



## SGX-ST Announcement

### REFINANCING OF MEDIUM TERM NOTES ISSUED BY ARA BINTANG BERHAD

YTL Starhill Global REIT Management Limited as manager of Starhill Global Real Estate Investment Trust ("**Starhill Global REIT**") (in such capacity, the "**Manager**") is pleased to announce that Ara Bintang Berhad (the "**ABS SPV**"), a Malaysia-incorporated bankruptcy remote special purpose vehicle, has today refinanced the medium term notes previously issued by the ABS SPV (the "**Refinancing**"). The Refinancing was effected by:

- (i) buying back and cancelling the previous five-year RM330 million senior medium term notes ("**First Senior MTNs**") and RM730 million junior medium term notes ("**First and Second Junior MTNs**") issued by ABS SPV, prior to their expected maturity in June 2015 and legal maturity in December 2016<sup>1</sup>; and
- (ii) issuing new five-year RM330 million (or approximately S\$129.4 million<sup>2</sup>) second senior medium term notes ("**Second Senior MTNs**") and new five-year RM730 million (or approximately S\$286.2 million) third junior medium term notes ("**Third Junior MTNs**"), which have an expected maturity in September 2019 and a legal maturity in March 2021.

The above medium term notes are and were issued under ABS SPV's existing 65-year, asset-backed medium term note programme of up to RM1.25 billion.

#### Rationale for the Refinancing

As part of the Manager's proactive capital management strategy, the Refinancing was undertaken ahead of the expected maturity in June 2015. Following the Refinancing, Starhill Global REIT's debt maturity profile has been extended from 3.2 years<sup>3</sup> to approximately 3.8 years. In addition, a lower effective interest cost was secured for the ABS SPV under the Refinancing, compared to the previous interest cost. Please refer to further details below in this announcement.

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<sup>1</sup> The expected maturity is the date earmarked for the ABS SPV to fully repay the notes before the legal maturity. The legal maturity is the final maturity date on which the notes must be fully repaid.

<sup>2</sup> Based on the exchange rate of RM1.00: S\$0.39205. Unless otherwise stated, all conversions of RM amounts into S\$ in this announcement shall be based on this exchange rate.

<sup>3</sup> As at 30 June 2014.

### Background to the First Senior MTNs and First and Second Junior MTNs

The First Senior MTNs were issued by ABS SPV in 2010 to part finance the acquisition of Starhill Global REIT's Malaysia properties, Starhill Gallery and Lot 10 Property ("**Malaysia Properties**").

Starhill Global REIT had, through its wholly-owned subsidiary SG REIT (M) Pte Ltd ("**SG SPV**"), invested indirectly into the Malaysia Properties by subscribing for the First and Second Junior MTNs and non-redeemable preference shares ("**First NRPS**") issued by the ABS SPV. Please refer to the Circular to Starhill Global REIT unitholders dated 10 May 2010 for more details.

### Buyback and Cancellation of the First Senior MTNs and First and Second Junior MTNs

Pursuant to the Refinancing, the First Senior MTNs and the First and Second Junior MTNs were bought back at par and cancelled by the ABS SPV prior to their expected maturity in June 2015 to facilitate the issuance of the Second Senior MTNs and Third Junior MTNs. The consideration for the buyback and cancellation of the First Senior MTNs of RM330 million was largely financed from the proceeds of the issuance of the Second Senior MTNs and the internal funds of the ABS SPV. The consideration for the buyback and cancellation of the First and Second Junior MTNs of RM730 million is set off against the proceeds of the issuance of the Third Junior MTNs.

### Issue of Second Senior MTNs

Under the Refinancing, the Second Senior MTNs of a nominal value of RM330 million were issued to CIMB Bank Berhad at a discounted cash consideration of approximately RM325 million (or approximately S\$127.4 million). The proceeds from the issuance of the Second Senior MTNs have been deployed to largely settle the consideration for the buyback and cancellation of the First Senior MTNs.

The Second Senior MTNs bear a fixed coupon rate of 4.48% per annum, up to the expected maturity date in September 2019. Taking into account the coupon rate of 4.48% per annum and the issue of the Second Senior MTNs at a discount of approximately RM5 million, the Second Senior MTNs have an effective interest cost of approximately 4.75% per annum up to their expected maturity date in September 2019, which is lower than the fixed coupon rate of 5.35% per annum under the First Senior MTNs.

### Issue of Third Junior MTNs

Under the Refinancing, Starhill Global REIT has through SG SPV subscribed for the Third Junior MTNs at par, or RM730 million. The subscription price of RM730 million is completely set off against the consideration for the buyback and cancellation of the First and Second Junior MTNs of RM730 million.

As in the case of the First and Second Junior Notes, the Third Junior MTNs bear a variable coupon rate to be determined prior to each coupon payment date, capped at 12.0% per annum.

### Maturity of the Second Senior MTNs and Third Junior MTNs

The cancelled First Senior MTNs and First and Second Junior MTNs were previously expected to mature in June 2015. Pursuant to the Refinancing, they have been replaced prior to their expected maturity by the Second Senior MTNs and the Third Junior MTNs respectively. The Second Senior MTNs and the Third Junior MTNs will have expected maturity in September 2019 and legal maturity in March 2021. This will lengthen the average debt maturity profile of Starhill Global REIT (based on expected maturity) from 3.2 years<sup>4</sup> to approximately 3.8 years.

Following the Refinancing, Starhill Global REIT's only refinancing requirement in 2015 is the unsecured S\$124 million Singapore medium term notes issued by Starhill Global REIT MTN Pte Ltd maturing in July 2015, for which there are available credit facilities and the Singapore medium term note programme to draw on.

### Terms and Conditions of the Second Senior MTNs and Third Junior MTNs

The Second Senior MTNs and the Third Junior MTNs are transferable and have been assigned final ratings of AAA/Stable and C<sub>3</sub>/Stable respectively by RAM Rating Services Berhad. Save as described in this announcement, the terms and conditions of the Second Senior MTNs and the Third Junior MTNs are substantially similar to the terms and conditions of the First Senior MTNs and the First and Second Junior MTNs respectively. As in the case of the First Senior MTNs and the First and Second Junior MTNs, the Second Senior MTNs and Third Junior MTNs are secured by, among others, an interest over the Malaysia Properties. Please refer to the Circular to Starhill Global REIT unitholders dated 10 May 2010 for more details of the terms and conditions of the medium term notes and the First NRPS issued by the ABS SPV.

### Pro Forma Financial Effects

The pro forma financial effects of the Refinancing on the distribution per unit of Starhill Global REIT for the financial year ended 31 December 2013 is not expected to be material.<sup>5</sup> The Refinancing is not expected to have any material impact on the gearing of Starhill Global REIT.

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  
17 September 2014

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<sup>4</sup> As at 30 June 2014.

<sup>5</sup> The pro forma financial effects of the Refinancing are strictly for illustrative purpose only and were prepared based on the audited consolidated financial statements of Starhill Global REIT for the financial year ended 31 December 2013.

### **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, 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.*

### **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.