



SGX-ST Announcement

RECEIPT OF NOTICE TO EXERCISE THE RIGHT OF CONVERSION AND WHITEWASH RESOLUTION DISCLOSURE NOTE

YTL Starhill Global REIT Management Limited, as the manager ("**Manager**") of Starhill Global Real Estate Investment Trust ("**Starhill Global REIT**") wishes to notify all unitholders of Starhill Global REIT ("**Unitholders**") that it has on 2 June 2015, received written notice from Business & Budget Hotels (Penang) Sdn Bhd (the "**CPU Holder**"), a subsidiary of YTL Corporation Berhad, that it intends to exercise its right to convert (the "**Conversion**"), in aggregate, 20,334,750 convertible preferred units issued on 28 June 2010 ("**CPUs**"), into new units of Starhill Global REIT ("**Conversion Units**") on 25 June 2015 (the "**Exercise Day**").

Background

Starhill Global REIT had on 28 June 2010 issued 173,062,575 CPUs as part of the consideration for its acquisition of two Malaysia properties, Starhill Gallery and Lot 10 Property. The CPUs are convertible at the price of S\$0.7266 per unit in Starhill Global REIT ("**Units**"), being a price at a 30.0% premium above the volume weighted average price of the Units over the last five trading days immediately prior to (and including) the date of issuance of the CPUs. The 20,334,750 CPUs to be converted constitute all the remaining CPUs in Starhill Global REIT after an earlier conversion of CPUs in July 2013. The total CPU distributions for the three month period ended 31 March 2015 represents a distribution rate of 5.65% per annum on the principal amount of approximately RM47.6 million, being the Ringgit Malaysia amount of the 20,334,750 CPUs.

Issue of Conversion Units

Subject to the CPU Holder submitting a further notice of Conversion on the Exercise Day, the CPUs will be converted into Conversion Units on the Exercise Day. After the Conversion:

- (i) the total number of Units will increase from 2,153,218,267 Units to 2,181,204,435 Units, and there will be no remaining CPUs; and
- (ii) the direct and deemed interest of Tan Sri Dato' Seri (Dr) Yeoh Tiong Lay, Yeoh Tiong Lay & Sons Holdings Sdn Bhd and YTL Corporation Berhad in the Units will increase from 36.27% (as at 2 June 2015) to 37.09%.

¹ Please refer to the attached Whitewash Resolution Disclosure Note relating to the approval given by Unitholders pursuant to an Extraordinary General Meeting on 4 June 2010 to waive their rights to receive a mandatory offer under Rule 14 of the Singapore Code on Take-overs and Mergers as a result of YTL Corporation Berhad and its subsidiaries acquiring Units pursuant to the Conversion.

The Conversion Units will, upon issue, in respect of entitlement to distributions which may be declared in respect of the Units and in all other respects, rank *pari passu* with the existing Units in issue. After conversion of the CPUs on the Exercise Day, there will not be any CPU distributions commencing from the quarter ending 30 June 2015.

Financial Effects

The pro forma financial effects of the Conversion²:

- (i) on the distribution per Unit of Starhill Global REIT for the annualised three month period ended 31 March 2015 is a dilution of approximately 0.4% assuming that the Conversion took place on 1 January 2015; and
- (ii) assuming that the Conversion took place on 31 March 2015, is that the net asset value per Unit of Starhill Global REIT will decrease from S\$0.94 to S\$0.93.

The Manager will make a further announcement on SGXNET upon conversion of the CPUs.

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

2 June 2015

² The pro forma financial effects of the Conversion on the distribution per Unit and net asset value per Unit are strictly for illustrative purpose only and were prepared based on the annualised unaudited consolidated financial statements of Starhill Global REIT for the three months ended 31 March 2015.

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 13 properties in Singapore, Australia, Malaysia, China and Japan, valued at about S\$3.1 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 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.

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 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.

WHITEWASH RESOLUTION DISCLOSURE NOTE

STARHILL GLOBAL REIT – ISSUE OF CPUs AND COMPLIANCE WITH DISCLOSURE REQUIREMENTS IN NOTE 2 OF SECTION 2 OF APPENDIX 1 OF THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS

At an Extraordinary General Meeting held on 4 June 2010, the holders of units of Starhill Global REIT (“**Units**”, and the holders of Units, “**Unitholders**”) approved, *inter alia*, (i) the acquisitions by Starhill Global REIT of Starhill Gallery and Lot 10 Property from Maybank Trustees Berhad, as trustee of YTL Hospitality REIT (formerly known as Starhill Real Estate Investment Trust) (the “**Vendor**”) (the “**Acquisitions**”) and (ii) a Whitewash Resolution (as defined below).

In connection with the Whitewash Resolution, the disclosures required under Note 2 of Section 2 of Appendix 1 of the Singapore Code on Take-overs and Mergers (the “**Code**”), are set out below:

- (a) the Unitholders approved a whitewash resolution waiving their rights to receive a mandatory offer made pursuant to Rule 14 of the Code from YTL Corporation Berhad (“**YTL Corp**”) and parties acting in concert with YTL Corp (the “**Concert Parties**”) for all the remaining issued Units not already owned or controlled by them, in the event that any of them incur a mandatory bid obligation under the Code as a result of:
- (i) the Vendor and/or any one or more subsidiaries of YTL Hospitality REIT or other entities within the YTL Group (YTL Corp and its subsidiaries) acquiring such number of Units issued pursuant to the conversion of convertible preferred units (“**CPUs**” and the Units issued pursuant to the conversion of CPUs, the “**Conversion Units**”); and
 - (ii) the receipt in Units of the acquisition fee (“**Acquisition Fee Units**”) in relation to the Acquisitions by YTL Starhill Global REIT Management Limited, the manager of Starhill Global REIT (the “**Manager**”), in its own capacity,

(the “**Whitewash Resolution**”).

The Whitewash Resolution is subject to the acquisition of the CPUs and the payment of the Acquisition Fee Units being completed within 3 months of the date of approval of the Whitewash Resolution, being 4 June 2010, and the acquisition of the Conversion Units upon the conversion of the CPUs being completed within five years of the date of the issue of the CPUs, being 28 June 2010;

- (b) as at 30 April 2015 (the “**Latest Practicable Date**”), YTL Corp and the Concert Parties hold in aggregate:
- (i) 789,909,634 Units representing 36.69% of voting rights in Starhill Global REIT³; and

³ The computation of percentage voting rights is based on the total number of Units in issue as at the Latest Practicable Date, being 2,153,218,267.

- (ii) 20,334,750 CPUs;
- (c) the maximum potential voting rights of YTL Corp and the Concert Parties in Starhill Global REIT, assuming that they exercise their CPUs in full is 37.50% of the total number of Units in issue as at the Latest Practicable Date (including all Units converted from the CPUs);
- (d) having approved the Whitewash Resolution on 4 June 2010, Unitholders have waived their rights to a mandatory offer from YTL Corp and the Concert Parties at the highest price paid by YTL Corp and the Concert Parties for Units in the six months preceding the commencement of the offer; and
- (e) having approved the Whitewash Resolution on 4 June 2010, Unitholders could be foregoing an opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the CPUs and the Acquisition Fee Units.