
Accumulated depreciation:		
At 1 July 2015	(2,252)	(367)
Depreciation charge	(622)	(282)
Disposal/write-off	14	-
Translation differences	138	-
At 30 June 2016	(2,722)	(649)
Depreciation charge	(361)	(141)
Disposal/write-off	1,150	-
Translation differences	4	-
At 30 June 2017	(1,929)	(790)
Carrying amount:		
At 1 July 2015	1,050	423
At 30 June 2016	446	141
At 30 June 2017	59	-

6. INTERESTS IN SUBSIDIARIES

	Trust	
	2017 \$'000	2016 \$'000
Equity investments at cost	491,391	509,444
Advances to subsidiaries	216,461	232,065
	707,852	741,509
Less: allowance for impairment loss	(99,000)	(90,000)
	608,852	651,509

Advances to subsidiaries are unsecured. The advances form part of the Trust's interests in subsidiaries as settlement of these amounts is neither planned nor likely to occur in the foreseeable future, and are stated at cost less impairment loss.

The Manager has reassessed for impairment by comparing the recoverable amount of the Trust's interests in subsidiaries against the carrying amount of the Trust's investment in subsidiaries. The recoverable amount was estimated based on the fair value of the subsidiaries' net assets as at reporting date, which is classified in Level 3 of the fair value hierarchy. As the recoverable amount was lower than the net carrying amount of the Trust's interest in these subsidiaries, an impairment loss of \$9.0 million (2016: \$23.0 million) was recognised for the year ended 30 June 2017, mainly in line with the drop in valuation of the China Property as at 30 June 2017.

The movement in the allowance for impairment loss in respect of interests in subsidiaries during the year was as follows:

	Trust	
	2017 \$'000	2016 \$'000
At 1 July	(90,000)	(67,000)
Impairment loss recognised	(9,000)	(23,000)
At 30 June	(99,000)	(90,000)

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Effective interest	
		2017 %	2016 %
Starhill Global REIT Japan SPC One Pte Ltd ⁽¹⁾	Singapore	100	100
Starhill Global REIT Japan SPC Two Pte Ltd ⁽¹⁾	Singapore	100	100
Starhill Global REIT MTN Pte Ltd ⁽¹⁾	Singapore	100	100
SG REIT (M) Pte Ltd ⁽¹⁾	Singapore	100	100
SG REIT (WA) Pte Ltd ⁽¹⁾	Singapore	100	100
Starhill Global REIT One TMK ⁽²⁾	Japan	100	100
Starhill Global ML K.K. ⁽³⁾	Japan	100	100
Top Sure Investment Limited ⁽⁴⁾	Hong Kong	100	100
Renhe Spring Department Store Co., Ltd ⁽²⁾	China	100	100
SG REIT (WA) Trust ⁽²⁾	Australia	100	100
SG REIT (WA) Sub-Trust1 ⁽²⁾	Australia	100	100
SG REIT (SA) Sub-Trust2 ⁽²⁾	Australia	100	100
Ara Bintang Berhad ⁽²⁾	Malaysia	100	100

⁽¹⁾ Audited by KPMG LLP

⁽²⁾ Audited by other member firms of KPMG International

⁽³⁾ Not required to be audited by the laws of the country of incorporation

⁽⁴⁾ Audited by other auditors

NOTES TO THE FINANCIAL STATEMENTS

7. DERIVATIVE FINANCIAL INSTRUMENTS

	2017		2016	
	Contract notional amount \$'000	Fair value \$'000	Contract notional amount \$'000	Fair value \$'000
Group				
Non-current assets				
Interest rate swap and caps	144,000	41	359,200	332
Current assets				
Interest rate swap and caps	100,000	24	238,000	14
Foreign exchange forwards	8,500	61	11,300	126
	108,500	85	249,300	140
	252,500	126	608,500	472
Non-current liabilities				
Interest rate swaps	316,600	1,827	533,600	4,747
Current liabilities				
Interest rate swaps	278,200	2,006	50,000	14
Foreign exchange forwards	10,000	172	3,400	8
	288,200	2,178	53,400	22
	604,800	4,005	587,000	4,769
Trust				
Non-current assets				
Interest rate swap and caps	77,400	41	232,800	330
Current assets				
Interest rate swap and caps	100,000	24	216,900	14
Foreign exchange forwards	5,000	39	11,300	126
	105,000	63	228,200	140
	182,400	104	461,000	470
Non-current liabilities				
Interest rate swaps	250,000	1,522	325,000	2,393
Current liabilities				
Interest rate swaps	125,000	1,091	50,000	14
Foreign exchange forwards	7,400	135	3,400	8
	132,400	1,226	53,400	22
	382,400	2,748	378,400	2,415

The Group has entered into various derivative transactions under International Swaps and Derivatives Association Master Agreements ("ISDA Master Agreements") with various bank counterparties. The derivative financial instruments presented above are not offset in the balance sheet as the right of set-off of recognised amounts is enforceable only following the occurrence of a termination event as set out in such ISDA Master Agreements. Upon the occurrence of a termination event resulting in the set-off of related derivatives in the balance sheet, the impact would be approximately \$0.1 million decrease (2016: \$0.2 million decrease) in both derivative assets and liabilities of the Group and Trust.

As at 30 June 2017 and 30 June 2016, the Group's derivative financial assets and liabilities are not subject to an election for netting of payments under the enforceable master netting arrangements. The Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

The net fair value of the derivative financial instruments represents 0.2% (2016: 0.2%) of the Group's unitholders' funds as at 30 June 2017. The Group's and the Trust's contractual maturities analysis for derivative financial liabilities is disclosed in Note 12.

8. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Non-current				
Lease incentives	-	1,759	-	1,266
Current				
Trade receivables	3,670	1,365	494	715
Deposits	273	268	273	268
Other receivables	1,686	1,855	1,027	2,843
Loans and receivables	5,629	3,488	1,794	3,826
Prepayments	712	762	316	395
Lease incentives	-	1,676	-	1,434
	6,341	5,926	2,110	5,655
	6,341	7,685	2,110	6,921

Concentration of credit risk relating to trade receivables is limited due to the Group's and the Trust's varied mix of tenants and credit policy of obtaining security deposits from tenants for leasing the Group's and the Trust's investment properties, where applicable. As at 30 June 2017, the Group and the Trust have security deposits of approximately \$31.4 million (2016: \$31.3 million) and \$24.8 million (2016: \$24.6 million) respectively (Note 10).

There is no impairment loss arising from the Group's deposits and other receivables balances, none of which are past due at the reporting date. Included in other receivables of the Trust are dividend and/or interest income receivable from its subsidiaries of approximately \$0.5 million (2016: \$2.5 million) as at 30 June 2017.

The maximum exposure to credit risk for the loans and receivables at the reporting date by geographic region was:

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Singapore	1,317	1,343	1,794	3,826
Australia	3,561	1,099	-	-
Malaysia	611	86	-	-
Others	140	960	-	-
	5,629	3,488	1,794	3,826

NOTES TO THE FINANCIAL STATEMENTS

Impairment losses

The ageing of trade receivables at the reporting date was:

	Gross 2017 \$'000	Impairment losses 2017 \$'000	Gross 2016 \$'000	Impairment losses 2016 \$'000
Group				
Not past due	844	-	821	-
Past due 0 – 30 days	297	-	257	-
Past due 31 – 120 days	2,368	(45)	434	(147)
More than 120 days	577	(371)	281	(281)
	4,086	(416)	1,793	(428)
Trust				
Not past due	389	-	377	-
Past due 0 – 30 days	103	-	142	-
Past due 31 – 120 days	33	(31)	270	(74)
More than 120 days	197	(197)	154	(154)
	722	(228)	943	(228)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
At 1 July	(428)	(836)	(228)	(234)
Impairment loss (recognised)/reversed	(162)	13	-	-
Utilised	182	453	-	6
Translation differences	(8)	(58)	-	-
At 30 June	(416)	(428)	(228)	(228)

The Group's and the Trust's historical experience in the collection of trade receivables falls largely within the recorded allowances. Due to these factors and evaluations performed, the Manager believes that, apart from the above, no additional significant credit risk beyond amounts provided for collection losses is inherent in the Group's and the Trust's remaining trade receivables as these are partially covered by security deposits, bank guarantees and allowance for impairment.

9. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash at bank and in hand	57,776	51,420	30,493	9,740
Fixed deposits with financial institutions	18,827	25,533	-	2,000
	76,603	76,953	30,493	11,740

10. TRADE AND OTHER PAYABLES

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Non-current				
Deferred income	30	42	30	42
Security deposits ⁽¹⁾	24,333	24,957	18,973	19,740
	24,363	24,999	19,003	19,782
Current				
Trade payables	5,074	5,426	3,986	2,819
Accrued expenses	6,644	7,105	2,271	2,322
Amounts due to:				
- the Manager ⁽²⁾	2,684	2,682	2,684	2,682
- the Property Manager ⁽²⁾	819	652	819	652
- the Trustee ⁽²⁾	81	80	81	80
Interest payable	3,223	2,844	2,509	2,062
Deferred income	581	2,577	300	2,577
Security deposits ⁽¹⁾	7,019	6,385	5,805	4,887
Other payables	12,637	11,793	8,099	7,881
	38,762	39,544	26,554	25,962
	63,125	64,543	45,557	45,744

⁽¹⁾ Security deposits represent cash deposits received from tenants to secure leases of the Group's and the Trust's investment properties.

⁽²⁾ The amounts due to the Manager, Property Manager and Trustee are mainly trade in nature, unsecured and interest free.

The Group's and the Trust's exposure to liquidity and currency risks related to trade and other payables are disclosed in Notes 12 and 24.

11. DEFERRED TAX LIABILITIES

	Group	
	2017 \$'000	2016 \$'000
Deferred tax liabilities ⁽¹⁾	6,748	9,737

⁽¹⁾ The deferred tax liability is mainly in respect of the China Property and has been estimated on the basis of an asset sale at the current book value.

Movement in deferred tax liabilities of the Group (prior to offsetting of balances) during the year was as follows:

	At 1 July \$'000	Recognised in statement of total return (Note 21) \$'000	Translation differences \$'000	At 30 June \$'000
Group				
2017				
Deferred tax liabilities				
Investment properties	9,737	(3,065)	76	6,748
2016				
Deferred tax liabilities				
Investment properties	14,884	(4,196)	(951)	9,737

NOTES TO THE FINANCIAL STATEMENTS

12. BORROWINGS

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Non-current				
Secured borrowings	171,745	318,069	–	–
Unsecured borrowings	558,908	793,297	549,076	793,297
Unamortised loan acquisition expenses	(2,267)	(3,845)	(1,554)	(3,173)
	728,386	1,107,521	547,522	790,124
Current				
Secured borrowings	153,258	–	–	–
Unsecured borrowings	253,000	15,507	253,000	5,000
Unamortised loan acquisition expenses	(366)	(109)	(229)	–
	405,892	15,398	252,771	5,000
Total borrowings (net of borrowing costs)	1,134,278	1,122,919	800,293	795,124

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 risks, is disclosed in Note 24.

Terms and debt repayment schedule

Terms and conditions of the outstanding borrowings were as follows:

	Currency	Nominal interest rate per annum %	Year of maturity	2017	
				Face value \$'000	Carrying amount \$'000
Group					
JPY term loan facility ⁽¹⁾	JPY	0.82 – 0.86	2020	54,076	54,076
SGD term loan facilities ⁽¹⁾	SGD	1.27 – 2.39	2018	450,000	450,000
SGD revolving credit facilities ⁽¹⁾⁽²⁾	SGD	1.23 – 1.66	2018	3,000	3,000
Singapore MTNs ⁽³⁾	SGD	3.14 – 3.50	2021, 2023 & 2026	295,000	295,000
Japan bond ⁽⁴⁾	JPY	0.56 – 1.97	2021	9,832	9,832
Australia loans ⁽⁵⁾	A\$	2.99 – 3.76	2018 & 2019	219,846	219,846
Malaysia MTN ⁽⁶⁾	RM	4.48	2019	105,798	105,157
				1,137,552	1,136,911
Trust					
JPY term loan facility ⁽¹⁾	JPY	0.82 – 0.86	2020	54,076	54,076
SGD term loan facilities ⁽¹⁾	SGD	1.27 – 2.39	2018	450,000	450,000
SGD revolving credit facilities ⁽¹⁾⁽²⁾	SGD	1.23 – 1.66	2018	3,000	3,000
Intercompany loans ⁽³⁾	SGD	3.14 – 3.50	2021, 2023 & 2026	295,000	295,000
				802,076	802,076

2016

	Currency	Nominal interest rate per annum %	Year of maturity	Face value \$'000	Carrying amount \$'000
Group					
JPY term loan facility ⁽¹⁾	JPY	0.83 – 1.01	2020	68,297	68,297
SGD term loan facilities ⁽¹⁾	SGD	1.68 – 3.04	2018	500,000	500,000
SGD revolving credit facilities ⁽¹⁾⁽²⁾	SGD	1.51 – 1.95	2017 & 2018	5,000	5,000
Singapore MTNs ⁽³⁾	SGD	3.40 – 3.50	2021 & 2023	225,000	225,000
Japan bond ⁽⁴⁾	JPY	1.97 – 2.10	2016	10,507	10,507
Australia loans ⁽⁵⁾	A\$	3.24 – 4.18	2018 & 2019	208,541	208,541
Malaysia MTN ⁽⁶⁾	RM	4.48	2019	110,501	109,528
				1,127,846	1,126,873
Trust					
JPY term loan facility ⁽¹⁾	JPY	0.83 – 1.01	2020	68,297	68,297
SGD term loan facilities ⁽¹⁾	SGD	1.68 – 3.04	2018	500,000	500,000
SGD revolving credit facilities ⁽¹⁾⁽²⁾	SGD	1.51 – 1.95	2017 & 2018	5,000	5,000
Intercompany loans ⁽³⁾	SGD	3.40 – 3.50	2021 & 2023	225,000	225,000
				798,297	798,297

⁽¹⁾ The Group has in place the following unsecured loan facilities as at 30 June 2017, comprising:

- (i) five-year unsecured loan facilities with a club of eight banks at inception, comprising (a) balance of \$200 million (2016: \$250 million) term loan (maturing in September 2018) and (b) \$250 million (2016: \$250 million) revolving credit facilities (maturing in September 2018) including a \$50 million (2016: \$50 million) uncommitted tranche. There is no amount outstanding (2016: nil) under the committed tranche as at the reporting date.
- (ii) three-year unsecured loan facilities of \$250 million (2016: \$250 million) (maturing in June 2018) with four banks.
- (iii) five-year unsecured term loan facilities comprising balance of JPY4.4 billion (\$54.1 million) (2016: JPY5.2 billion (\$68.3 million)) (maturing in July 2020) with two banks. The Group has repaid JPY0.8 billion (\$10.1 million) in November 2016, financed by the proceeds from the divestment of Roppongi Terzo.

The interest rate on the above unsecured loan facilities was largely hedged using a combination of interest rate swaps and caps.

In July 2017, the Group entered into the following loan facility agreements with a club of seven banks to secure the refinancing of the above \$200 million and \$250 million term loans, ahead of their respective maturities in September 2018 and June 2018: (i) four-year unsecured term loan facility of \$200 million; (ii) five-year unsecured term loan facility of \$260 million; and (iii) five-year unsecured revolving credit facilities of \$240 million (including a \$50 million uncommitted tranche). The utilisation of the new facilities are expected to take place in September 2017.

⁽²⁾ The Group has drawn down \$3 million (2016: \$5 million) of short term loan from its other unsecured multicurrency revolving credit facility as at 30 June 2017.

⁽³⁾ The Group has outstanding medium term notes ("MTN") of \$295 million (2016: \$225 million) as at 30 June 2017 issued by Starhill Global REIT MTN Pte Ltd under its \$2 billion multicurrency MTN programme and rated at "BBB+" by Standard & Poor's Rating Services, comprising:

- (i) \$100 million unsecured seven-year Singapore MTN (the "Series 002 Notes") (issued in February 2014 and maturing in February 2021) which bear a fixed rate interest of 3.50% per annum payable semi-annually in arrears.
- (ii) \$125 million unsecured eight-year Singapore MTN (the "Series 003 Notes") (issued in May 2015 and maturing in May 2023) which bear a fixed rate interest of 3.40% per annum payable semi-annually in arrears.
- (iii) \$70 million unsecured 10-year Singapore MTN (the "Series 004 Notes") (issued in October 2016 and maturing in October 2026) which bear a fixed rate interest of 3.14% per annum payable semi-annually in arrears.

The proceeds from the above issuances were extended as intercompany loans to the Trust at the same repayment terms.

⁽⁴⁾ At the reporting date, the Group has JPY0.8 billion (\$9.8 million) (2016: JPY0.8 billion (\$10.5 million)) Japan bond outstanding and maturing in August 2021 (2016: November 2016). Whilst no security has been pledged, the bondholders of the Japan bond 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 Group has outstanding term loans of A\$208 million (\$219.8 million) (2016: A\$208 million (\$208.6 million)) as at 30 June 2017, comprising:

- (i) A\$63 million (\$66.6 million) (2016: A\$63 million (\$63.2 million)) (maturing in June 2019) loan which was hedged via interest rate swap and is secured by a general security deed over all the assets of SG REIT (WA) Trust and a mortgage over David Jones Building.
- (ii) A\$145 million (\$153.2 million) (2016: A\$145 million (\$145.4 million)) (maturing in May 2018) loan which was hedged via interest rate swaps and is secured by a general security deed over all the assets of SG REIT (SA) Sub-Trust2 and a mortgage over Myer Centre Adelaide. In June 2017, the Group has secured the refinancing of this A\$145 million loan with the same bank ahead of its maturity. The utilisation of the new four-year loan facility is expected to take place in November 2017, which will extend the maturity to November 2021.

⁽⁶⁾ The Group acquired the Malaysia Properties through an asset-backed securitisation structure in June 2010. Under the structure, the properties were acquired by Ara Bintang Berhad (a bankruptcy-remote special purpose vehicle) which issued five-year fixed-rate RM330 million Senior MTN ("First Senior MTN") to partially fund the acquisition of the Malaysia Properties. A refinancing was undertaken in September 2014 by buying back and cancelling the First Senior MTN and issuing new five-year fixed-rate senior MTN of a nominal value of RM330 million (\$105.8 million) ("Second Senior MTN") at a discounted cash consideration of approximately RM325 million. The Second Senior MTN have a carrying amount of approximately RM328.0 million (\$105.2 million) (2016: RM327.1 million (\$109.5 million)) as at 30 June 2017. The Second Senior MTN have an expected maturity in September 2019 and legal maturity in March 2021, and are secured, inter alia, by a fixed and floating charge over all the assets of Ara Bintang Berhad.

NOTES TO THE FINANCIAL STATEMENTS

The contractual maturities by type of financial liabilities, including estimated interest payments and excluding the impact of netting agreements, were as follows:

	Note	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows		
				Within 1 year \$'000	Within 1 to 5 years \$'000	After 5 years \$'000
Group						
2017						
Non-derivative financial liabilities						
JPY term loan facility	12	54,076	(55,513)	(466)	(55,047)	-
SGD term loan facilities	12	450,000	(459,778)	(258,658)	(201,120)	-
SGD revolving credit facilities	12	3,000	(3,004)	(3,004)	-	-
Singapore MTNs	12	295,000	(355,417)	(9,948)	(136,319)	(209,150)
Japan bond	12	9,832	(10,068)	(55)	(10,013)	-
Australia loans	12	219,846	(229,042)	(160,120)	(68,922)	-
Malaysia MTN	12	105,157	(116,446)	(4,740)	(111,706)	-
Trade and other payables	10	63,125	(66,607)	(38,862)	(19,460)	(8,285)
		1,200,036	(1,295,875)	(475,853)	(602,587)	(217,435)
Derivative financial liabilities						
Interest rate swaps	7	3,833	-	-	-	-
- inflow		-	8,308	6,663	1,645	-
- outflow		-	(13,514)	(11,107)	(2,407)	-
Foreign exchange forwards	7	172	-	-	-	-
- inflow		-	9,621	9,621	-	-
- outflow		-	(9,836)	(9,836)	-	-
		4,005	(5,421)	(4,659)	(762)	-
		1,204,041	(1,301,296)	(480,512)	(603,349)	(217,435)

	Note	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows		
				Within 1 year \$'000	Within 1 to 5 years \$'000	After 5 years \$'000
Group						
2016						
Non-derivative financial liabilities						
JPY term loan facility	12	68,297	(70,638)	(573)	(70,065)	–
SGD term loan facilities	12	500,000	(521,545)	(10,053)	(511,492)	–
SGD revolving credit facilities	12	5,000	(5,003)	(5,003)	–	–
Singapore MTNs	12	225,000	(272,281)	(7,750)	(131,031)	(133,500)
Japan bond	12	10,507	(10,613)	(10,613)	–	–
Australia loans	12	208,541	(224,999)	(7,042)	(217,957)	–
Malaysia MTN	12	109,528	(126,599)	(4,950)	(121,649)	–
Trade and other payables	10	64,543	(68,077)	(39,634)	(28,443)	–
		1,191,416	(1,299,755)	(85,618)	(1,080,637)	(133,500)
Derivative financial liabilities						
Interest rate swaps	7	4,761	–	–	–	–
- inflow		–	15,340	6,846	8,494	–
- outflow		–	(22,464)	(10,115)	(12,349)	–
Foreign exchange forwards	7	8	–	–	–	–
- inflow		–	3,366	3,366	–	–
- outflow		–	(3,399)	(3,399)	–	–
		4,769	(7,157)	(3,302)	(3,855)	–
		1,196,185	(1,306,912)	(88,920)	(1,084,492)	(133,500)
Trust						
2017						
Non-derivative financial liabilities						
JPY term loan facility	12	54,076	(55,513)	(466)	(55,047)	–
SGD term loan facilities	12	450,000	(459,778)	(258,658)	(201,120)	–
SGD revolving credit facilities	12	3,000	(3,004)	(3,004)	–	–
Intercompany loans	12	295,000	(355,417)	(9,948)	(136,319)	(209,150)
Trade and other payables	10	45,557	(48,422)	(26,654)	(14,285)	(7,483)
		847,633	(922,134)	(298,730)	(406,771)	(216,633)
Derivative financial liabilities						
Interest rate swaps	7	2,613	–	–	–	–
- inflow		–	3,281	2,805	476	–
- outflow		–	(6,873)	(5,936)	(937)	–
Foreign exchange forwards	7	135	–	–	–	–
- inflow		–	7,105	7,105	–	–
- outflow		–	(7,271)	(7,271)	–	–
		2,748	(3,758)	(3,297)	(461)	–
		850,381	(925,892)	(302,027)	(407,232)	(216,633)

NOTES TO THE FINANCIAL STATEMENTS

	Note	Carrying amount \$'000	Contractual cash flows \$'000	Cash flows		
				Within 1 year \$'000	Within 1 to 5 years \$'000	After 5 years \$'000
Trust						
2016						
Non-derivative financial liabilities						
JPY term loan facility	12	68,297	(70,638)	(573)	(70,065)	-
SGD term loan facilities	12	500,000	(521,545)	(10,053)	(511,492)	-
SGD revolving credit facilities	12	5,000	(5,003)	(5,003)	-	-
Intercompany loans	12	225,000	(272,281)	(7,750)	(131,031)	(133,500)
Trade and other payables	10	45,744	(48,662)	(26,052)	(22,610)	-
		844,041	(918,129)	(49,431)	(735,198)	(133,500)
Derivative financial liabilities						
Interest rate swaps	7	2,407	-	-	-	-
- inflow		-	5,687	2,654	3,033	-
- outflow		-	(11,260)	(5,210)	(6,050)	-
Foreign exchange forwards	7	8	-	-	-	-
- inflow		-	3,366	3,366	-	-
- outflow		-	(3,399)	(3,399)	-	-
		2,415	(5,606)	(2,589)	(3,017)	-
		846,456	(923,735)	(52,020)	(738,215)	(133,500)

The maturity analyses show the undiscounted cash flows of the Group and the Trust's financial liabilities on the basis of their contractual maturity.

13. UNITHOLDERS' FUNDS

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Net assets attributable to unitholders ⁽¹⁾	2,051,817	2,061,278	1,939,961	1,968,498
Foreign currency translation reserve ⁽²⁾	(42,471)	(43,727)	-	-
	2,009,346	2,017,551	1,939,961	1,968,498

⁽¹⁾ Included in the net assets attributable to unitholders is approximately \$2.8 million (2016: \$2.8 million) retained to satisfy certain legal reserve requirements in China.

⁽²⁾ The foreign currency translation reserve comprises (i) the foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Trust; and (ii) the foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations.

14. UNITS IN ISSUE

	Group and Trust	
	2017 No. of units '000	2016 No. of units '000
At 1 July and 30 June	2,181,204	2,181,204

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 unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 unitholders or of the unitholders representing not less than 10% of the issued units) at any time convene a meeting of unitholders in accordance with the provisions of the Trust Deed;
- 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.

The Trust Deed contains provisions that are designed to limit the liability of a unitholder to the amount paid or payable for any units in the Trust. The provisions seek to ensure that if the issue price of the units held by a unitholder has been fully paid, no such unitholder, by reason alone of being a unitholder, 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	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Property rental income	208,595	210,969	128,310	129,820
Turnover rental income	2,882	6,198	1,732	1,919
Other income	4,887	2,512	4,438	2,512
	216,364	219,679	134,480	134,251

16. PROPERTY OPERATING EXPENSES

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Maintenance and sinking fund contributions	7,043	7,065	6,926	6,926
Property management fees	5,778	6,259	4,060	4,059
Property tax	20,713	20,292	12,840	12,722
Depreciation expense	361	622	141	282
Leasing and upkeep expenses	11,959	11,674	1,820	2,047
Staff costs ⁽¹⁾	769	881	-	-
Marketing expenses	1,182	888	901	415
Impairment loss recognised/(reversed) on trade receivables	162	(13)	-	-
Administrative expenses	1,509	1,689	830	1,125
	49,476	49,357	27,518	27,576

⁽¹⁾ Relates solely to staff costs of the Group's wholly-owned subsidiary, Renhe Spring Department Store Co., Ltd, which operates the China Property.

17. DIVIDEND INCOME FROM SUBSIDIARIES

Represents dividend income from certain subsidiaries (Note 6).

18. MANAGEMENT FEES AND PERFORMANCE FEES

Management fees include Base Fee payable to the Manager, asset management fees payable to the asset manager of the Japan Properties and fees payable to the servicer of the Malaysia Properties, which is a wholly-owned subsidiary of the Manager. Base Fee paid and payable to the Manager for the year ended 30 June 2017 amounted to approximately \$15,256,000 (2016: \$14,930,000). Approximately \$94,000 (2016: \$97,000) and \$842,000 (2016: \$876,000) were paid to the asset manager of the Japan Properties and servicer of the Malaysia Properties for the year ended 30 June 2017 respectively.

The Manager has elected to receive 100% of its base management fees in cash for the years ended 30 June 2017 and 30 June 2016.

No performance fee was earned by the Manager for the years ended 30 June 2017 and 30 June 2016. The performance of the Trust Index was approximately 33% and 13% below the Benchmark Index as at 30 June 2017 and 30 June 2016 respectively.

NOTES TO THE FINANCIAL STATEMENTS

19. TRUST EXPENSES

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Auditor's remuneration	462	489	230	230
Trustee's fees	487	481	487	481
Others ⁽¹⁾	2,593	2,493	2,041	2,462
	3,542	3,463	2,758	3,173

⁽¹⁾ Included in other trust expenses are (i) non-audit fees paid/payable to the auditors of the Group of approximately \$193,000 (2016: \$145,000); and (ii) fees paid/payable to the valuers of the Group's investment properties of approximately \$184,000 (2016: \$169,000) for the year ended 30 June 2017.

20. FINANCE EXPENSES

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Interest on borrowings	32,222	34,859	20,176	21,808
Interest on derivatives (net)	4,476	1,782	3,368	994
Amortisation of borrowing costs	2,232	2,126	1,512	1,409
	38,930	38,767	25,056	24,211

21. INCOME TAX

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current tax				
Current year	1,797	1,872	405	-
Deferred tax				
Reversal of temporary differences	(3,065)	(4,196)	-	-
	(1,268)	(2,324)	405	-
Reconciliation of effective tax rate				
Total return before tax and distribution	98,986	161,572	81,583	114,996
Income tax using Singapore tax rate of 17%	16,828	27,467	13,869	19,549
Net effect of different tax rates in other countries	(420)	90	-	-
Withholding tax	1,915	1,391	405	-
Income not subject to tax	(7,797)	(23,200)	(2,999)	(11,902)
Non-deductible items	2,736	6,444	3,660	6,869
Tax transparency	(14,530)	(14,516)	(14,530)	(14,516)
	(1,268)	(2,324)	405	-

22. EARNINGS PER UNIT

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Earnings attributable to unitholders	100,254	163,896	81,178	114,996
Basic earnings per unit (cents) ⁽¹⁾	4.60	7.51	3.72	5.27
Earnings per unit on a fully diluted basis (cents) ⁽¹⁾	4.60	7.51	3.72	5.27

⁽¹⁾ In computing the basic and diluted earnings per unit, the earnings attributable to unitholders and the weighted average number of units in issue of 2,181,204,435 (2016: 2,181,204,435) as at 30 June 2017 are used and have been calculated on a time-weighted basis.

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 Maker ("CODM") at least on 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, Adelaide and Perth-Australia, Kuala Lumpur-Malaysia, and others (consisting of China Property in Chengdu and three properties (2016: four properties) in Tokyo, Japan). The segments are as follows:

- Wisma Atria Property
- Ngee Ann City Property
- Australia Properties
- Malaysia Properties
- Other Properties

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 expenses 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.

NOTES TO THE FINANCIAL STATEMENTS

	Wisma Atria Property (Singapore)		Ngee Ann City Property (Singapore)	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Group				
Revenue and expenses				
External revenue	68,671	70,053	65,809	64,198
Depreciation of plant and equipment	141	282	-	-
Reportable segment net property income	52,931	54,140	54,031	52,535
Other material non-cash items:				
Change in fair value of investment properties	(1,286)	8,029	4,779	61,000
Impairment loss on intangible asset	-	-	-	-
Unallocated items:				
Finance income				
Fair value adjustment on security deposits				
Non-property expenses				
Finance expenses				
Change in fair value of derivative instruments				
Foreign exchange gain/(loss)				
Total return for the year before tax				
Income tax				
Total return for the year				
Assets and liabilities				
Reportable segment assets	998,117	999,934	1,150,482	1,145,532
Unallocated assets				
Total assets				
Reportable segment liabilities	(19,895)	(22,252)	(18,002)	(17,883)
Unallocated liabilities				
Total liabilities				
Other segmental information				
Capital expenditure	644	471	-	-
Non-current assets	997,000	997,284	1,150,000	1,145,124

Australia Properties (Australia)		Malaysia Properties (Malaysia)		Other Properties (China/Japan)		Total	
2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
49,130	49,906	27,340	25,797	5,414	9,725	216,364	219,679
-	-	-	-	220	340	361	622
31,547	33,188	26,448	24,853	1,931	5,606	166,888	170,322
1,392	19,437	(8,943)	5,785	(12,263)	(16,278)	(16,321)	77,973
-	-	-	-	-	(11,214)	-	(11,214)
						1,089	914
						(20)	(106)
						(18,964)	(19,453)
						(38,930)	(38,767)
						1,425	(6,487)
						3,819	(11,610)
						98,986	161,572
						1,268	2,324
						100,254	163,896
544,010	507,423	358,122	378,541	91,951	113,191	3,142,682	3,144,621
						76,762	77,539
						3,219,444	3,222,160
(7,784)	(6,113)	(4,439)	(4,316)	(5,382)	(8,370)	(55,502)	(58,934)
						(1,154,596)	(1,145,675)
						(1,210,098)	(1,204,609)
4,204	322	4,170	211	53	107	9,071	1,111
540,101	506,004	357,469	378,381	91,804	112,016	3,136,374	3,138,809

NOTES TO THE FINANCIAL STATEMENTS

Geographical segments

The Group's operations and its identifiable assets are located in Singapore (consisting of Wisma Atria Property and Ngee Ann City Property), Adelaide and Perth-Australia (consisting of Myer Centre Adelaide, David Jones Building and Plaza Arcade), Kuala Lumpur-Malaysia (consisting of Starhill Gallery and Lot 10 Property), and others (consisting of the China Property in Chengdu and three properties (2016: four properties) in Tokyo, Japan). Accordingly, no geographical segmental analysis is separately presented.

Major tenants

The four largest tenants located at Ngee Ann City Property, Wisma Atria Property, Malaysia Properties and Australia Properties accounted for approximately 46.1% (2016: 45.8%) of the Group's gross rent as at 30 June 2017.

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 ratio 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 30 June 2017 is 35.3% (2016: 35.0%) and the interest service coverage ratio for the year ended 30 June 2017 is 4.2 times (2016: 4.4 times). The Manager intends to continue with its prudent capital management.

The Trust has a corporate rating of BBB+ from Standard and Poor's as at 30 June 2017 and remained within the aggregate leverage limit of 45.0% stipulated by the Property Fund Appendix during the current year.

There were no changes in the Group's approach to capital management during the current 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 define the roles and responsibilities of those who manage the process. The policies are described in greater detail below.

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 Group's and the Trust's respective maximum exposure to credit risk, before taking into account any collateral held. The maximum exposure to credit risk by type of financial assets at the reporting date was:

	Note	Group		Trust	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Derivative financial instruments	7	126	472	104	470
Trade and other receivables	8	5,629	3,488	1,794	3,826
Cash and cash equivalents	9	76,603	76,953	30,493	11,740
		82,358	80,913	32,391	16,036

The Group has established credit procedures for its tenants, obtains security deposits and/or bank guarantees (where applicable), 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 four (2016: four) largest tenants (Note 23), which accounted for approximately 46.1% (2016: 45.8%) of the Group's gross rent as at 30 June 2017.

Cash and fixed deposits are placed with financial institutions which are regulated and have sound credit ratings. Given these sound 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 30 June 2017, the Group has undrawn and committed long-term revolving credit facilities of up to \$200 million (2016: \$200 million) and cash and cash equivalents of approximately \$76.6 million (2016: \$77.0 million).

In addition, the Group also monitors and observes the Property Fund Appendix issued by MAS concerning limits on total borrowings.

Foreign currency risk

The Group is exposed to foreign currency risk arising from its investments in Australia, Malaysia, China and Japan. The income generated from these investments and net assets are denominated in foreign currencies, mainly Australian Dollar ("A\$"), Ringgit Malaysia ("RM"), Chinese Renminbi ("RMB") and Japanese Yen ("JPY").

The Group's exposures to various foreign currencies (expressed in Singapore dollar equivalent), which relate primarily to its net foreign currency investments as at balance sheet date are as follows:

	A\$ \$'000	RM \$'000	RMB \$'000	JPY \$'000	Total \$'000
Group					
2017					
Net balance sheet exposure	343,724	258,787	30,006	8,702	641,219
2016					
Net balance sheet exposure	317,815	272,029	40,679	6,437	636,960

NOTES TO THE FINANCIAL STATEMENTS

The Trust's exposures to various foreign currencies (expressed in Singapore dollar equivalent), which relate primarily to its financial instruments as at balance sheet date are as follows:

	A\$ \$'000	RM \$'000	RMB \$'000	JPY \$'000	Total \$'000
Trust					
2017					
Net balance sheet exposure	14,613	-	-	(52,209)	(37,596)
2016					
Net balance sheet exposure	1,436	-	-	(67,521)	(66,085)

Income hedging

Approximately 62% (2016: 61%) of the Group's revenue is derived in Singapore dollars for the year ended 30 June 2017. The Group has used a combination of local currency denominated loans and short term foreign exchange forward contracts to partially hedge its overseas net income.

The Group continues to proactively monitor the exchange rates and may use more foreign exchange forward contracts or other suitable financial derivatives to hedge the impact of exchange rate fluctuations on the distributions to unitholders, where appropriate.

Capital hedging

In managing the currency risks associated with the capital values of the Group's overseas assets, borrowings are denominated in the same currency as the underlying assets to the extent feasible, to provide a natural currency hedge. As the investments in overseas assets are generally long term in nature, the remaining net positions of the foreign exchange risk on such investments are not hedged.

Sensitivity analysis

A 10% strengthening of the Singapore dollar against the following currencies at the reporting date would increase/(decrease) unitholders' funds by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Group \$'000	Trust \$'000
2017		
A\$	(34,372)	(1,461)
RM	(25,879)	-
RMB	(3,001)	-
JPY	(870)	5,221
Financial derivatives	1,834	1,225
2016		
A\$	(31,781)	(144)
RM	(27,203)	-
RMB	(4,068)	-
JPY	(644)	6,752
Financial derivatives	1,474	1,474

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 hedged approximately 99% (2016: 100%) of its debt as at 30 June 2017 using a combination of derivative financial instruments and fixed rate debt. The weighted average interest rate was approximately 3.16% (2016: 3.09%) per annum as at 30 June 2017.

As at 30 June 2017, the Group has largely hedged its exposure to changes in interest rates on its variable rate borrowings by entering into the following contracts:

- (i) Interest rate swaps, with a notional contract amount of \$375 million (2016: \$475 million) and A\$208 million (2016: A\$208 million), whereby it receives a variable rate equal to the Singapore swap offer rate and Australia bank bill swap bid rate on the notional amount and pays a fixed interest rate ranging from 1.23% to 2.43% (2016: 0.83% to 2.43%) per annum.
- (ii) Interest rate caps, with a notional contract amount of \$100 million (2016: \$175 million), JPY6.3 billion (2016: JPY14.9 billion) and A\$63 million (2016: A\$126 million), whereby the benchmark interest rates are capped ranging from 1.0% to 5.5% (2016: 1.0% to 5.5%) per annum.

Sensitivity analysis

A change of 1% in interest rate at the reporting date would increase/(decrease) total return by the amounts shown below, arising mainly as a result of lower/higher interest expense on variable rate borrowings that are not hedged by interest rate swaps and caps, and changes in fair value of the interest rate derivatives. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Total return	
	1% increase \$'000	1% decrease \$'000
Group		
2017		
Variable rate instruments	(1,234)	596
Financial derivatives	6,602	(5,744)
	5,368	(5,148)
2016		
Variable rate instruments	(1,353)	658
Financial derivatives	13,354	(11,579)
	12,001	(10,921)
Trust		
2017		
Variable rate instruments	(1,136)	590
Financial derivatives	4,347	(3,437)
	3,211	(2,847)
2016		
Variable rate instruments	(1,250)	658
Financial derivatives	9,000	(7,257)
	7,750	(6,599)

NOTES TO THE FINANCIAL STATEMENTS

Measurement of fair values

Financial derivatives

The fair values of financial derivatives are estimated based on banks' quotes. These quotes are largely tested for reasonableness by discounting estimated future cash flows based on terms and maturity of each contract and using market rates for a similar instrument at the measurement 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 their fair values because of the short period to maturity.

Other non-derivative financial liabilities are measured at fair value at initial recognition and for disclosure purposes, at each reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. Other non-derivative financial liabilities include interest-bearing borrowings and trade and other payables.

Fair value hierarchy

The different levels of the fair value hierarchy 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).

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are presented in the table below. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Carrying amount			Fair value		
		Designated at fair value \$'000	Loans and receivables \$'000	Other financial liabilities \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Group							
2017							
Financial assets measured at fair value							
Derivative financial instruments	7	126	-	-	-	126	-
Financial assets not measured at fair value							
Trade and other receivables	8	-	5,629	-	-	-	-
Cash and cash equivalents	9	-	76,603	-	-	-	-
		-	82,232	-			
Financial liabilities measured at fair value							
Derivative financial instruments	7	(4,005)	-	-	-	(4,005)	-
Financial liabilities not measured at fair value							
Trade and other payables ⁽¹⁾	10	-	-	(31,162)	-	-	-
Security deposits	10	-	-	(31,352)	-	(31,575)	-
Variable rate borrowings (excluding medium term notes)	12	-	-	(734,700)	-	(734,700)	-
Medium term notes	12	-	-	(399,578)	-	(409,749)	-
		-	-	(1,196,792)			
2016							
Financial assets measured at fair value							
Derivative financial instruments	7	472	-	-	-	472	-
Financial assets not measured at fair value							
Trade and other receivables	8	-	3,488	-	-	-	-
Cash and cash equivalents	9	-	76,953	-	-	-	-
		-	80,441	-			
Financial liabilities measured at fair value							
Derivative financial instruments	7	(4,769)	-	-	-	(4,769)	-
Financial liabilities not measured at fair value							
Trade and other payables ⁽¹⁾	10	-	-	(30,582)	-	-	-
Security deposits	10	-	-	(31,342)	-	(31,342)	-
Variable rate borrowings (excluding medium term notes)	12	-	-	(788,978)	-	(788,978)	-
Medium term notes	12	-	-	(333,941)	-	(342,191)	-
		-	-	(1,184,843)			

⁽¹⁾ Excluding security deposits and deferred income.

NOTES TO THE FINANCIAL STATEMENTS

	Note	Carrying amount			Fair value		
		Designated at fair value \$'000	Loans and receivables \$'000	Other financial liabilities \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Trust							
2017							
Financial assets measured at fair value							
Derivative financial instruments	7	104	-	-	-	104	-
Financial assets not measured at fair value							
Trade and other receivables	8	-	1,794	-	-	-	-
Cash and cash equivalents	9	-	30,493	-	-	-	-
		-	32,287	-			
Financial liabilities measured at fair value							
Derivative financial instruments	7	(2,748)	-	-	-	(2,748)	-
Financial liabilities not measured at fair value							
Trade and other payables ⁽¹⁾	10	-	-	(20,449)	-	-	-
Security deposits	10	-	-	(24,778)	-	(24,858)	-
Variable rate borrowings (excluding medium term notes)	12	-	-	(505,768)	-	(505,768)	-
Medium term notes	12	-	-	(294,525)	-	(301,997)	-
		-	-	(845,520)			
2016							
Financial assets measured at fair value							
Derivative financial instruments	7	470	-	-	-	470	-
Financial assets not measured at fair value							
Trade and other receivables	8	-	3,826	-	-	-	-
Cash and cash equivalents	9	-	11,740	-	-	-	-
		-	15,566	-			
Financial liabilities measured at fair value							
Derivative financial instruments	7	(2,415)	-	-	-	(2,415)	-
Financial liabilities not measured at fair value							
Trade and other payables ⁽¹⁾	10	-	-	(18,498)	-	-	-
Security deposits	10	-	-	(24,627)	-	(24,627)	-
Variable rate borrowings (excluding medium term notes)	12	-	-	(570,567)	-	(570,567)	-
Medium term notes	12	-	-	(224,557)	-	(231,789)	-
		-	-	(838,249)			

⁽¹⁾ Excluding security deposits and deferred income.

25. OPERATING LEASES

The Group leases out its investment properties. Non-cancellable operating lease rentals are receivable as follows:

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Within one year	187,821	191,585	122,705	126,633
Between one and five years	417,156	410,279	271,155	251,392
More than five years	343,997	392,752	133,981	171,838
	948,974	994,616	527,841	549,863

26. CAPITAL COMMITMENTS

Capital commitments (contracted but not provided) as at 30 June 2017 of approximately \$12.5 million (2016: \$1.7 million) relate mainly to the asset redevelopment works on Plaza Arcade and Lot 10 Property, as well as purchase of plant and equipment for the Group's investment properties.

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:

	Group		Trust	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Property rental income from the Manager and Property Manager	1,058	1,062	1,058	1,062
Property rental income from related parties of the Manager	28,545	27,130	1,205	1,333
Leasing commission fees paid to the Property Manager	(863)	(865)	(863)	(865)
Property management fees paid to the Property Manager	(4,060)	(4,059)	(4,060)	(4,059)
Management fees paid to the Manager	(15,256)	(14,930)	(15,256)	(14,930)
Divestment fee paid to the Manager	(25)	(152)	(25)	(152)
Trustee fees paid to the Trustee	(487)	(481)	(487)	(481)
Reimbursements paid to the Property Manager	(809)	(846)	(809)	(846)
Asset redevelopment fees paid to related party of the Manager ⁽¹⁾	(3,013)	-	-	-
Servicer fees paid to a wholly-owned subsidiary of the Manager	(842)	(876)	-	-

⁽¹⁾ Comprises fees paid to related party of the Manager for acting as turnkey contractor to carry out the asset redevelopment works at Lot 10 Property.

28. SUBSEQUENT EVENTS

Subsequent to the year ended 30 June 2017:

- In July and August 2017, the Group has prepaid JPY350 million loan and JPY55 million bond respectively using the net proceeds from the divestment of Harajuku Secondo in May 2017.
- The Manager declared a distribution of 1.18 cents per unit in respect of the period from 1 April 2017 to 30 June 2017, which was paid on 29 August 2017.

NOTES TO THE FINANCIAL STATEMENTS

29. FINANCIAL RATIOS

	Group	
	2017 %	2016 %
Ratio of expenses to weighted average net assets ⁽¹⁾	0.98	0.98
Portfolio turnover rate ⁽²⁾	0.25	1.52

⁽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 expenses 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, INTERPRETATIONS AND AMENDMENTS NOT YET ADOPTED

A number of new standards, amendments to standards and interpretations that have been issued as of the balance sheet date but are not yet effective for the year ended 30 June 2017 have not been applied in preparing these financial statements.

These new standards include, among others, FRS 115 *Revenue from Contracts with Customers*, FRS 109 *Financial Instruments* and FRS 116 *Leases*. FRS 115 and FRS 109 are mandatory for adoption by the Group on 1 July 2018, and FRS 116 on 1 July 2019.

Applicable to 2019 financial statements

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met. When effective, FRS 115 replaces existing revenue recognition guidance, including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and related interpretations.

The Group plans to adopt the standard for the year ending 30 June 2019, and does not expect the impact on the financial statements from the adoption of this standard to be significant.

FRS 109 *Financial Instruments*

FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments: Recognition and Measurement*. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

The Group is currently assessing the potential impact of adopting this standard and plans to adopt this for the year ending 30 June 2019. The Group does not expect the impact on the financial statements to be significant.

Applicable to 2020 financial statements

FRS 116 *Leases*

FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

FRS 116 substantially carries forward the lessor accounting requirements in FRS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the FRS 17 operating lease and finance lease accounting models respectively. However, FRS 116 requires more extensive disclosures to be provided by a lessor. When effective, FRS 116 replaces existing lease accounting guidance, including FRS 17 and related interpretations.

The Group is currently assessing the potential impact of adopting this standard and plans to adopt this for the year ending 30 June 2020.

STATISTICS OF UNITHOLDERS

AS AT 29 AUGUST 2017

ISSUED AND FULLY PAID UNITS

Number of issued and fully paid Units	2,181,204,435
Voting rights	One vote per Unit
Number/Percentage of treasury units	Nil
Number/Percentage of subsidiary holdings	Nil
Market capitalisation	S\$1,624,997,304 (based on closing price of S\$0.745 on 29 August 2017)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	%	No. of Units	%
1 - 99	35	0.24	710	0.00
100 - 1,000	677	4.54	615,900	0.03
1,001 - 10,000	8,064	54.06	47,838,453	2.19
10,001 - 1,000,000	6,095	40.86	339,572,331	15.57
1,000,001 and above	45	0.30	1,793,177,041	82.21
TOTAL	14,916	100.00	2,181,204,435	100.00

LOCATION OF UNITHOLDINGS

Country	No. of Unitholders	%	No. of Units	%
Singapore	14,136	94.77	2,143,444,739	98.27
Malaysia	589	3.95	32,615,594	1.50
Others	191	1.28	5,144,102	0.23
TOTAL	14,916	100.00	2,181,204,435	100.00

TWENTY LARGEST UNITHOLDERS

Name	No. of Units	%
1 Raffles Nominees (Pte) Limited	876,892,754	40.20
2 Citibank Nominees Singapore Pte Ltd	384,721,781	17.64
3 DBS Nominees (Private) Limited	161,306,964	7.40
4 HSBC (Singapore) Nominees Pte Ltd	126,826,013	5.81
5 DBSN Services Pte. Ltd.	44,674,317	2.05
6 Maybank Kim Eng Securities Pte. Ltd.	30,046,300	1.38
7 United Overseas Bank Nominees (Private) Limited	25,717,100	1.18
8 OCBC Securities Private Limited	17,770,183	0.81
9 YTL Starhill Global REIT Management Limited	12,937,885	0.59
10 CIMB Securities (Singapore) Pte. Ltd.	11,691,407	0.54
11 KGI Securities (Singapore) Pte. Ltd.	9,149,800	0.42
12 BNP Paribas Nominees Singapore Pte Ltd	8,174,060	0.37
13 OCBC Nominees Singapore Private Limited	7,802,300	0.36
14 DB Nominees (Singapore) Pte Ltd	6,646,140	0.30
15 DBS Vickers Securities (Singapore) Pte Ltd	5,926,128	0.27
16 UOB Kay Hian Private Limited	5,710,700	0.26
17 Phillip Securities Pte Ltd	5,653,800	0.26
18 BMT AC Estate of Mse Angullia Deceased Wakaff Clause 7 Trust	3,410,000	0.16
19 BNP Paribas Securities Services Singapore Branch	3,350,330	0.15
20 Ng Poh Cheng	3,296,000	0.15
TOTAL	1,751,703,962	80.31

STATISTICS OF UNITHOLDERS

AS AT 29 AUGUST 2017

SUBSTANTIAL UNITHOLDINGS

As at 29 August 2017

Name	Direct interest		Deemed interest	
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾
YTL Hotels & Properties Sdn Bhd	130,140,379 ⁽²⁾	5.97	–	–
Starhill Global REIT Investments Limited	539,840,000 ⁽³⁾	24.75	–	–
YTL Cayman Limited	18,000,000 ⁽⁴⁾	0.83	552,777,885 ⁽⁵⁾	25.34
YTL Corporation Berhad	80,054,810 ⁽⁶⁾	3.67	728,904,432 ⁽⁷⁾	33.42
Yeoh Tiong Lay & Sons Holdings Sdn Bhd	–	–	808,959,242 ⁽⁸⁾	37.09
Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay	–	–	808,959,242 ⁽⁸⁾	37.09
AIA Singapore Private Limited	161,070,000 ⁽⁹⁾	7.38	–	–
AIA Company Limited	4,313,400 ⁽¹⁰⁾	0.20	161,070,000 ⁽¹¹⁾	7.38
AIA Group Limited	–	–	165,383,400 ⁽¹²⁾	7.58
AIA Investment Management Private Limited	–	–	165,383,400 ⁽¹³⁾	7.58

Notes:

⁽¹⁾ The percentage interest is based on total issued Units of 2,181,204,435 as at 29 August 2017.

⁽²⁾ This relates to the 130,140,379 Units held through nominee, Raffles Nominees (Pte) Limited.

⁽³⁾ This relates to the 539,840,000 Units held through nominee, Raffles Nominees (Pte) Limited.

⁽⁴⁾ This relates to the 18,000,000 Units held through nominee, Raffles Nominees (Pte) Limited.

⁽⁵⁾ Deemed interest in 539,840,000 Units held by Starhill Global REIT Investments Limited ("SGRIL") and 12,937,885 Units held by YTL Starhill Global REIT Management Limited ("YSGRM").

⁽⁶⁾ This relates to 80,054,810 Units held through nominee, Raffles Nominees (Pte) Limited.

⁽⁷⁾ Deemed interest in 539,840,000 Units held by SGRIL, 18,000,000 Units held by YTL Cayman Limited, 12,937,885 Units held by YSGRM, 130,140,379 Units held by YTL Hotels & Properties Sdn Bhd ("YTLHP") and 279,861,688 Units held by Business & Budget Hotels (Penang) Sdn Bhd ("BBHP").

⁽⁸⁾ Deemed interest in 80,054,810 Units held by YTL Corporation Berhad, 539,840,000 Units held by SGRIL, 18,000,000 Units held by YTL Cayman Limited, 12,937,885 Units held by YSGRM, 130,140,379 Units held by YTLHP and 279,861,688 Units held by BBHP.

⁽⁹⁾ This relates to the 161,070,000 Units held by AIA Singapore Private Limited through Citibank Nominees Singapore Pte Ltd.

⁽¹⁰⁾ This relates to the 4,313,400 Units held by AIA Company Limited, Brunei Branch through Citibank Nominees Singapore Pte Ltd.

⁽¹¹⁾ Deemed interest in 161,070,000 Units held by AIA Singapore Private Limited through Citibank Nominees Singapore Pte Ltd.

⁽¹²⁾ Deemed interest in 161,070,000 Units held by AIA Singapore Private Limited through Citibank Nominees Singapore Pte Ltd, and 4,313,400 Units held by AIA Company Limited, Brunei Branch through Citibank Nominees Singapore Pte Ltd.

⁽¹³⁾ AIA Investment Management Private Limited assumed investment management of the Units for its clients.

UNITHOLDINGS OF THE DIRECTORS OF THE MANAGER

As at 21 July 2017

Name of Director	Direct interest		Deemed interest	
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾
Tan Sri Dato' (Dr) Francis Yeoh Sock Ping	–	–	–	–
Ho Sing	150,000	– ⁽²⁾	54,000 ⁽³⁾	– ⁽²⁾
Dato' Yeoh Seok Kian	–	–	–	–
Lim Kok Hoong	–	–	–	–
Dr Michael Hwang	100,000 ⁽⁴⁾	– ⁽²⁾	–	–
Ching Yew Chye	–	–	–	–

Notes:

⁽¹⁾ The percentage interest is based on total issued Units of 2,181,204,435 as at 21 July 2017.

⁽²⁾ Less than 0.01%.

⁽³⁾ Deemed interest by virtue of 54,000 Units held by Ms Tay Soo Sien, the spouse of Mr Ho Sing.

⁽⁴⁾ This relates to the 100,000 Units held through nominee, UBS AG.

FREE FLOAT

Under Rule 723 of the listing manual of 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 29 August 2017, approximately 55% of the Units were held in the hands of the public. Rule 723 of the listing manual of the SGX-ST has accordingly been complied with.

ADDITIONAL INFORMATION

RELATED PARTY TRANSACTIONS BETWEEN STARHILL GLOBAL REIT AND RELATED PARTIES

Name of related party	Aggregate value of related party transactions during the financial period under review (excluding transactions less than S\$100,000 ⁽⁹⁾ and transactions conducted under unitholders' mandate pursuant to Rule 920)	Aggregate value of related party transactions during the financial period under review under unitholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
HSBC Institutional Trust Services (Singapore) Limited		
Trustee fees ⁽³⁾	487	–
YTL Corporation Berhad and its subsidiaries and associates		
Management fees ⁽¹⁾⁽³⁾ and reimbursements ⁽²⁾⁽³⁾	15,289	–
Property management fees and reimbursements ⁽⁷⁾	5,732	–
Managing agent and ancillary service fees ⁽⁴⁾	2,133	–
Rental income ⁽⁵⁾	3,036	–
Servicer fees ⁽³⁾	842	–
Divestment fee ⁽³⁾⁽⁶⁾	25	–
Asset redevelopment fee ⁽⁸⁾	6,449	–
Total	33,993	–

Notes:

⁽¹⁾ The Manager has elected to receive 100% of its base management fees in cash during the year ended 30 June 2017.

⁽²⁾ Relates to the non-deal road show expenses of approximately S\$33,000 paid to the Manager during the year ended 30 June 2017.

⁽³⁾ The fees and charges payable by Starhill Global REIT under the Starhill Global REIT Trust Deed dated 8 August 2005 (as amended) are deemed to have been specifically approved by Unitholders upon subscription of Units and are therefore not subject to Rules 905 and 906 of the SGX-ST listing manual to the extent that there is no subsequent change to the fees (or the basis of determining the fees) charged under the trust deed, which will adversely affect Starhill Global REIT. In addition, the entry into the Servicer Agreement dated 6 May 2010 in relation to the acquisition of Starhill Gallery and Lot 10 Property was approved by Unitholders at the extraordinary general meeting held on 4 June 2010 and the servicer fees payable thereunder will not be subject to Rules 905 and 906 of the SGX-ST listing manual, to the extent that there is no subsequent change to the rates for such fees.

⁽⁴⁾ Relates to the total contract sum entered into during the year ended 30 June 2017 in relation to the common property of Wisma Atria.

⁽⁵⁾ Rental income is for the entire period of the lease.

⁽⁶⁾ Comprises divestment fee paid to the Manager of 0.5% of the sale price of the divestment of Harajuku Secondo during the year ended 30 June 2017, details of which are contained in the Manager's announcement dated 15 May 2017.

⁽⁷⁾ The total estimated fees and charges payable under the Ngee Ann City property management agreement and the Wisma Atria property management agreement (both dated 17 August 2005, as amended) for the extended term of five years from 20 September 2015 was aggregated for purposes of Rules 905 and 906 of the SGX-ST listing manual during the financial period of 18 months ended 30 June 2015 and accordingly, such fees and charges will not be subject to aggregation in subsequent financial years, to the extent that there is no subsequent change to the rates and/or basis of determining such fees and charges.

⁽⁸⁾ Relates to the appointment of YTL Land Sdn Bhd as contractor for the rejuvenation of the Lot 10 Property.

⁽⁹⁾ Save for the divestment fee.

GLOSSARY

Australia Properties	Myer Centre Adelaide, David Jones Building and Plaza Arcade
Benchmark Index	Provided by FTSE. Comprises all the REITs contained in the FTSE All Cap Singapore universe
Board	Board of Directors of the Manager
CAGR	Compound annual growth rate
CBD	Central Business District
CDP	The Central Depository (Pte) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
China Property	A four-level retail building (plus a mezzanine floor) forming part of a mixed-use commercial complex comprising retail and office in Chengdu, China
CIS Code	Code on Collective Investment Scheme issued by MAS pursuant to section 321 of the Securities and Futures Act (Cap. 289)
CPF	Central Provident Fund
David Jones Building	A four-level property known as David Jones Building which includes a heritage-listed building that was formerly known as Savoy Hotel
DPU	Distribution per unit
F&B	Food and beverage
FTSE	FTSE International Limited
FY	Financial year
FY 2015/16 or FY 15/16	Period of 12 months from 1 July 2015 to 30 June 2016
FY 2016/17 or FY 16/17	Period of 12 months from 1 July 2016 to 30 June 2017
GDP	Gross domestic product
GFA	Gross floor area
GLA	Gross lettable area
Group	Starhill Global REIT and its subsidiaries
GST	Goods and services tax
Harajuku Secondo	A three-storey building for retail use, located at 1-19-1 Jingumae, Shibuya-ku, Tokyo, Japan
IPO	Initial public offering
IRAS	Inland Revenue Authority of Singapore
Japan Properties	Daikanyama, Ebisu Fort and Nakameguro Place
Lot 10 Property	137 strata parcels and two accessory parcels within Lot 10 shopping centre
Malaysia Properties	Starhill Gallery and Lot 10 Property
Manager	YTL Starhill Global REIT Management Limited
MAS	Monetary Authority of Singapore
MRT	Mass Rapid Transit
MTN	Medium term notes
Myer Centre Adelaide	An eight-storey retail centre with four basement levels, and office component which includes a six-storey office tower and two heritage buildings
NA	Not applicable
NAV	Net asset value
Ngee Ann City	The building known as 'Ngee Ann City' comprising a commercial complex with 18 levels of office space in the twin office tower blocks (Towers A and B) and a seven-storey podium with three basement levels comprising retail and car parking space
Ngee Ann City Property	Four strata lots in Ngee Ann City located on: a) Part of Basement 1, Basement 2 and Level 1 to Level 5 of the retail podium block; b) Part of Level 13 and the whole of Level 14 to Level 19 of Tower B (office); and c) Whole of Level 21 to Level 24 of Tower B (office)
NLA	Net lettable area

NM	Not meaningful
NPI	Net property income
Perth Properties	David Jones Building and Plaza Arcade
Plaza Arcade	A three-storey heritage-listed retail building known as Plaza Arcade located next to David Jones Building
pm	Per month
Portfolio	Singapore Properties, Australia Properties, Malaysia Properties, China Property and Japan Properties
Property Funds Appendix	Appendix 6 of the CIS Code issued by the MAS in relation to real estate investment trusts
Property Manager	YTL Starhill Global Property Management Pte. Ltd.
psf	Per square foot
psfpm	Per square foot per month
qoq	Quarter on quarter
RCF	Revolving credit facility
REIT	Real estate investment trust. Where the context so requires, the term includes Starhill Global Real Estate Investment Trust
Roppongi Terzo	A five-storey building for retail use, located at 7-13-7 Roppongi, Minato-ku, Tokyo, Japan
S-REITs	Singapore Real Estate Investment Trusts
SGX-ST	Singapore Exchange Securities Trading Limited
Singapore Properties	Wisma Atria Property and Ngee Ann City Property
sq ft	Square feet
Standard & Poor's	Standard & Poor's Rating Services
Starhill Gallery	Shopping centre comprising part of a seven-storey building with five basements and a 12-storey annex building with three basements
Starhill Global REIT, SGREIT or SGR	Starhill Global Real Estate Investment Trust
Toshin	Toshin Development Singapore Pte. Ltd.
Trustee	Unless the context otherwise requires, HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Starhill Global REIT
Unit	A unit representing an undivided interest in Starhill Global REIT. Where the context so requires, the definition includes a Unit of a class of Units
Unitholders	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 Units registered in the name of CDP, mean, where the context requires, the depositor whose securities account with CDP is credited with Units
Wisma Atria	The building known as 'Wisma Atria' 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 block
Wisma Atria Property	257 strata lots in Wisma Atria
yoy	Year on year
YTL Corp	YTL Corporation Berhad
YTL Group	YTL Corp and its subsidiaries
A\$	Australian dollars, the official currency of Australia
JPY or Yen	Japanese Yen, the official currency of Japan
RM or Ringgit	Malaysian Ringgit, the official currency of Malaysia
RMB or Renminbi	Chinese Renminbi, the official currency of China
S\$, SGD and cents	Singapore dollars and cents, the official currency of Singapore

All values are expressed in Singapore currency unless otherwise stated.

CORPORATE DIRECTORY

MANAGER

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Email: info@ytlstarhill.com

DIRECTORS

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

Mr Ho Sing
(CEO & Executive Director)

Dato' Yeoh Seok Kian
(Non-Executive Director)

Mr Lim Kok Hoong
(Lead Independent Director)

Mr Ching Yew Chye
(Independent Director)

Mr Tan Woon Hum
(Independent Director)

AUDIT COMMITTEE

Mr Lim Kok Hoong
(Chairman)

Mr Ching Yew Chye
(Member)

Mr Tan Woon Hum
(Member)

JOINT COMPANY SECRETARIES

Mr Lam Chee Kin
Mr Abdul Jabbar bin Karam Din

TRUSTEE

Registered Address

HSBC Institutional Trust Services (Singapore) Limited
21 Collyer Quay
#13-02 HSBC Building
Singapore 049320

Correspondence Address

HSBC Institutional Trust Services (Singapore) Limited
21 Collyer Quay
#03-01 HSBC Building
Singapore 049320
Phone: +65 6658 6667

UNIT REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623
Phone: +65 6536 5355
Fax: +65 6438 8710

AUDITORS

KPMG LLP
16 Raffles Quay
#22-00 Hong Leong Building
Singapore 048581
Phone: +65 6213 3388
Fax: +65 6222 0810
Partner in charge: Ms Eng Chin Chin
(With effect from FY 2015/16)

SGX CODE

Starhill Gbl

WEBSITE

www.starhillglobalreit.com

NOTICE OF ANNUAL GENERAL MEETING

STARHILL GLOBAL REAL ESTATE INVESTMENT TRUST
(CONSTITUTED IN THE REPUBLIC OF SINGAPORE PURSUANT TO A TRUST DEED DATED 8 AUGUST 2005 (AS AMENDED))

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of the unitholders ("Unitholders") of Starhill Global Real Estate Investment Trust ("SGR") will be held at **Ballroom 1, Level 3, Hilton Singapore, 581 Orchard Road, Singapore 238883** on Friday, 27 October 2017 at 11.00 a.m. to transact the following business:

(A) AS ORDINARY BUSINESS

1. To receive and adopt the Report of HSBC Institutional Trust Services (Singapore) Limited, as trustee of SGR (the "Trustee"), the Statement by YTL Starhill Global REIT Management Limited, as manager of SGR (the "Manager") and the Audited Financial Statements of SGR for the financial year ended 30 June 2017 and the Auditors' Report thereon. *(Ordinary Resolution 1)*
2. To re-appoint Messrs KPMG LLP as the Auditors of SGR and to hold office until the conclusion of the next AGM of SGR and to authorise the Manager to fix their remuneration. *(Ordinary Resolution 2)*

(B) AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without any modifications, the following resolution as an Ordinary Resolution:

3. That authority be and is hereby given to the Manager, to *(Ordinary Resolution 3)*
 - (a) (i) issue units in SGR ("Units") whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

 - (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force),

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders shall not exceed twenty per cent. (20%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);
- (2) subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) at the time this Resolution is passed, after adjusting for:
 - (a) any new Units arising from the conversion or exercise of any Instruments which are outstanding at the time this Resolution is passed; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Units;

NOTICE OF ANNUAL GENERAL MEETING

STARHILL GLOBAL REAL ESTATE INVESTMENT TRUST

(CONSTITUTED IN THE REPUBLIC OF SINGAPORE PURSUANT
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- (3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting SGR (as amended) (the "Trust Deed") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (4) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of SGR or (ii) the date by which the next AGM of SGR is required by law to be held, whichever is earlier;
- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments and/or Units are issued; and
- (6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of SGR to give effect to the authority conferred by this Resolution.

(Please see Explanatory Note 1)

To consider and, if thought fit, to pass with or without any modifications, the following resolution as an Extraordinary Resolution:

4. That:

- (a) approval be and is hereby given to amend the Trust Deed to include provisions regarding electronic communications of notices and documents to Unitholders in the manner set out in Annex A of the appendix to the Notice of Annual General Meeting (the "Appendix") dated 25 September 2017 (the "Proposed Electronic Communications Trust Deed Supplement"); and
- (b) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee, may consider expedient or necessary or in the interests of SGR to give effect to the Proposed Electronic Communications Trust Deed Supplement.

(Please see Explanatory Note 2)

*(Extraordinary
Resolution 1)*

BY ORDER OF THE BOARD
YTL Starhill Global REIT Management Limited
(Company Registration No. 200502123C)
As Manager of Starhill Global Real Estate Investment Trust

Lam Chee Kin
Joint Company Secretary
Singapore
25 September 2017

EXPLANATORY NOTES:

1. Ordinary Resolution 3

The Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until the date of the next AGM of SGR, to issue Units and to make or grant instruments (such as securities, warrants or debentures) convertible into Units and issue Units pursuant to such instruments, up to a number not exceeding 50% of the total number of issued Units (excluding treasury Units, if any), of which up to 20% may be issued other than on a pro rata basis to Unitholders.

The Ordinary Resolution 3 above, if passed, will empower the Manager from the date of this AGM until the date of the next AGM of SGR, to issue Units as either full or partial payment of fees which the Manager is entitled to receive for its own account pursuant to the Trust Deed.

For determining the aggregate number of Units that may be issued, the percentage of issued Units will be calculated based on the issued Units at the time the Ordinary Resolution 3 above is passed, after adjusting for new Units arising from the conversion or exercise of any instruments which are outstanding at the time this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Units.

Fundraising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

2. Extraordinary Resolution 1

In connection with the amendments to the Companies Act, Chapter 50 of Singapore (the "Companies Act"), companies are allowed to send notices and documents electronically to their shareholders with the express, deemed or implied consent (the "Deemed Consent Regime" and the "Implied Consent Regime", respectively) of the shareholders if the constitution of the company provides for it and the specified modes of electronic communications are set out in the constitution of the company (the "Companies Act Electronic Communications Amendments"). The SGX-ST has recently amended the listing rules of the SGX-ST (the "Listing Rules") to align the Listing Rules with the Companies Act Electronic Communications Amendments, with issuers allowed to transmit certain types of notices and documents to shareholders (or Unitholders, in the case of a listed real estate investment trust ("REIT") like SGR) electronically with express, deemed or implied consent of shareholders.

Although SGR is not bound by the Companies Act, it is nonetheless bound by the Listing Rules as a listed REIT. Accordingly, the Manager proposes to amend the Trust Deed to adopt certain provisions of the Listing Rules to implement the Implied Consent Regime and the Deemed Consent Regime and allow for such electronic transmission of notices and documents in relation to SGR.

(See the Appendix in relation to the Proposed Electronic Communications Trust Deed Supplement for further details.)

Important Notice:

- 1 A Unitholder who is not a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his or her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he or she specifies the proportion of his or her holding (expressed as a percentage of the whole) to be represented by each proxy.
- 2 A Unitholder who is a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form (defined below).

"Relevant Intermediary"

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore; or
 - (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- 3 The instrument appointing a proxy or proxies (the "Proxy Form") must be deposited at the office of SGR's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for the AGM.

Personal Data Privacy

- 4 By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager and the Trustee (or their agents) for the purpose of the processing and administration by the Manager and the Trustee (or their agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager and the Trustee (or their agents), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager and the Trustee (or their agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Unitholder will indemnify the Manager and the Trustee in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Unitholder's breach of warranty.

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IMPORTANT

1. A relevant Intermediary may appoint more than two proxies to attend and vote at the Annual General Meeting (please see Note 2 for the definition of "Relevant Intermediary").
2. For CPF/SRS investors who have used their CPF monies to buy Units in SGR, this Report to Unitholders is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or is purported to be used by them.
4. PLEASE READ THE NOTES TO THE PROXY FORM.

Personal data privacy

5. By submitting an instrument appointing a proxy(ies) and/or representative(s), the Unitholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 25 September 2017.

PROXY FORM

ANNUAL GENERAL MEETING

(BEFORE COMPLETING THIS FORM, PLEASE READ THE NOTES BEHIND)

I/We _____ (Name(s) and NRIC Number(s)/Passport Number(s)/

Company Registration Number) of _____

(Address) being a unitholder/unitholders of Starhill Global Real Estate Investment Trust ("SGR"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Unitholdings	
			No. of Units	%

or, both of whom failing, the Chairman of the Annual General Meeting ("AGM"), as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the AGM of SGR to be held at **Ballroom 1, Level 3, Hilton Singapore, 581 Orchard Road, Singapore 238883** on Friday, 27 October 2017 at 11.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the AGM.

No.	Resolutions	No. of Votes For *	No. of Votes Against *
ORDINARY BUSINESS			
1.	Adoption of the Trustee's Report, the Manager's Statement, the Audited Financial Statements of SGR for the financial year ended 30 June 2017 and the Auditors' Report thereon. (Ordinary Resolution 1)		
2.	Re-appointment of Auditors and authorisation of the Manager to fix the Auditors' remuneration. (Ordinary Resolution 2)		
SPECIAL BUSINESS			
3.	Authority to issue Units and to make or grant convertible instruments. (Ordinary Resolution 3)		
4.	Approve the Proposed Electronic Communications Trust Deed Supplement. (Extraordinary Resolution 1)		

* If you wish to exercise all your votes "For" or "Against", please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2017

Total Number of Units Held

Signature(s) of Unitholder(s)/Common Seal

Affix
Postage
Stamp

**STARHILL GLOBAL REAL ESTATE
INVESTMENT TRUST**

c/o Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

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IMPORTANT: PLEASE READ THE NOTES TO PROXY FORM BELOW

Notes to Proxy Form

1. A Unitholder of SGR ("Unitholder") who is not a relevant intermediary entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint one or two proxies to attend and vote in his or her stead. A proxy need not be a Unitholder. Where a Unitholder appoints more than one proxy, the appointments shall be invalid unless he or she specifies the proportion of his or her holding (expressed as a percentage of the whole) to be represented by each proxy.
2. A Unitholder who is a relevant intermediary entitled to attend and vote at the AGM is entitled to appoint more than two proxies to attend and vote instead of the Unitholder, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder appoints more than one proxy, the appointments shall be invalid unless the Unitholder specifies the number of Units in relation to which each proxy has been appointed in the Proxy Form (defined below).
"Relevant intermediary" means:
 - (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act Chapter 289 of Singapore, and who holds Units in that capacity; or
 - (c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
3. A proxy need not be a Unitholder.
4. A Unitholder should insert the total number of Units held. If the Unitholder has Units entered against his name in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP"), he should insert that number of Units. If the Unitholder has Units registered in his name in the Register of Unitholders of SGR, he should insert that number of Units. If the Unitholder has Units entered against his name in the said Depository Register and registered in his name in the Register of Unitholders, he should insert the aggregate number of Units. If no number is inserted, this form of proxy will be deemed to relate to all the Units held by the Unitholder.
5. The instrument appointing a proxy or proxies (the "Proxy Form") must be deposited at the Unit Registrar's registered office at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time set for the AGM.
6. The Proxy Form must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney or a duly certified copy thereof must (failing previous registration with YTL Starhill Global REIT Management Limited, as manager of SGR (the "Manager")), be lodged with the Proxy Form, failing which the Proxy Form may be treated as invalid.
8. Completion and return of the Proxy Form shall not preclude a Unitholder from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a Unitholder attends the AGM in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the Proxy Form, to the AGM.
9. The Manager shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of Units entered in the Depository Register, the Manager may reject a Proxy Form if the Unitholder, being the appointor, is not shown to have Units entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Manager.
10. All Unitholders will be bound by the outcome of the AGM regardless of whether they have attended or voted at the AGM.
11. At any meeting, a resolution put to the vote of the meeting shall be decided on a poll.
12. On a poll, every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he is the Unitholder. A person entitled to more than one vote need not use all his votes or cast them the same way.
13. CPF Approved Nominees acting on the request of the CPF/SRS investors who wish to attend the AGM are requested to submit in writing, a list with details of the CPF/SRS investors' names, NRIC/Passport numbers, addresses and number of Units held. The list (to be signed by an authorised signatory of the CPF Approved Nominee) should reach SGR's Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not later than 25 October 2017 at 11.00 a.m., being 48 hours before the time fixed for the AGM.

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STARHILL GLOBAL REIT

This Annual Report for the financial year ended 30 June 2017 has been prepared by YTL Starhill Global REIT Management Limited (Company Registration No. 200502123C) as the Manager of Starhill Global REIT. This report does not contain investment advice nor is it an offer to invest in units of Starhill Global REIT.

Whilst every care has been taken in relation to the accuracy of this report, no warranty is given or implied. This report has been prepared without taking into account the personal objectives, financial situation or needs of particular individuals. Before acting, we recommend that potential investors speak with their financial and/or other professional advisers.

The value of Starhill Global REIT units ("Units") and the income derived from them may fall or rise. The Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risk, including possible delays in repayment, or loss of income or principal invested. The Manager and its affiliates do not guarantee the performance of Starhill Global REIT or the repayment of capital from Starhill Global REIT or any particular rate of return. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that unitholders of Starhill Global REIT may only deal in their Units through trading on the SGX-ST. Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of Starhill Global REIT is not necessarily indicative of the future performance of Starhill Global REIT. This document may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate and foreign exchange trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and government and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.



This annual report is printed on environmentally-friendly paper using soy ink.

YTL STARHILL GLOBAL REIT MANAGEMENT LIMITED

Company Registration No. 200502123C

www.starhillglobalreit.com