



**Media release by:** YTL Starhill Global REIT Management Limited (YTL Starhill Global)

**Manager of:** Starhill Global Real Estate Investment Trust (SGREIT)

## **STARHILL GLOBAL REIT'S DIVESTMENT OF THE HOLON L PROPERTY IN TOKYO, JAPAN**

### **HIGHLIGHTS**

- Re-balancing of SGREIT's Japan portfolio continues
- Sale price represents a 6.0% premium to the latest independent valuation

**SINGAPORE, 19 March 2014** – YTL Starhill Global REIT Management Limited, the Manager of Starhill Global REIT ("SGREIT"), is pleased to announce that SGREIT has divested the Holon L Property ("Holon L"), a retail property located in Tokyo, for JPY1,026.0 million (approximately S\$12.8<sup>1</sup> million). The sale price represents a 6.0% premium to the latest independent valuation of the property at JPY968.0 million (approximately S\$12.1<sup>1</sup> million)<sup>2</sup>.

Holon L is located at the Aoyama area in Minato-ward in Tokyo. The property is one of the smallest in SGREIT's Japan portfolio, accounting for 11.5% of the Japan portfolio and 0.4% of SGREIT's portfolio by asset value<sup>3</sup>. More details on the property can be found in the appendix.

Mr Ho Sing, Chief Executive Officer of YTL Starhill Global, said, "This divestment follows the sale of the Roppongi Primo Property last year as part of SGREIT's strategy of streamlining its portfolio and focusing on its strengths. The sale consideration is attractive representing a 6.0% premium to the latest independent valuation of JPY968.0 million and translates to a yield of 4.03%."

The recent devaluation of the Yen against the Singapore Dollar is not expected to have a material impact on this transaction as SGREIT's Japan assets were fully hedged with Yen loans. The net sale proceeds would be used to repay the Yen loans and for working capital purposes. SGREIT's gearing would drop marginally by 0.3% to 28.7%<sup>3</sup> as a result.

<sup>1</sup> Based on an exchange rate of S\$1.00: JPY80.24 as at 18 March 2014.

<sup>2</sup> Based on the latest independent valuation as at 31 December 2013 conducted by DTZ Debenham Tie Leung K.K.

<sup>3</sup> As at 31 December 2013.

The divestment of Holon L was completed today.

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**About Starhill Global REIT**

*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 12 properties in Singapore, Malaysia, Australia, China and Japan, valued at about S\$2.8 billion.*

*These comprise interests in Wisma Atria and Ngee Ann City on Orchard Road in Singapore, Starhill Gallery and Lot 10 in Kuala Lumpur, Malaysia, the David Jones Building and Plaza Arcade in Perth, Australia, a premier retail property in Chengdu, China, and five properties in the prime areas of 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 wholly-owned subsidiary of YTL Corporation Berhad.*

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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 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 governmental 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.

**Appendix – Overview of Holon L**

Description	
<b>Property brief</b>	<ul style="list-style-type: none"> <li>• Located at the Aoyama area in Minato-ward (Tokyo), this is a 3-storey building for retail use</li> <li>• There are three tenants which include a fashion retailer on the ground floor, a restaurant and hair salon on the upper floors</li> </ul>
<b>Building completion</b>	August 2004
<b>Net lettable area</b>	5,046 sq ft
<b>Valuation</b> <sup>1</sup>	JPY968.0 million (or approximately S\$12.1 million)
<b>Occupancy</b>	100.0%
<b>FY 2013 NPI yield</b> <sup>2</sup>	4.27% (over valuation); 4.03% (over sale price)

**Notes:**

1. The independent valuation as at 31 December 2013 was conducted by DTZ Debenham Tie Leung K.K.. S\$ converted based on an exchange rate of S\$1.00: JPY80.24 as at 18 March 2014.
2. Net property income (NPI) for the year ended 31 December 2013.