



SGX-ST Announcement

DIVESTMENT OF DAIKANYAMA 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's Japan subsidiary has entered into a sale and purchase agreement to divest its entire beneficial interests in the Daikanyama Property (the "**Property**") for a cash consideration of JPY1,877.7 million (or approximately S\$18.9¹ million) (the "**Sale**"), a 39.1% premium to its latest valuation² and 2.9% premium to its acquisition price². The Sale is expected to complete in early 2023.

Rationale

The Property is located in the Ebisu district in the Shibuya-ward, and is a 3-storey retail and office building with 8,087 square feet of net lettable area. It accounts for approximately 0.5% and 0.4% of Starhill Global REIT's asset value³ and portfolio net property income⁴ respectively. The Sale is consistent with Starhill Global REIT's capital recycling strategy and the price is at an attractive premium to valuation and acquisition price. The sale consideration translates to a yield of 2.77%⁴.

Sale Consideration

The sale consideration of JPY1,877.7 million (the "**Sale Consideration**") was arrived at on a willing buyer and willing seller basis taking into account the valuation of the Property of JPY1,350.0 million, as at 30 June 2022 by CBRE K.K. (the "**Valuer**"). The Valuer estimated the open market value of the Property by using the discounted cash flow and direct capitalisation methods.

A deposit of 10% of the Sale Consideration has been paid by the purchaser. The balance 90% of the Sale Consideration is payable upon completion of the Sale.

¹ Based on an 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., appointed by Starhill Global REIT. The Property was acquired by Starhill Global REIT on 30 May 2007 at the price of JPY1,824.2 million.

³ As at 30 September 2022.

⁴ Based on the net property income for the financial year ended 30 June 2022.

Completion of the Sale is subject to approval of the trustee of the Property and either party has a right to terminate the Sale if there is damage to the Property exceeding agreed thresholds prior to completion.

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.

Financial Effects

The net sale proceeds after payment of transaction expenses will be used to repay Yen borrowings and/or for working capital purposes. The gearing of Starhill Global REIT is expected to decrease from 36.5%³ to 36.1%, assuming that the net sale proceeds are substantially used to repay Yen borrowings.

The pro forma financial effects of the Sale on the distribution per unit of Starhill Global REIT and the net asset value per unit are not expected to be material⁵. 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 Sale, Starhill Global REIT would be left with one asset in Japan, Ebisu Fort, representing 1.3% by asset value³.

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 as at 30 June 2022 are available for inspection during normal business hours at the registered office of the Manager at 391B Orchard Road, #24-03 Ngee Ann City Tower B, Singapore 238874 for three months from the date of this announcement⁶.

⁵ The pro forma financial effects of the Sale 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 30 June 2022.

⁶ Prior appointment with the Manager would be appreciated.

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
30 December 2022

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.