

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

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

## SGREIT's DIVESTMENT OF THE ROPPONGI TERZO PROPERTY IN TOKYO, JAPAN

### HIGHLIGHTS

- Re-balancing of SGREIT's portfolio continues
- Third divestment in Japan as part of the ongoing strategy to streamline the overall portfolio and focus on strengths

**Singapore, 7 January 2016** – YTL Starhill Global REIT Management Limited, the Manager of Starhill Global REIT ("SGREIT"), is pleased to announce that SGREIT has divested the Roppongi Terzo Property ("Terzo"), a property located in Tokyo, for JPY2,500.0 million (approximately S\$29.9<sup>1</sup> million), a premium to its latest valuation.

Terzo is located in the Roppongi district in Minato-ku, Tokyo. The property was last valued at JPY2,440.0<sup>2</sup> million (approximately S\$29.2<sup>1</sup> million), and accounts for 32.8% of the Japan portfolio and 0.9% of SGREIT's portfolio by asset value<sup>3</sup>. The sale consideration of JPY2,500.0 million translates to a yield of 4.4%. More details on the property can be found in the appendix.

Pursuant to this transaction, SGREIT's portfolio in Japan will be reduced to four properties. The exposure to Japan by asset value will consequently reduce from 2.9%<sup>3</sup> to approximately 2.0%. SGREIT fully hedges the Japanese assets with Yen loans. The net sale proceeds would be used to repay the Yen loans and/or for working capital purposes. SGREIT's gearing is expected to decrease from 35.7%<sup>3</sup> to 35.1% assuming that the net sales proceeds are substantially used to repay the Yen loans.

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<sup>1</sup> Based on an exchange rate of S\$1.00: JPY83.61 as at 6 January 2016.

<sup>2</sup> Based on the latest independent valuation as at 31 December 2015 conducted by Aoyama Realty Advisors Inc..

<sup>3</sup> As at 30 September 2015.

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Mr Ho Sing, Chief Executive Officer of YTL Starhill Global, said, “This divestment marks the third divestment in Japan in the last three years and is part of our ongoing strategy to streamline our overall portfolio and focus on our strengths. During this period, we have added two new strategic properties in the prime districts of Perth and Adelaide in Australia for approximately A\$336 million. Going forward, we will continue to sharpen and improve the quality of our portfolio through divestments, acquisitions and asset enhancement initiatives.”

The divestment of Terzo 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 (the “SGX-ST”) on 20 September 2005, Starhill Global REIT has grown its initial portfolio from interests in two landmark properties on Orchard Road in Singapore to 12 properties in Singapore, Australia, Malaysia, China and Japan, valued at about S\$3.0 billion.*

*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 Australia, Starhill Gallery and Lot 10 in Kuala Lumpur, Malaysia, a retail property in Chengdu, China and four 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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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 risks, including the possible loss of the principal amount invested. 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 the 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 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 Roppongi Terzo Property**

| Description                   |  |
|-------------------------------|--|
| <b>Property brief</b>         | Located at the Roppongi area in Minato-ward (Tokyo), this is a 5-storey building for food and beverage and entertainment use |
| <b>Building completion</b>    | November 2005  |
| <b>Net lettable area</b>      | 14,452 sq ft   |
| <b>Valuation <sup>1</sup></b> | JPY2,440.0 million (or approximately S\$29.2 million)  |
| <b>NPI yield <sup>2</sup></b> | 4.5% (over valuation), 4.4% (over sale price)  |

Notes:

1. The independent valuation as at 31 December 2015 was conducted by Aoyama Realty Advisors Inc.. S\$ converted based on an exchange rate of S\$1.00: JPY83.61 as at 6 January 2016.
2. Net property income (NPI) for the 12 months ended 30 June 2015.