



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

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

SGREIT Divests Daikanyama Property in Tokyo, Japan, at an attractive premium

Highlights

- Sale price represents a 39.1% and 2.9% premium to the latest independent valuation and 2007 acquisition price respectively.
- Divestment is consistent with our portfolio rebalancing and capital recycling strategy.

SINGAPORE, 30 December 2022 – YTL Starhill Global, the manager of SGREIT, is pleased to announce that SGREIT has entered into a sale and purchase agreement to divest Daikanyama (the “Property”) for JPY1,877.7 million (approximately S\$18.9¹ million). This translates to a 39.1% and 2.9% premium over the latest valuation² and acquisition price² of the Property respectively. The transacted price translates to a yield of 2.77%³.

The Property is located in the Ebisu district in the Shibuya-Ward, Tokyo. It is a 3-storey building with 8,087 square feet of net lettable area, for retail and office use. The Property was last valued at JPY1,350.0 million², and accounts for approximately 0.5% and 0.4% of SGREIT’s asset value⁴ and portfolio net property income³ respectively. Pursuant to this transaction, SGREIT will be left with one asset in Tokyo, Ebisu Fort, with an asset value of JPY3,620.0 million (approximately S\$36.5¹ million), representing 1.3% of SGREIT’s asset value⁴.

The net proceeds from the sale of the Property will be used to repay the Yen borrowings and/or working capital purposes. SGREIT’s gearing is expected to decrease from 36.5%⁴ to 36.1%, assuming that the net sale proceeds are substantially used to repay the Yen borrowings. The pro forma financial effects of the divestment on the distribution per unit and net asset value per unit of SGREIT are not expected to be material⁵.

Mr Ho Sing, CEO of YTL Starhill Global, said: “We are pleased to announce the divestment of Daikanyama at an attractive premium to both the latest valuation and our original acquisition price. As

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the investment was largely funded by Yen borrowings, there is minimal currency impact despite recent weakness of the Japanese Yen against the Singapore Dollar. Regardless of the Tokyo divestments in the past few years, Japan remains one of our key markets of interest and we will continue to explore potential investment opportunities. This divestment allows us to unlock value, pare down debt and provide us with greater financial flexibility and capacity to focus on new assets that align with our growth strategy.”

The divestment is expected to complete in early 2023.

Footnotes:

1. Based on exchange rate of S\$1:00 : JPY99.10 as at 29 December 2022.
2. Based on the latest independent valuation as at 30 June 2022 conducted by CBRE K.K.. Purchase price of the Property acquired on 30 May 2007 was at JPY1,824.2 million.
3. Based on the net property income for the financial year ended 30 June 2022.
4. As at 30 September 2022.
5. The pro forma financial effects are strictly for illustrative purpose only and were prepared based on the audited consolidated financial statements of SGREIT for the financial year ended 30 June 2022.

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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 10 properties in Singapore, Australia, Malaysia, Japan and China, valued at about S\$2.9 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 Adelaide and Perth, Australia, The Starhill and Lot 10 in Kuala Lumpur, Malaysia, two properties in Tokyo, Japan and a retail property in Chengdu, China. 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, of which all of its shares are indirectly held by YTL Corporation Berhad.



Important Notice

The value of units in Starhill Global REIT ("Units") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Starhill Global REIT), or any of their affiliates. An investment in Units is subject to investment risks, including possible delays in repayment, loss of income or principal invested. The Manager and its affiliates do not guarantee the performance of Starhill Global REIT or the repayment of capital from Starhill Global REIT or any particular rate of return. Unitholders have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST.

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 indicative of the future performance of Starhill Global REIT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

This document may contain forward-looking statements that involve assumptions, 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, outbreak of contagious diseases or pandemic, interest rate and foreign exchange trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.