



SGX-ST Announcement

DIVESTMENT OF ROPPONGI TERZO PROPERTY IN TOKYO, JAPAN

Introduction

YTL Starhill Global REIT Management Limited as manager of Starhill Global Real Estate Investment Trust ("**Starhill Global REIT**") (in such capacity, the "**Manager**") wishes to announce that Starhill Global REIT has divested its entire beneficial interests in the Roppongi Terzo Property (the "**Property**") for the cash consideration of JPY2,500.0 million (or approximately S\$29.9¹ million) (the "**Sale**"), a premium to its latest valuation.

Rationale

The Property is located at the Roppongi area in Minato-ward in Tokyo and is a 5-storey building for food and beverage and entertainment use. By asset value², it accounts for 32.8% of the Japan portfolio and 0.9% of the Starhill Global REIT's portfolio. The Sale is part of Starhill Global REIT's strategy of streamlining its portfolio and focusing on its strengths. The sale consideration of JPY2,500.0 million translates to a yield of 4.4%.

Sale Consideration

Full payment of the sale consideration of JPY2,500.0 million (the "**Sale Consideration**"), in cash, has been received on completion of the Sale from the purchaser. The Sale Consideration was arrived at on a willing buyer and willing seller basis taking into account the valuation of the Property of JPY2,440.0 million (or approximately S\$29.2¹ million), as at 31 December 2015 by Aoyama Realty Advisors Inc. (the "**Valuer**"), which is an independent valuer appointed by Starhill Global REIT. The Valuer estimated the open market value of the Property by using the discounted cash flow and direct capitalisation methods.

Based on the relative figures as computed on the bases set out in Rule 1006 of the listing manual of the Singapore Exchange Securities Trading Limited, this transaction is a "Non-Discloseable Transaction" within the meaning of Rule 1008 of the listing manual.

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

² As at 30 September 2015.

Financial Effects

The net sale proceeds after payment of transaction expenses will be used to repay Yen loans and/or for working capital purposes. The gearing of Starhill Global REIT is expected to decrease from 35.7%² to 35.1% assuming that the net sales proceeds are substantially used to repay the Yen loans.

The pro forma financial effects of the Sale on the distribution per unit of Starhill Global REIT (“DPU”) and the net asset value (“NAV”) per unit are not expected to be material³. A divestment fee of 0.5% of the Sale Consideration is payable to the Manager pursuant to the trust deed constituting Starhill Global REIT, which the Manager has elected to be paid in cash. After the divestment, Starhill Global REIT’s exposure in Japan would decrease marginally by 0.9% and 0.7% to 2.0% and 1.3% by asset value² and gross revenue³ respectively.

Interests of Directors and Controlling Unitholders

None of the Directors of the Manager has an interest, direct or indirect, in the Sale. The Directors are also not aware of any Controlling Unitholder having any interest direct or indirect, in the Sale, and have not received any notification of interest in the Sale from any Controlling Unitholder.

Documents for Inspection

Copies of the sale and purchase agreement for the Sale and the valuation report on the Property by the Valuer dated 31 December 2015 are available for inspection during normal business hours at the registered office of the Manager at 391B Orchard Road, #21-08 Ngee Ann City Tower B, Singapore 238874 for three months from the date of this announcement⁴.

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
7 January 2016

³ The pro forma financial effects of the Sale are strictly for illustrative purpose only and were prepared based on the unaudited consolidated financial statements of Starhill Global REIT for the quarter ended 30 September 2015.

⁴ Prior appointment with the Manager would be appreciated.

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.

Important Notice

The value of units in Starhill Global REIT ("**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 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.