



Trust Management (Suntec) Limited

Suntec Real Estate Investment Trust
("Suntec REIT")



PROPOSED ACQUISITION AND LEASEBACK OF STRATA FLOORS IN SUNTEC TOWER TWO

1. INTRODUCTION

ARA Trust Management (Suntec) Limited, in its capacity as manager of Suntec Real Estate Investment Trust ("**Suntec REIT**", and the manager of Suntec REIT, the "**Manager**"), wishes to announce that HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Suntec REIT (the "**Trustee**") has today entered into a sale and purchase agreement with Maybank Kim Eng Properties Pte. Ltd. (the "**Vendor**") to purchase and leaseback three floors of strata office space at Suntec Tower Two (collectively, the "**Properties**").

2. THE ACQUISITION

2.1 Total Acquisition Outlay

The total acquisition outlay is estimated to be approximately S\$105.7 million, comprising:

- (i) the purchase consideration of approximately S\$101.6 million (the "**Purchase Consideration**");
- (ii) the stamp duty of approximately S\$3.0 million
- (iii) the acquisition fee payable in cash to the Manager for the acquisition of the Properties of approximately S\$1.0 million; and
- (iv) the estimated professional and other fees and expenses of approximately S\$0.1 million incurred or to be incurred,

(collectively, the "**Total Acquisition Outlay**").

The acquisition is expected to generate a net property income yield of approximately 3.9%.¹

1 Net property income yield is the contracted rental income less property related expenses (including property management fees) over the Purchase Consideration.

2.2 Purchase Consideration and Valuation

The Purchase Consideration payable to the Vendor in connection with the Sale and Purchase Agreement (“SPA”) is S\$101.6 million, which was negotiated on a willing-buyer and willing-seller basis taking into account the independent valuations of the Properties.

The Manager and the Trustee have commissioned an independent property valuer, Knight Frank Pte Ltd (“**Knight Frank**”) to value the Properties. The open market value of the Properties as at 29 October 2015 is S\$101.6 million.

2.3 Principal Terms of the SPA

The principal terms of the SPA include, among others, the following conditions precedent:

- (i) the Purchaser having granted a lease for each of the three floors to the Vendor on completion and the Vendor having accepted the leases, on the terms and conditions of the lease agreements;
- (ii) the Purchaser receiving satisfactory replies to the legal requisitions relating to the Properties, sent by the Purchaser’s solicitors; and
- (iii) there being no material damage to the Properties prior to completion

2.4 Completion

It is expected that the completion of the SPA and the entry into the lease agreements in respect of the three floors will take place at the end of November 2015.

3. DOCUMENTS FOR INSPECTION

A copy of the following is available for inspection during normal business hours at the registered office of the Manager located at 6 Temasek Boulevard, #16-02 Suntec Tower Four, Singapore 038986 for a period of three months commencing from the date of this announcement, prior appointment would be appreciated:

- (i) the SPA; and
- (ii) the independent valuation report of Knight Frank.

By Order of the Board
ARA Trust Management (Suntec) Limited
(Company registration no. 200410976R)
(as manager of Suntec Real Estate Investment Trust)

Yeo See Kiat
Director
4 November 2015

ABOUT SUNTEC REIT

Listed on 9 December 2004, Suntec REIT holds properties in Suntec City, Singapore's largest integrated commercial development (including one of Singapore's largest shopping mall), Park Mall, a one-third interest in One Raffles Quay, a one-third interest in Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall, and a 60.8% interest in Suntec Singapore Convention & Exhibition Centre. Suntec REIT holds a 100% interest in a commercial building located at 177 Pacific Highway, North Sydney Australia which is currently under development. Its aim is to invest in income-producing real estate which is primarily used for retail and/or office purposes. Suntec REIT is managed by an external manager, ARA Trust Management (Suntec) Limited. For more details, please visit www.suntecreit.com.

ABOUT THE MANAGER

Suntec REIT is managed by ARA Trust Management (Suntec) Limited, a wholly-owned subsidiary of ARA Asset Management Limited ("ARA"), Asia's premier integrated real estate fund manager which is listed on the Main Board of the Singapore Exchange Securities Trading Limited since November 2007.

ARA currently manages real estate investment trusts ("REITs") and private real estate funds that are invested in the office, retail, logistics/industrial, hospitality and residential sectors in the Asia Pacific region, complemented by its in-house real estate management services and advisory services.

Established in 2002, to date it has over 1,100 professionals in 15 cities managing total assets in excess of S\$27 billion.

IMPORTANT NOTICE

The value of units in Suntec REIT ("Units") and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, ARA Trust Management (Suntec) Limited (as the manager of Suntec REIT) or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will 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 holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Suntec REIT is not necessarily indicative of the future performance of Suntec REIT.
