

Press Release

01 July 2019

Manager of



Suntec REIT Deepens Presence in Sydney, Australia

Acquires Grade A Office building in Pyrmont at 5.5% initial net property income yield

Singapore, 01 July 2019 – ARA Trust Management (Suntec) Limited, the manager of Suntec Real Estate Investment Trust ("Suntec REIT", and the "Manager"), is pleased to announce that Suntec REIT through its wholly-owned sub trust, Suntec REIT 21 Trust, has entered into agreements to acquire 100% interest in the freehold Grade A office building located at 21 Harris Street, Pyrmont, Sydney at an amount payable of A\$297.0 million.

Commenting on Suntec REIT's second acquisition in Sydney, Mr. Chong Kee Hiong, Chief Executive Officer of the Manager, said, "We are pleased to deepen our presence in Australia, with the acquisition of 21 Harris Street. The property is a strategic fit with Suntec REIT's portfolio of high quality assets and further enhances the stability of the REIT's income. Following the completion of this acquisition, approximately 14% of Suntec REIT's assets under management will be in Australia."

21 Harris Street is currently under development and is designed to be a campus style, nine-storey Grade A office building with ancillary café, childcare, gymnasium, basement carpark and end-of-trip facility. The property has a net lettable area ("NLA") of approximately 203,400 sq ft comprising 181,900 sq ft of office space and 21,500 sq ft of retail space. The development will continue to be undertaken by the vendor, Milligan Group, a residential and commercial space developer and the acquisition is expected to be completed in 1Q 2020 when the property achieves practical completion.

21 Harris Street has achieved a pre-committed occupancy of 91.2% nine months ahead of practical completion. The property will be anchored by Publicis Groupe, a global communications and marketing company as their Sydney headquarter. The remaining pre-committed spaces has been leased to Campfire, an international co-working operator, as

well as a childcare centre and a gym operator. In addition, the developer will provide a rent guarantee on the unlet office space for three years post practical completion.

Mr. Chong added, "The accretive acquisition will improve earnings and distributions to unitholders with an initial net property income yield of 5.5% upon practical completion. Unitholders will enjoy income stability with growth through the long lease terms and annual rental escalations."

Pymont is an inner-city fringe area 2km west of Sydney's Central Business District ("CBD"). The precinct has evolved into Sydney's technology media and entertainment hub, with Google, Fairfax Media, The Star Entertainment Group, Thomson Reuters, Paramount Pictures and Village Roadshow within a 500m radius from the property. The property is within a 10-minute drive or 15 to 20 minutes' walk to Sydney core CBD. It is also next to John Street Light Rail Station which is a 15 minutes' direct ride to Sydney's Central Train Station.

As the underlying demand for office space in Sydney CBD remains strong, rents are expected to remain at elevated levels. Pymont is in prime position to continue to benefit from the combination of high rents and lack of suitable offices in Sydney CBD.

The acquisition is funded/will be funded by Australian dollar bank borrowings to provide a natural currency hedge and equity.

Summary of Acquisitions

Address	21 Harris Street, Pymont, Sydney
Description	Nine-storey, campus style, Grade A office building with ancillary café, gymnasium, basement carpark and end-of-trip facility.
Completion	1 Q 2020
Tenure	Freehold
Amount Payable	A\$297.0 mil or A\$1,460 psf
NPI yield	5.5%
Net Lettable Area (NLA)	Approx. 203,400 sq ft
- Office	Approx. 181,900 sq ft
- Retail	Approx. 21,500 sq ft
Committed Occupancy	91.2% pre-leased 3 year rent guarantee on unlet office space post practical completion
WALE (NLA)	10.2 years
Typical Floor Plate	28,500 sq ft
Car Park Bays	Approximately 170
Clean Building Status	5-Star NABERS Energy Rating 6-Star Green Star Rating



Artist's impression of 21 Harris Street

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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), a 60.8% interest in Suntec Singapore Convention & Exhibition Centre, 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 30.0% interest in 9 Penang Road which is under construction. Suntec REIT holds a 100% interest in a commercial building located at 177 Pacific Highway, Sydney, a 50.0% interest in Southgate Complex, Melbourne, and a 50.0% interest in a commercial building under development which is located at Olderfleet 477 Collins Street, Melbourne, Australia. Its aim is to invest in income-producing real estate which is primarily used for office and/or retail purposes. Suntec REIT is managed by an external manager, ARA Trust Management (Suntec) Limited. For more details, please visit www.suntecreit.com.

ABOUT ARA TRUST MANAGEMENT (SUNTEC) LIMITED

Suntec REIT is managed by ARA Trust Management (Suntec) Limited, a wholly-owned subsidiary of ARA Asset Management Limited ("ARA"). ARA is a premier global integrated real assets fund manager. As at 31 December 2018, Gross Assets Managed by ARA Group and its Associates is more than S\$80 billion¹ across over 100 cities in 23 countries.

Driven by a vision to be the best-in-class real assets fund management company, ARA Group and its Associates' businesses include:

- (a) **REITs** – ARA is one of the largest REIT managers in Asia Pacific. The Group directly manages Fortune REIT, dual-listed in Singapore and Hong Kong; Suntec REIT, Cache Logistics Trust and ARA US Hospitality Trust, listed in Singapore; and Hui Xian REIT and Prosperity REIT, listed in Hong Kong. It also indirectly manages REITs in Japan, Australia, Singapore and Malaysia through its associate companies.
- (b) **Private real estate funds** – The Group manages private funds providing investment opportunities in diverse real estate sectors and geographies that cater to different investor risk appetites.
- (c) **Country desks** – ARA operates country desks in China, Korea, Japan, Malaysia, Australia, Europe and the United States. The country desks employ a strong understanding of each local market to facilitate the flow of inbound and outbound capital and cross-country collaborations. ARA has an expanded presence in Japan via its strategic stake in Kenedix, Inc. and in Europe via its strategic stake in Cromwell Property Group.
- (d) **Infrastructure** – ARA Infrastructure was established in 2018 to cater to strong investor demand for global infrastructure investment.
- (e) **Real estate management services** – As part of the Group's investor-operator philosophy, its dedicated property management teams actively work the ground to manage its assets globally.

ARA's multi-platform, multi-product global fund management strategy, combined with its dedicated teams with in-depth local knowledge, enables the Group to offer enduring value to investors. Built on a foundation of strong corporate governance and business integrity, ARA counts some of the world's largest pension funds, sovereign wealth funds, financial institutions, endowments and family offices as its investors.

For more information, please visit <http://www.ara-group.com>.

¹ Includes assets under management by ARA Asset Management Limited and the Group of companies ("ARA Group") and its Associates

IMPORTANT NOTICE

This announcement is for information purposes only and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to subscribe for or acquire, units in Suntec REIT (the "Units") in any jurisdiction in which such an offer or solicitation is unlawful.

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

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