



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

Starhill Global Real Estate Investment Trust (“Starhill Global REIT” or “Trust”), is a real estate investment trust constituted by the Trust Deed entered into on 8 August 2005 (amended and restated on 10 December 2007 and supplemented by a second Supplemental Deed dated 22 April 2010, a third Supplemental Deed dated 7 June 2010 and a fourth Supplemental Deed dated 17 March 2014) between YTL Starhill Global REIT Management Limited as the Manager of Starhill Global REIT and HSBC Institutional Trust Services (Singapore) Limited as the Trustee of Starhill Global REIT. Starhill Global REIT was listed on the main board of the Singapore Exchange Securities Trading Limited on 20 September 2005.

The principal activity of Starhill Global REIT and its subsidiaries (the “Group”) is to invest primarily in prime real estate used mainly for retail and/or office purposes, with the objective of delivering regular and stable distributions to Unitholders (“Unitholders”) and to achieve long-term growth in the net asset value per unit.

These financial statements for the quarter from 1 July 2014 to 30 September 2014 have not been audited or reviewed by our auditors. In March 2014, Starhill Global REIT has changed its financial year end from 31 December to 30 June. Therefore, the current financial year will be a 18-month period from 1 January 2014 to 30 June 2015.

As at 30 September 2014, the property portfolio of Starhill Global REIT consists of:

- 257 strata lots representing 74.23% of the total share value of the strata lots in Wisma Atria (“Wisma Atria Property”) and 4 strata lots representing 27.23% of the total share value of the strata lots in Ngee Ann City (“Ngee Ann City Property”) (collectively the “Singapore Properties”);
- 100% interest in Starhill Gallery and 137 strata parcels and two accessory parcels within Lot 10 shopping centre (“Lot 10 Property”) in Kuala Lumpur, Malaysia (collectively the “Malaysia Properties”);
- 100% interest in David Jones Building and Plaza Arcade in Perth, Australia (the “Australia Properties”);
- 100% interest in Renhe Spring Zongbei Department Store in Chengdu, China (the “Renhe Spring Zongbei Property”); and
- 100% interest in five properties in Tokyo, Japan (the “Japan Properties”).

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SUMMARY OF STARHILL GLOBAL REIT'S RESULTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2014

	Group 01/07/14 to 30/09/14 S\$'000	Group 01/07/13 to 30/09/13 S\$'000	Increase / (Decrease) %
Gross revenue	48,605	48,781	(0.4%)
Net property income	39,576	38,027	4.1%
Income available for distribution	28,554	27,063	5.5%
Income to be distributed to:			
- Unitholders	27,346	26,054	5.0%
- Convertible preferred units ("CPU") Holder	266	263	1.1%
Total income to be distributed	27,612	26,317	4.9%

	Group 01/07/14 to 30/09/14	Group 01/07/13 to 30/09/13	Increase / (Decrease) %
	Cents per unit/CPU		%
Distribution per unit ("DPU")/per CPU			
<u>Unitholders</u>			
For the quarter from 1 July to 30 September ⁽¹⁾	1.27	1.21	5.0%
Annualised (based on the three months ended 30 September)	5.04	4.80	5.0%
<u>CPU Holder</u>			
For the quarter from 1 July to 30 September ⁽²⁾	1.31	1.30	1.0%
Annualised (based on the three months ended 30 September)	5.19	5.14	1.0%

Footnotes:

⁽¹⁾ On 5 July 2013, 152,727,825 CPU were converted into 210,195,189 ordinary units ("Conversion Units"). The computation of DPU for the quarter ended 30 September 2013 was based on total number of units entitled to the distributable income for the period from 1 July 2013 to 30 September 2013 (including the Conversion Units) of 2,153,218,267.

⁽²⁾ The actual distribution to CPU Holder for the quarter ended 30 September 2014 is 1.3080 cents (quarter ended 30 September 2013: 1.2955 cents) per CPU.

DISTRIBUTION DETAILS

Distribution period	1 July 2014 to 30 September 2014
Distribution amount to:	
Unitholders	1.27 cents per unit
CPU Holder	1.3080 cents per CPU
Books closure date	7 November 2014
Payment date	28 November 2014

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

Statement of Total Return and Distribution (3Q 2014 vs 3Q 2013)

	Notes	Group 01/07/14 to 30/09/14 S\$'000	Group 01/07/13 to 30/09/13 S\$'000	Increase / (Decrease) %	Trust 01/07/14 to 30/09/14 S\$'000	Trust 01/07/13 to 30/09/13 S\$'000	Increase / (Decrease) %
Gross revenue	(a)	48,605	48,781	(0.4%)	32,652	32,274	1.2%
Maintenance and sinking fund contributions	(b)	(1,774)	(1,654)	7.3%	(1,732)	(1,602)	8.1%
Property management fees	(c)	(1,188)	(1,221)	(2.7%)	(994)	(975)	1.9%
Property tax	(d)	(3,861)	(3,901)	(1.0%)	(3,160)	(3,035)	4.1%
Other property expenses	(e)	(2,206)	(3,978)	(44.5%)	(811)	(1,658)	(51.1%)
Property expenses		(9,029)	(10,754)	(16.0%)	(6,697)	(7,270)	(7.9%)
Net property income		39,576	38,027	4.1%	25,955	25,004	3.8%
Finance income	(f)	270	134	101.5%	67	28	139.3%
Dividend income from subsidiaries		-	-	-	8,715	5,224	66.8%
Fair value adjustment on security deposits	(g)	(94)	(152)	(38.2%)	(29)	(85)	(65.9%)
Management fees	(h)	(3,730)	(3,557)	4.9%	(3,456)	(3,281)	5.3%
Trust expenses	(i)	(754)	(784)	(3.8%)	(583)	(568)	2.6%
Finance expenses	(j)	(7,962)	(7,603)	4.7%	(4,146)	(2,893)	43.3%
Non property (expenses)/income		(12,270)	(11,962)	2.6%	568	(1,575)	NM
Net income before tax		27,306	26,065	4.8%	26,523	23,429	13.2%
Change in fair value of derivative instruments	(k)	1,649	(2,228)	NM	1,617	(2,212)	NM
Unrealised foreign exchange loss	(l)	-	-	-	(5,607)	(539)	940.3%
Total return for the period before tax and distribution		28,955	23,837	21.5%	22,533	20,678	9.0%
Income tax expense	(m)	(743)	(789)	(5.8%)	-	-	-
Total return for the period after tax, before distribution		28,212	23,048	22.4%	22,533	20,678	9.0%
Non-tax deductible items and other adjustments	(n)	342	4,015	(91.5%)	6,021	6,385	(5.7%)
Income available for distribution		28,554	27,063	5.5%	28,554	27,063	5.5%

Footnotes:

- (a) Gross revenue comprises gross rent and other revenue earned from investment properties, including turnover rent. The decrease in gross revenue for the Group was largely attributed to weaker contribution from Renhe Spring Zongbei Property and Japan Properties, partially offset by stronger performance of the remaining properties. Approximately 33% (2013: 34%) of total gross revenue for the three months ended 30 September 2014 were contributed by the overseas properties.
- (b) The increase in maintenance and sinking fund contributions for the current quarter is mainly attributed to Wisma Atria Property.
- (c) Property management fees comprise mainly 3.0% per annum and 1.8% per annum of the gross revenue from Singapore Properties and Japan Properties respectively, and 1.0% per annum of gross sales of Renhe Spring Zongbei Property.

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- (d) Property tax expenses are lower for the current quarter mainly due to the reversal of property tax provision made in 1H 2014 for Malaysia Properties following its revised assessment as well as an one-time rebate in relation to Starhill Gallery for 2014, partially offset by higher property taxes for Singapore Properties and Australia Properties.
- (e) Other property expenses are lower for the current quarter mainly due lower operating expenses incurred by the Singapore Properties, Japan Properties and Renhe Spring Zongbei Property.
- (f) Represents interest income from bank deposits and current accounts for the three months ended 30 September 2014. The increase is largely in line with the higher fixed deposits placed during the current quarter.
- (g) Represents the change in fair value of security deposits stated at amortised cost in accordance with Financial Reporting Standard 39.
- (h) Management fees comprise mainly the base fee, which is calculated based on 0.5% per annum of the value of the trust property.
- (i) The decrease in trust expenses is mainly due to lower expenses incurred by Renhe Spring Zongbei Property for the three months ended 30 September 2014, partially offset by the higher expenses for the Trust.
- (j) Finance expenses are higher for the current quarter mainly due to interest costs accrued for the S\$100 million unsecured MTN which was issued in February 2014 and amortisation of the remaining capitalised borrowing costs for the RM330 million Malaysia MTN refinanced ahead of maturity in June 2015, partially offset by lower interest costs incurred on the A\$ term loan for the three months ended 30 September 2014.
- (k) Represents mainly the change in the fair value of interest rate swaps and caps for the three months ended 30 September 2014.
- (l) Represents mainly the unrealised foreign exchange differences on translation of the Trust's intercompany loans and borrowings for the three months ended 30 September 2014.
- (m) Income tax expense includes withholding tax, corporate tax and deferred tax provided for the overseas properties.
- (n) See details in the distribution statement below.

Distribution Statement (3Q 2014 vs 3Q 2013)

	Notes	Group 01/07/14 to 30/09/14 S\$'000	Group 01/07/13 to 30/09/13 S\$'000	Increase / (Decrease) %	Trust 01/07/14 to 30/09/14 S\$'000	Trust 01/07/13 to 30/09/13 S\$'000	Increase / (Decrease) %
Total return after tax, before distribution		28,212	23,048	22.4%	22,533	20,678	9.0%
Non-tax deductible/(chargeable) items:		342	4,015	(91.5%)	6,021	6,385	(5.7%)
Finance costs	(o)	263	500	(47.4%)	481	838	(42.6%)
Sinking fund contribution		452	387	16.8%	452	387	16.8%
Depreciation		58	-	NM	58	-	NM
Change in fair value of derivative instruments		(1,649)	2,228	NM	(1,617)	2,212	NM
Deferred income tax		29	44	(34.1%)	-	-	-
Unrealised foreign exchange loss		-	-	-	5,607	539	940.3%
Fair value adjustment on security deposits		94	152	(38.2%)	29	85	(65.9%)
Other items	(p)	1,095	704	55.5%	863	(73)	NM
Net overseas income not distributed to the Trust, net of amount received		-	-	-	148	2,397	(93.8%)
Income available for distribution		28,554	27,063	5.5%	28,554	27,063	5.5%
Income to be distributed to:							
- Unitholders	(q)	27,346	26,054	5.0%	27,346	26,054	5.0%
- CPU Holder	(r)	266	263	1.1%	266	263	1.1%
Total income to be distributed		27,612	26,317	4.9%	27,612	26,317	4.9%

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Footnotes:

- (o) Finance costs include mainly amortisation of upfront borrowing costs.
- (p) Other items include mainly trustee's fee, straight-line rental adjustments and other non-tax deductible/chargeable costs. The variance is largely attributed to straight-line rental adjustments for Singapore Properties.
- (q) Approximately S\$0.9 million of income available for distribution for the three months ended 30 September 2014 has been retained for working capital requirements.
- (r) Subject to the sole discretion of the Manager, the CPU Holder is entitled to a discretionary, non-cumulative variable S\$ coupon of up to RM0.1322 per CPU, equivalent to a distribution rate of 5.65% per annum assuming the CPU distribution is paid in full and based on the RM amount of the CPU determined on the date of issuance of the CPU.

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

	Notes	Group 01/01/14 to 30/09/14 S\$'000	Group 01/01/13 to 30/09/13 S\$'000	Increase / (Decrease) %	Trust 01/01/14 to 30/09/14 S\$'000	Trust 01/01/13 to 30/09/13 S\$'000	Increase / (Decrease) %
Gross revenue	(a)	146,242	151,543	(3.5%)	98,007	99,880	(1.9%)
Maintenance and sinking fund contributions	(b)	(5,326)	(4,962)	7.3%	(5,195)	(4,806)	8.1%
Property management fees	(c)	(3,594)	(3,797)	(5.3%)	(2,965)	(3,000)	(1.2%)
Property tax	(d)	(12,063)	(12,013)	0.4%	(9,286)	(9,452)	(1.8%)
Other property expenses	(e)	(7,421)	(11,733)	(36.8%)	(3,117)	(5,530)	(43.6%)
Property expenses		(28,404)	(32,505)	(12.6%)	(20,563)	(22,788)	(9.8%)
Net property income		117,838	119,038	(1.0%)	77,444	77,092	0.5%
Finance income	(f)	708	388	82.5%	189	38	397.4%
Dividend income from subsidiaries		-	-	-	18,015	13,647	32.0%
Fair value adjustment on security deposits	(g)	(206)	42	NM	(12)	234	NM
Management fees	(h)	(11,091)	(10,613)	4.5%	(10,270)	(9,761)	5.2%
Trust expenses	(i)	(2,197)	(2,282)	(3.7%)	(1,707)	(1,733)	(1.5%)
Finance expenses	(j)	(23,152)	(22,754)	1.7%	(10,275)	(8,645)	18.9%
Gain/(Loss) on divestment of investment property	(k)	364	(300)	NM	-	-	-
Non property expenses		(35,574)	(35,519)	0.2%	(4,060)	(6,220)	(34.7%)
Net income before tax		82,264	83,519	(1.5%)	73,384	70,872	3.5%
Change in fair value of derivative instruments	(l)	(975)	3,943	NM	(690)	3,774	NM
Unrealised foreign exchange loss	(m)	-	-	-	(2,693)	(2,692)	0.0%
Total return for the period before tax and distribution		81,289	87,462	(7.1%)	70,001	71,954	(2.7%)
Income tax expense	(n)	(2,261)	(2,929)	(22.8%)	-	-	-
Total return for the period after tax, before distribution		79,028	84,533	(6.5%)	70,001	71,954	(2.7%)
Non-tax deductible/(chargeable) items and other adjustments	(o)	5,642	(929)	NM	14,669	11,650	25.9%
Income available for distribution		84,670	83,604	1.3%	84,670	83,604	1.3%

Financial Statements Announcement For The Third Quarter Ended 30 September 2014

Footnotes:

- (a) Gross revenue comprises gross rent and other revenue earned from investment properties, including turnover rent. The decrease in gross revenue for the Group was largely attributed to the one-time receipt of the accumulated rental arrears in 1Q 2013 from the master tenant Toshin at Ngee Ann City Property for period June 2011 to December 2012, as well as weaker contribution from Renhe Spring Zongbei Property and Japan Properties. The decrease was partially offset by stronger performance of Singapore Properties including the increase in the base rent for Toshin following the renewal of master lease from June 2013 and full period contribution from Plaza Arcade. Approximately 33% (2013: 34%) of total gross revenue for the nine months ended 30 September 2014 were contributed by the overseas properties.
- (b) The increase in maintenance and sinking fund contributions for the nine months ended 30 June 2014 is mainly attributed to Wisma Atria Property.
- (c) Property management fees comprise mainly 3.0% per annum and 1.8% per annum of the gross revenue from Singapore Properties and Japan Properties respectively, and 1.0% per annum of gross sales of Renhe Spring Zongbei Property.
- (d) Property tax expenses are marginally higher for the current period mainly due to higher property taxes (net of rebate) for Malaysia Properties and full period of expenses from Plaza Arcade, partially offset by lower property tax expenses for the Singapore Properties.
- (e) Other property expenses are lower for the current period mainly due to lower operating expenses incurred by the Singapore Properties, Japan Properties and Renhe Spring Zongbei Property, partially offset by full period of expenses from Plaza Arcade.
- (f) Represents interest income from bank deposits and current accounts for the nine months ended 30 September 2014. The increase is largely in line with the higher fixed deposits placed during the current period.
- (g) Represents the change in fair value of security deposits stated at amortised cost in accordance with Financial Reporting Standard 39.
- (h) Management fees comprise mainly the base fee, which is calculated based on 0.5% per annum of the value of the trust property.
- (i) The decrease in trust expenses is mainly due to lower expenses incurred by the Trust and Renhe Spring Zongbei Property for the nine months ended 30 September 2014.
- (j) Finance expenses are marginally higher for the current period mainly due to interest costs accrued for the S\$100 million unsecured MTN and amortisation of the remaining capitalised borrowing costs for the RM330 million Malaysia MTN refinanced ahead of maturity in June 2015, partially offset by lower interest costs incurred on the A\$ term loan for the nine months ended 30 September 2014.
- (k) Represents the difference between net proceeds (including directly attributable costs) from divestment and the carrying amount of Holon L (2013: Roppongi Primo) divested in March 2014.
- (l) Represents mainly the change in the fair value of interest rate swaps and caps for the nine months ended 30 September 2014.
- (m) Represents mainly the unrealised foreign exchange differences on translation of the Trust's intercompany loans and borrowings for the nine months ended 30 September 2014.
- (n) Income tax expense includes withholding tax, corporate tax and deferred tax provided for the overseas properties. The decrease in tax expense is largely in line with the lower net income of Renhe Spring Zongbei Property for the nine months ended 30 September 2014, as well as lower withholding tax accrued in relation to the Japan Properties, partially offset by higher withholding tax provision for the Australia Properties.
- (o) See details in the distribution statement below.

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Distribution Statement (YTD Sep 2014 vs YTD Sep 2013)

	Notes	Group 01/01/14 to 30/09/14 S\$'000	Group 01/01/13 to 30/09/13 S\$'000	Increase / (Decrease) %	Trust 01/01/14 to 30/09/14 S\$'000	Trust 01/01/13 to 30/09/13 S\$'000	Increase / (Decrease) %
Total return after tax, before distribution		79,028	84,533	(6.5%)	70,001	71,954	(2.7%)
Non-tax deductible/(chargeable) items:		5,642	(929)	NM	14,669	11,650	25.9%
Finance costs	(p)	844	1,339	(37.0%)	1,485	2,326	(36.2%)
Sinking fund contribution		1,356	1,161	16.8%	1,356	1,161	16.8%
Depreciation		175	-	NM	175	-	NM
Change in fair value of derivative instruments		975	(3,943)	NM	690	(3,774)	NM
Deferred income tax		104	151	(31.1%)	-	-	-
Unrealised foreign exchange loss		-	-	-	2,693	2,692	0.0%
Fair value adjustment on security deposits		206	(42)	NM	12	(234)	NM
Other items	(q)	1,982	405	389.4%	1,992	918	117.0%
Net overseas income not distributed to the Trust, net of amount received		-	-	-	6,266	8,561	(26.8%)
Income available for distribution		84,670	83,604	1.3%	84,670	83,604	1.3%
Income to be distributed to:							
- Unitholders	(r)	80,961	78,296	3.4%	80,961	78,296	3.4%
- CPU Holder(s)	(s)	783	2,794	(72.0%)	783	2,794	(72.0%)
Total income to be distributed		81,744	81,090	0.8%	81,744	81,090	0.8%

Footnotes:

- (p) Finance costs include mainly amortisation of upfront borrowing costs.
- (q) Other items include mainly trustee's fee, straight-line rental adjustments and other non-tax deductible/chargeable costs. The variance is largely attributed to straight-line rental adjustments for the Singapore and Malaysia Properties.
- (r) Approximately S\$2.9 million of income available for distribution for the nine months ended 30 September 2014 has been retained for working capital requirements.
- (s) Subject to the sole discretion of the Manager, the CPU Holder(s) are entitled to a discretionary, non-cumulative variable S\$ coupon of up to RM0.1322 per CPU, equivalent to a distribution rate of 5.65% per annum assuming the CPU distribution is paid in full and based on the RM amount of the CPU determined on the date of issuance of the CPU. Income to be distributed to CPU Holder(s) for the nine months ended 30 September 2014 decreased by 72.0% to S\$0.8 million following the CPU conversion into 210,195,189 ordinary units on 5 July 2013.

Financial Statements Announcement For The Third Quarter Ended 30 September 2014

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

Balance Sheet as at 30 September 2014

	Notes	Group 30/09/14 S\$'000	Group 31/12/13 S\$'000	Trust 30/09/14 S\$'000	Trust 31/12/13 S\$'000
Non-current assets					
Investment properties	(a)	2,840,206	2,854,443	2,035,500	2,035,500
Plant and equipment	(b)	1,428	1,234	525	-
Interests in subsidiaries		-	-	563,633	573,748
Intangible asset	(c)	10,572	10,517	-	-
Derivative financial instruments	(d)	2,197	2,647	1,934	2,389
Trade and other receivables	(e)	5,140	6,053	2,973	3,533
		2,859,543	2,874,894	2,604,565	2,615,170
Current assets					
Derivative financial instruments		15	29	15	29
Trade and other receivables	(e)	7,549	10,192	9,263	12,514
Cash and cash equivalents	(f)	79,406	58,038	30,357	14,359
		86,970	68,259	39,635	26,902
Total assets		2,946,513	2,943,153	2,644,200	2,642,072
Non-current liabilities					
Trade and other payables	(g)	24,408	23,379	19,116	18,067
Derivative financial instruments	(d)	410	-	410	-
Deferred tax liabilities	(h)	18,509	18,552	-	-
Borrowings	(i)	728,940	792,330	518,504	577,634
		772,267	834,261	538,030	595,701
Current liabilities					
Trade and other payables	(g)	40,237	43,040	24,821	25,596
Derivative financial instruments		34	-	34	-
Income tax payable		2,253	2,136	-	-
Borrowings	(i)	123,851	53,572	123,851	52,433
		166,375	98,748	148,706	78,029
Total liabilities		938,642	933,009	686,736	673,730
Net assets		2,007,871	2,010,144	1,957,464	1,968,342
Represented by:					
Unitholders' funds		1,987,491	1,989,764	1,937,084	1,947,962
Convertible preferred units (CPU)	(j)	20,380	20,380	20,380	20,380
		2,007,871	2,010,144	1,957,464	1,968,342

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Footnotes:

- (a) Investment properties decreased largely due to the divestment of Holon L and the net movement in foreign currencies in relation to overseas properties during the current period.
- (b) The increase in plant and equipment is mainly attributed to Wisma Atria Property, partially offset by depreciation of plant and equipment during the current period.
- (c) Intangible asset represents goodwill on acquisition of Top Sure Investment Limited in August 2007. The company owns Renhe Spring Zongbei Property through its wholly owned subsidiary.
- (d) Derivative financial instruments as at 30 September 2014 include mainly the fair value of the interest rate swaps and caps entered into to hedge the interest rate exposure on borrowings. The net decrease in derivative assets is mainly due to loss in the fair value of existing interest rate swaps during the current period.
- (e) The decrease in trade and other receivables is mainly due to decrease in straight-line rental adjustments for Malaysia and Singapore Properties, as well as decrease in outstanding receivables arising from member card sales of Renhe Spring Zongbei Property and receivables for Australia Properties.
- (f) The increase in cash and cash equivalents is mainly due to the balance proceeds from the MTN issued in February 2014 and receipt of net proceeds on divestment of Holon L, partially offset by repayment of JPY borrowings, as well as payment of distributions and borrowing costs during the current period.
- (g) The decrease in the current portion of trade and other payables is mainly due to settlement of payables for Singapore Properties, Renhe Spring Zongbei Property and Australia Properties, as well as settlement of interest payables, partially offset by increase in rent received in advance for Ngee Ann City Property. The increase in the non-current portion is largely in line with the higher security deposits received for the Singapore Properties.
- (h) Deferred tax liabilities are mainly in respect of Renhe Spring Zongbei Property and have been estimated on the basis of asset sale at the current book value.
- (i) Borrowings include S\$350 million term loans, JPY6.3 billion (S\$73.3 million) term loan, S\$224 million Singapore MTN, JPY1.2 billion (S\$14.5 million) Japan bond, A\$63 million (S\$70.2 million) term loan and RM325.5 million (S\$126.7 million) Malaysia MTN. Please refer to Section 1(b)(ii) for details of the borrowings.

The net increase in total borrowings is mainly due to the issuance of S\$100 million unsecured seven-year Singapore MTN, partially offset by the net repayment of S\$77.5 million of the revolving credit facilities and S\$11.1 million of JPY borrowings and the net movement in foreign currencies during the current period. The increase in the current portion of borrowings is due to the S\$124 million MTN maturing in July 2015, which has been classified as current liabilities as at 30 September 2014. The maturing S\$124 million MTN is covered by the available undrawn committed credit facilities and/or untapped balance from our MTN programme.

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

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1(b) (ii) Aggregate amount of borrowings

	Notes	Group 30/09/14 S\$'000	Group 31/12/13 S\$'000	Trust 30/09/14 S\$'000	Trust 31/12/13 S\$'000
Secured borrowings	(a)				
Amount repayable within one year		-	-	-	-
Amount repayable after one year		196,824	198,431	-	-
		196,824	198,431	-	-
Unsecured borrowings	(b)				
Amount repayable within one year		124,000	53,639	124,000	52,500
Amount repayable after one year		537,828	600,790	523,288	583,308
Total borrowings		858,652	852,860	647,288	635,808
Less: Unamortised loan acquisition expenses		(5,861)	(6,958)	(4,933)	(5,741)
Total borrowings		852,791	845,902	642,355	630,067

Footnotes:

(a) Secured

The Group acquired the Malaysia Properties through an asset-backed securitisation structure in June 2010. Under the structure, the properties were acquired by Ara Bintang Berhad (a bankruptcy-remote special purpose vehicle) which issued five-year fixed-rate RM330 million (S\$128.4 million) senior medium term notes ("First Senior MTN") to partially fund the acquisition of the Malaysia Properties. The First Senior MTN bear a fixed coupon rate of 5.35% per annum and have an expected maturity date of 5 years and legal maturity date of 6.5 years from the issuance date, and are secured, inter alia, by a fixed and floating charge over all the assets of Ara Bintang Berhad.

In September 2014, a refinancing was undertaken ahead of expected maturity in June 2015 by buying back and cancelling the First Senior MTN and issuing new five-year fixed-rate senior medium term notes of a nominal value of RM330 million ("Second Senior MTN") at a discounted cash consideration of approximately RM325 million (S\$126.7 million). The Second Senior MTN bear a fixed coupon rate of 4.48% per annum and have an expected maturity in September 2019 and legal maturity in March 2021, and are secured, inter alia, by a fixed and floating charge over all the assets of Ara Bintang Berhad.

The Group has a term loan of A\$63 million (S\$70.2 million) (maturing in June 2019) secured by a fixed and floating charge over all the assets of SG REIT (WA) Trust and a mortgage over David Jones Building. SG REIT (WA) Trust is wholly owned by the Group.

(b) Unsecured

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

- (i) outstanding term loans of JPY6.3 billion (S\$73.3 million) and S\$100 million (maturing in September 2016);
- (ii) outstanding term loan of S\$250 million (maturing in September 2018); and
- (iii) S\$250 million revolving credit facilities ("RCF") (maturing in September 2018) including an S\$50 million uncommitted tranche. There is no amount outstanding on the RCF as at 30 September 2014.

The Group also has available fully undrawn committed S\$50 million RCF (maturing in September 2016) with a bank as at 30 September 2014.

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

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

The Group has JPY1.2 billion (S\$14.5 million) of Japan bond outstanding as at 30 September 2014, maturing in November 2016 ("Series 2 Bonds"). The bondholders of Series 2 Bonds have a statutory preferred right, under the Japan Asset Liquidation Law, to receive payment of all obligations under the bonds prior to other creditors out of the assets of Starhill Global REIT One TMK.

The Group has a loan of RMB40.0 million from a third party, which was assumed as part of the acquisition of Renhe Spring Zongbei Property in 2007. The loan is interest-free and repayable in equal and annual instalments over seven years, of which the final instalment of approximately RMB5.7 million was fully repaid during the current quarter.

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1(c) Consolidated cash flow statement (3Q 2014 vs 3Q 2013) and (YTD Sep 2014 vs YTD Sep 2013)

	Group 01/07/14 to 30/09/14 S\$'000	Group 01/07/13 to 30/09/13 S\$'000	Group 01/01/14 to 30/09/14 S\$'000	Group 01/01/13 to 30/09/13 S\$'000
Operating activities				
Total return for the period before tax and distribution	28,955	23,837	81,289	87,462
Adjustments for:				
Finance income	(270)	(134)	(708)	(388)
Fair value adjustment on security deposits	94	152	206	(42)
Depreciation	163	124	498	367
Finance expenses	7,962	7,603	23,152	22,754
(Gain)/loss on divestment of investment property	-	-	(364)	300
Change in fair value of derivative instruments	(1,649)	2,228	975	(3,943)
Operating income before working capital changes	35,255	33,810	105,048	106,510
Changes in working capital:				
Trade and other receivables	(1,335)	(2,785)	3,654	(1,195)
Trade and other payables	1,239	(4,485)	(1,169)	1,077
Income tax paid	(354)	(173)	(2,075)	(1,483)
Cash generated from operating activities	34,805	26,367	105,458	104,909
Investing activities				
Net cash outflows on purchase of investment property	-	-	-	(65,221)
Net proceeds on divestment of investment property ⁽¹⁾	-	-	12,428	9,068
Capital expenditure on investment properties	(124)	(184)	(576)	(2,649)
Purchase of plant and equipment	(2)	(14)	(707)	(29)
Interest received on deposits	163	138	610	389
Cash flows from/(used in) investing activities	37	(60)	11,755	(58,442)
Financing activities				
Borrowing costs paid	(9,034)	(13,206)	(22,670)	(28,278)
Proceeds from borrowings ⁽²⁾	126,660	514,059	236,910	554,159
Repayment of borrowings ⁽²⁾	(129,604)	(507,821)	(228,470)	(516,399)
Distributions paid to CPU Holder(s)	(261)	(269)	(779)	(4,829)
Distributions paid to Unitholders	(26,915)	(25,623)	(80,100)	(74,198)
Cash flows used in financing activities	(39,154)	(32,860)	(95,109)	(69,545)
Net (decrease)/increase in cash and cash equivalents	(4,312)	(6,553)	22,104	(23,078)
Cash and cash equivalents at the beginning of the period	84,963	62,065	58,038	79,376
Effects of exchange rate differences on cash	(1,245)	(312)	(736)	(1,098)
Cash and cash equivalents at the end of the period	79,406	55,200	79,406	55,200

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Footnotes:

- (1) Net cash inflows on divestment of Holon L (2013: divestment of Roppongi Primo) represent the sale proceeds, net of directly attributable costs paid in the current period.
- (2) The movement during the current period relates mainly to the proceeds from the issuance of S\$100 million Series 002 Notes and Second Senior MTN at a discounted cash consideration of approximately RM325 million (S\$126.7 million) in February 2014 and September 2014 respectively. The corresponding repayment comprises S\$77.5 million RCF, JPY0.9 billion (S\$11.1 million) borrowings and RM330 million (S\$128.4 million) First Senior MTN settled during the current period.

1(d) (i) Statement of movements in Unitholders' Funds (3Q 2014 vs 3Q 2013)

	Notes	Group 01/07/14 to 30/09/14 S\$'000	Group 01/07/13 to 30/09/13 S\$'000	Trust 01/07/14 to 30/09/14 S\$'000	Trust 01/07/13 to 30/09/13 S\$'000
Unitholders' funds at the beginning of the period		1,992,822	1,715,386	1,941,727	1,667,798
Operations					
Change in Unitholders' funds resulting from operations, before distributions	(a)	28,212	23,048	22,533	20,678
Increase in Unitholders' funds resulting from operations		28,212	23,048	22,533	20,678
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		(760)	(11,402)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		(5,607)	(539)	-	-
Net loss recognised directly in Unitholders' funds	(b)	(6,367)	(11,941)	-	-
Unitholders' transactions					
Distributions to CPU Holder		(261)	(269)	(261)	(269)
Distributions to Unitholders		(26,915)	(25,623)	(26,915)	(25,623)
CPU conversion	(c)	-	153,065	-	153,065
(Decrease)/Increase in Unitholders' funds resulting from Unitholders' transactions		(27,176)	127,173	(27,176)	127,173
Unitholders' funds at the end of the period		1,987,491	1,853,666	1,937,084	1,815,649

Footnotes:

- (a) Change in Unitholders' funds resulting from operations for the three months ended 30 September 2014, includes a gain in the fair value of derivative instruments of S\$1.6 million (2013: loss of S\$2.2 million).
- (b) The movement in foreign currency translation reserve relates mainly to the exchange differences arising on the translation of foreign controlled entities and intercompany loans and borrowings that form part of the Group's net investment in the foreign entities.
- (c) Represents the value of 152,727,825 CPU being converted into ordinary units at a conversion price of S\$0.7266 per unit in July 2013.

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

	Notes	Group 01/01/14 to 30/09/14 S\$'000	Group 01/01/13 to 30/09/13 S\$'000	Trust 01/01/14 to 30/09/14 S\$'000	Trust 01/01/13 to 30/09/13 S\$'000
Unitholders' funds at the beginning of the period		1,989,764	1,708,618	1,947,962	1,669,657
Operations					
Change in Unitholders' funds resulting from operations, before distributions	(a)	79,028	84,533	70,001	71,954
Increase in Unitholders' funds resulting from operations		79,028	84,533	70,001	71,954
Foreign currency translation reserve					
Translation differences from financial statements of foreign entities		2,271	(10,831)	-	-
Exchange differences on monetary items forming part of net investment in foreign operations		(2,693)	(2,692)	-	-
Net loss recognised directly in Unitholders' funds	(b)	(422)	(13,523)	-	-
Unitholders' transactions					
Distributions to CPU Holder(s)		(779)	(4,829)	(779)	(4,829)
Distributions to Unitholders		(80,100)	(74,198)	(80,100)	(74,198)
CPU conversion	(c)	-	153,065	-	153,065
(Decrease)/Increase in Unitholders' funds resulting from Unitholders' transactions		(80,879)	74,038	(80,879)	74,038
Unitholders' funds at the end of the period		1,987,491	1,853,666	1,937,084	1,815,649

Footnotes:

- Change in Unitholders' funds resulting from operations for the nine months ended 30 September 2014, includes a loss in the fair value of derivative instruments of S\$1.0 million (2013: gain of S\$3.9 million).
- The movement in foreign currency translation reserve relates mainly to the exchange differences arising on the translation of foreign controlled entities and intercompany loans and borrowings that form part of the Group's net investment in the foreign entities.
- Represents the value of 152,727,825 CPU being converted into ordinary units at a conversion price of S\$0.7266 per unit in July 2013.

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

	Notes	Group and Trust 01/07/14 to 30/09/14 Units	Group and Trust 01/07/13 to 30/09/13 Units	Group and Trust 01/01/14 to 30/09/14 Units	Group and Trust 01/01/13 to 30/09/13 Units
Issued units at the beginning of the period		2,153,218,267	1,943,023,078	2,153,218,267	1,943,023,078
Units issued pursuant to CPU conversion	(a)	-	210,195,189	-	210,195,189
Management fees payable in units (base fee)	(b)	-	-	-	-
Management fees payable in units (performance fee)	(c)	-	-	-	-
Total issued units at the end of the period		2,153,218,267	2,153,218,267	2,153,218,267	2,153,218,267
Number of units that may be issued on conversion of CPU outstanding	(d)	27,986,168	27,986,168	27,986,168	27,986,168

Footnotes:

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

1(d) (iii) To show the total number of issued units excluding treasury units as at the end of the current financial period, and as at the end of the immediately preceding year

Starhill Global REIT did not hold any treasury units as at 30 September 2014 and 31 December 2013. The total number of issued units as at the end of the current period, and as at the end of the immediately preceding year are disclosed in Section 1(d)(ii).

1(d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury units as at the end of the current financial period reported on

Not applicable.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

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4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

The Group has applied the same accounting policies and method of computation in the preparation of the financial statements for the current financial period, which are consistent with those described in the audited financial statements for the year ended 31 December 2013, except for the adoption of the new and revised Financial Reporting Standards which became effective for financial periods beginning on or after 1 January 2014.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

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

	Notes	Group 01/07/14 to 30/09/14 S\$'000	Group 01/07/13 to 30/09/13 S\$'000
Total return for the period after tax, before distribution		28,212	23,048
Income to be distributed to CPU Holder		(266)	(263)
Earnings attributable to Unitholders		27,946	22,785
EPU			
<u>Basic EPU</u>			
Weighted average number of units	(a)	2,153,218,267	2,144,079,346
Earnings per unit (cents)	(b)	1.30	1.06
<u>Diluted EPU</u>			
Weighted average number of units	(c)	2,181,204,435	2,181,204,435
Earnings per unit on a fully diluted basis (cents)		1.29	1.06
DPU			
Number of units issued at end of period	(d)	2,153,218,267	2,153,218,267
DPU for the period based on the total number of units entitled to distribution (cents)		1.27	1.21

Footnotes:

- For the purpose of computing the basic EPU, the earnings attributable to Unitholders and the weighted average number of units during the three months ended 30 September 2014 are used and have been calculated on a time-weighted basis.
- The earnings per unit for the three months ended 30 September 2014, includes a gain in the fair value of derivative instruments of S\$1.6 million (2013: loss of S\$2.2 million).
- For the purpose of computing the diluted EPU, the weighted average number of units in issue is adjusted to take into account the full conversion of the CPU outstanding at the period end into 27,986,168 (2013: 27,986,168) ordinary units at the conversion price of S\$0.7266 per unit.
- The computation of DPU for the quarter ended 30 September 2014 is based on total number of units in issue as at 30 September 2014 of 2,153,218,267 (2013: 2,153,218,267 units, which include the conversion of the CPU into 210,195,189 ordinary units on 5 July 2013).

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

Notes	Group	Group	Trust	Trust
	30/09/14	31/12/13	30/09/14	31/12/13
Net asset value per unit (S\$) based on:				
- units issued at the end of the period (a)	0.93	0.93	0.91	0.91
- units issued at the end of the period, assuming full conversion of CPU outstanding (b)	0.92	0.92	0.90	0.90

Footnotes:

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

8 Review of the performance Consolidated Statement of Total Return and Distribution (3Q 2014 vs 3Q 2013) and (YTD Sep 2014 vs YTD Sep 2013)

	Group 01/07/14 to 30/09/14 S\$'000	Group 01/07/13 to 30/09/13 S\$'000	Increase / (Decrease) %	Group 01/01/14 to 30/09/14 S\$'000	Group 01/01/13 to 30/09/13 S\$'000	Increase / (Decrease) %
Gross revenue	48,605	48,781	(0.4%)	146,242	151,543	(3.5%)
Property expenses	(9,029)	(10,754)	(16.0%)	(28,404)	(32,505)	(12.6%)
Net property income	39,576	38,027	4.1%	117,838	119,038	(1.0%)
Non property expenses	(12,270)	(11,962)	2.6%	(35,574)	(35,519)	0.2%
Net income before tax	27,306	26,065	4.8%	82,264	83,519	(1.5%)
Change in fair value of derivative instruments	1,649	(2,228)	NM	(975)	3,943	NM
Total return for the period before tax and distribution	28,955	23,837	21.5%	81,289	87,462	(7.1%)
Income tax expense	(743)	(789)	(5.8%)	(2,261)	(2,929)	(22.8%)
Total return for the period after tax, before distribution	28,212	23,048	22.4%	79,028	84,533	(6.5%)
Non-tax deductible/(chargeable) items and other adjustments	342	4,015	(91.5%)	5,642	(929)	NM
Income available for distribution	28,554	27,063	5.5%	84,670	83,604	1.3%
Income to be distributed to:						
- Unitholders	27,346	26,054	5.0%	80,961	78,296	3.4%
- CPU Holder(s)	266	263	1.1%	783	2,794	(72.0%)
Total income to be distributed	27,612	26,317	4.9%	81,744	81,090	0.8%

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3Q 2014 vs 3Q 2013

Revenue for the Group in 3Q 2014 was S\$48.6 million, representing a marginal decrease of 0.4% over 3Q 2013, mainly due to weaker contribution from Renhe Spring Zongbei Property and Japan Properties, partially offset by stronger performance of the remaining properties. Net property income (“NPI”) for the Group was higher at S\$39.6 million, representing 4.1% increase over 3Q 2013.

Singapore Properties contributed 67.1% of total revenue, or S\$32.7 million in 3Q 2014, 1.2% higher than in 3Q 2013. NPI for 3Q 2014 was S\$26.0 million, 3.8% higher than in 3Q 2013. The stronger performance of Singapore Properties is largely attributed to the positive rental reversion from new and renewed leases, as well as lower operating expenses incurred for the current quarter.

Malaysia Properties contributed 15.4% of total revenue, or S\$7.5 million in 3Q 2014. NPI for 3Q 2014 was approximately S\$7.5 million, 3.7% higher than in 3Q 2013, mainly due to the reversal of property tax provision made in 1H 2014 following its revised assessment as well as an one-time property tax rebate in relation to Starhill Gallery for 2014.

Australia Properties contributed 10.4% of total revenue, or S\$5.0 million in 3Q 2014, 6.8% higher than in 3Q 2013. NPI for 3Q 2014 was S\$4.0 million, 8.7% higher than in 3Q 2013, mainly attributed to the positive rental reversion on the leases for David Jones Building (including the rent review for David Jones lease).

Renhe Spring Zongbei Property in Chengdu, China contributed 4.8% of total revenue, or S\$2.3 million in 3Q 2014, 20.0% lower than in 3Q 2013. NPI for 3Q 2014 was S\$1.3 million, 20.4% lower than in 3Q 2013, mainly due to lower revenue amidst contraction of the high-end and luxury retail segment resulting from government austerity drive and increased competition from new and upcoming retail developments in the city.

Japan Properties contributed 2.3% of total revenue, or S\$1.1 million in 3Q 2014, 25.1% lower than in 3Q 2013. NPI for 3Q 2014 was S\$0.8 million, 67.0% higher than in 3Q 2013, mainly due to reversal of rental arrears provision for the current quarter, partially offset by depreciation of JPY and loss of contribution from divested property.

Non property expenses were S\$12.3 million in 3Q 2014, 2.6% higher than in 3Q 2013, mainly due to higher borrowing costs and management fees, partially offset by higher interest income for the current quarter.

The gain on derivative instruments for 3Q 2014 represents mainly the change in the fair value of interest rate swaps and caps entered into for the Singapore borrowings for the current quarter.

The decrease in tax expense in 3Q 2014 is largely in line with the lower net income of Renhe Spring Zongbei Property, partially offset by higher withholding tax provision for the Australia Properties for the current quarter.

Income available for distribution and income to be distributed to CPU Holder and Unitholders for 3Q 2014 were S\$28.6 million and S\$27.6 million respectively, being 5.5% and 4.9% higher than the corresponding period.

YTD Sep 2014 vs YTD Sep 2013

Group revenue of S\$146.2 million for the nine months ended 30 September 2014 was 3.5% lower than S\$151.5 million achieved in corresponding period, mainly due to one-time receipt of accumulated rental arrears in 1Q 2013 from the master tenant Toshin at Ngee Ann City Property for period June 2011 to December 2012, as well as lower contribution from Renhe Spring Zongbei Property and Japan Properties. The decrease is partially offset by stronger

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performance of Singapore Properties and Australia Properties. NPI for the Group decreased marginally by 1.0% to S\$117.8 million for the nine months ended 30 September 2014.

Singapore Properties contributed 67.1% of total revenue, or S\$98.0 million in the current period, 1.9% lower than in corresponding period. NPI increased marginally by 0.5% to S\$77.4 million for the nine months ended 30 September 2014, primarily due to stronger underlying performance of Singapore Properties including a positive rental reversion from the renewal of Toshin master lease in June 2013 coupled with lower operating expenses for the current period. The higher contribution was partially offset by one-time receipt of accumulated rental arrears from Toshin net of expenses in 1Q 2013.

Malaysia Properties contributed 15.2% of total revenue, or S\$22.3 million in the current period. NPI for the current period was S\$21.5 million, 2.9% lower than in corresponding period, mainly due to depreciation of RM and higher property taxes (net of the one-time rebate) incurred for the current period.

Australia Properties contributed 10.1% of total revenue, or S\$14.8 million in the current period, 6.1% higher than in corresponding period. NPI for the current period was S\$11.6 million, 4.6% higher than in corresponding period, mainly due to full period contribution from Plaza Arcade and positive rent reversion on the leases for David Jones Building (including the rent review for David Jones lease), partially offset by depreciation of A\$.

Renhe Spring Zongbei Property in Chengdu, China contributed 5.2% of total revenue, or S\$7.6 million in the current period, 27.5% lower than in corresponding period. NPI for the current period was S\$4.4 million, 31.4% lower than in corresponding period, largely due to lower revenue amidst contraction of the high-end and luxury retail segment resulting from government austerity drive and increased competition from new and upcoming retail developments in the city.

Japan Properties contributed 2.4% of total revenue, or S\$3.6 million in the current period, 19.4% lower than in corresponding period. NPI for the current period was S\$2.8 million, 27.0% higher than in corresponding period, mainly due to reversal of rental arrears provision for the current period, partially offset by depreciation of JPY and loss of contribution from divested properties.

Non property expenses were S\$35.6 million for the nine months ended 30 September 2014, 0.2% higher than in corresponding period.

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

The decrease in tax expense is largely in line with the lower net income of Renhe Spring Zongbei Property for the current period, as well as lower withholding tax accrued in relation to the Japan Properties, partially offset by higher withholding tax provision for the Australia Properties.

Income available for distribution and income to be distributed to CPU Holder(s) and Unitholders for the nine months ended 30 September 2014 were S\$84.7 million and S\$81.7 million respectively, being 1.3% and 0.8% higher than the corresponding period.

9 Variance between forecast and the actual results

The Trust has not disclosed any forecast to the market.

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

Based on advanced estimates by the Ministry of Trade and Industry, the Singapore economy grew by 2.4% year-on-year (“y-o-y”) in 3Q 2014¹. The growth was supported mainly by a turnaround in the manufacturing sector which expanded 1.2%¹. 2014 full-year growth forecast was maintained at 2.5% to 3.5%².

Retail sales index in Singapore (excluding motor vehicle sales) decreased 1.6% y-o-y in August 2014³. Tourist arrivals contracted 6% y-o-y to 3.6 million and tourism receipts dipped 3% to S\$5.6 billion in 2Q 2014⁴. However in July 2014, tourist arrivals contracted by 0.9% y-o-y.

The Malaysian economy achieved a GDP growth of 6.4% y-o-y in 2Q 2014⁵, driven by strong export growth and robust private domestic demand. The Government raised its 2014 growth forecast to 5.5%-6.0% from 4.5%-5.5% in March, and expects the growth momentum to continue into 2015⁶. The Malaysian retail industry is expected to expand by 6.5% in 4Q 2014, driven by a boost in consumer spending⁷ ahead of the forthcoming adoption of the Goods and Services Tax in April 2015. Despite unfavourable events, Malaysia achieved a 10.1% increase in tourist arrivals from January to May 2014⁸.

Retail sales in Western Australia recorded a 1.4% y-o-y growth in seasonally-adjusted terms in August 2014⁹. In Australia, major cities continue to see demand from international luxury, mid-range fashion retailers either entering the market or expanding their footprint¹⁰. International retailers, Topshop and Zara, opened their new stores in Perth city centre in October 2014¹¹.

In China, economic growth eased to 7.3% in 3Q 2014 (7.5% in 2Q 2014)¹² as the central government adjusts to the ‘new normal’ of moderated growth. Consumer confidence remained soft as nationwide retail sales grew at a more subdued 12.1% y-o-y between January and August 2014, compared to the 13.4% growth achieved over the same corresponding period in 2013¹². In Chengdu, about 200,000 square metres of retail space was brought into the market in 2Q 2014, with another 500,000 square metres of impending retail space is expected to come on stream in 2H 2014¹³.

Outlook for the next 12 months

The IMF has recently trimmed its global growth forecast to 3.3% for 2014 and 3.8% for 2015, from its previous projections of 3.4% and 4.0% respectively in July 2014¹⁴. The cut in global economic growth expectation is attributed to economic activity setbacks in advanced economies and a less optimistic outlook for several emerging market economies¹⁴. The Asian Development Bank maintained its 6.2% growth forecast for Asia this year as strong fundamentals of emerging economies offset the sluggish performance of advanced economies, and growth in the region is expected to accelerate to 6.4% in 2015¹⁵. Notwithstanding a more cautious market and economic outlook, Starhill Global REIT’s balanced retail mall portfolio in good-to-prime locations including several long-term leases and master leases across key cities in Asia Pacific will provide income stability with growth potential for its Unitholders.

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Softer retail sentiments and visitor arrivals, as well as tight labour conditions that continue to impact retail businesses in Singapore. However, according to CBRE, retailers continue to display interest in prime Orchard Road retail spaces¹⁶. The high-end luxury retail segments in China continue to be impacted by slowdown in spending and Chengdu's retail market continues to be intensified as it expects a number of high-end retail malls to enter the market in 2014.

The Manager will continue to focus on optimising the performance of its portfolio while sourcing for attractive prime property assets in Singapore and core overseas markets.

Sources

1. Ministry of Trade and Industry Singapore, Singapore's GDP Grew by 2.4 Per Cent in the Third Quarter of 2014, 14 October 2014
2. Monetary Authority of Singapore, MAS Monetary Policy Statement, 14 October 2014
3. Department of Statistics Singapore, Retail Sales Index, Food & Beverage Services Index, 15 September 2014
4. Singapore Tourism Board, Tourist Arrivals Statistics website
5. Department of Statistics, Malaysia
6. Malaysia Targets 6pc Growth in 2014, New Straits Times, 25 September 2014
7. Malaysians likely to spend ahead of goods and services tax in April next year, The Star, 30 September 2014
8. Tourism Malaysia, September 2014
9. Australia Bureau of Statistics
10. Jones Lang LaSalle, Retail Cities in Asia Pacific, September 2014
11. Perth Now, Zara, Topshop will 'help WA's retail sector recover', 12 October 2014
12. National Bureau Statistics of China
13. Cushman & Wakefield, Retail Marketbeat, Chengdu, China, Q2 2014
14. International Monetary Fund, World Economic Outlook, Legacies, Clouds, Uncertainties, October 2014
15. Asian Development Outlook 2014 Update: Asia in Global Value Chains, September 2014
16. CBRE, How Active Are Retailers in Asia Pacific, 2014 Edition

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11 Distributions

(a) Current financial period

Any distributions declared for the current financial period: Yes

Name of distribution: (1) Distribution to Unitholders for the period from 1 July 2014 to 30 September 2014 ("Unitholders' Distribution")
(2) Distribution to CPU Holder for the period from 1 July 2014 to 30 September 2014 ("CPU Distribution")

Distribution rate:

	Unitholders' Distribution	CPU Distribution
	For the period from 1 July 2014 to 30 September 2014	For the period from 1 July 2014 to 30 September 2014
	Cents	Cents
Taxable income component	1.0000	1.0299
Tax-exempt income component	0.1500	0.1545
Capital component	0.1200	0.1236
Total	1.2700	1.3080

Par value of units: Not applicable

Tax rate: Taxable income component

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

Tax-exempt income component

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

Capital component

The capital component of the distribution represents a return of capital to CPU Holder and Unitholders for tax purposes and is therefore not subject to income tax. Such distribution refers to the amount of distribution made by the Trust where the income from the underlying properties located overseas has not been received as income by the Trust. For CPU Holder and Unitholders who hold the units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the units.

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(b) Corresponding period of the immediately preceding financial period

Any distributions declared for the previous corresponding financial period: Yes

Name of distribution: (1) Distribution to Unitholders for the period from 1 July 2013 to 30 September 2013 ("Unitholders' Distribution")
(2) Distribution to CPU Holder for the period from 1 July 2013 to 30 September 2013 ("CPU Distribution")

Distribution rate:

	Unitholders' Distribution	CPU Distribution
	For the period from 1 July 2013 to 30 September 2013	For the period from 1 July 2013 to 30 September 2013
	Cents	Cents
Taxable income component	0.9200	0.9850
Tax-exempt income component	0.2000	0.2141
Capital component	0.0900	0.0964
Total	1.2100	1.2955

Par value of units: Not applicable

Tax rate: Taxable income component

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

Tax-exempt income component

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

Capital component

The capital component of the distribution represents a return of capital to CPU Holder and Unitholders for tax purposes and is therefore not subject to income tax. Such distribution refers to the amount of distribution made by the Trust where the income from the underlying properties located overseas has not been received as income by the Trust. For CPU Holder and Unitholders who hold the units as trading assets, the amount of capital distribution will be applied to reduce the cost base of their units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the units.

(c) Date payable: 28 November 2014

(d) Books Closure Date: 7 November 2014

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

Not applicable

13 General mandate for interested person transactions

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

14 Directors' confirmation

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and Trust as at 30 September 2014 (comprising the balance sheets as at 30 September 2014, the statements of total return and distribution, the cash flow statements and statements of changes in Unitholders' funds for the three months ended on that date, together with their accompanying notes) to be false or misleading in any material respect.

On behalf of the Board

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

Ho Sing
Chief Executive Officer/Director

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

**BY ORDER OF THE BOARD
YTL STARHILL GLOBAL REIT MANAGEMENT LIMITED
AS MANAGER OF STARHILL GLOBAL REAL ESTATE INVESTMENT TRUST**

Lam Chee Kin
Joint Company Secretary
30 October 2014