

SUPPLEMENTAL LETTER TO UNITHOLDERS



Managed by

ESR TRUST MANAGEMENT (SUNTEC) LIMITED

(Incorporated in the Republic of Singapore)
(Unique Entity No.: 200410976R)

Directors of the Manager

Ms. Chew Gek Khim, Chairman and Non-Executive Director
Mr. Lim Hwee Chiang, John, Non-Executive Director
Mr. Yap Chee Meng, Lead Independent, Non-Executive Director
Mr. Chan Pee Teck, Peter, Independent Non-Executive Director
Mrs. Yu-Foo Yee Shoon, Independent Non-Executive Director
Mr. Lock Wai Han, Independent Non-Executive Director
Mr. Shen Jinchu, Jeffrey, Non-Executive Director
Mr. Chong Kee Hiong, Chief Executive Officer and Executive Director

Registered Address

5 Temasek Boulevard
#12-01
Suntec Tower Five
Singapore 038985

17 January 2025

To: The Unitholders of Suntec Real Estate Investment Trust ("**Suntec REIT**")

Dear Sir/Madam

MANDATORY CONDITIONAL CASH OFFER FOR THE OFFER UNITS

1. INTRODUCTION

1.1 Offer Announcement. On 5 December 2024, United Overseas Bank Limited ("**UOB**") and DBS Bank Ltd. (together with UOB, the "**Joint Financial Advisers**") announced, for and on behalf of Aelios Pte. Ltd. (the "**Offeror**"), that in compliance with Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**"), the Offeror intends to make a mandatory conditional cash offer (the "**Offer**") for all the issued and outstanding units in Suntec REIT ("**Units**"), other than those already owned, controlled or agreed to be acquired by the Offeror and its Concert Parties (as defined in the Circular).

For the purposes of this supplemental letter ("**Supplemental Letter**"), "**Circular**" shall mean the circular to unitholders dated 6 January 2025 issued by the Manager, on behalf of Suntec REIT, in connection with the Offer and unless otherwise defined, all capitalised terms used in this Supplemental Letter shall have the same meanings as those ascribed to them in the Circular.

1.2 Offer Document. On 23 December 2024, the Joint Financial Advisers issued, for and on behalf of the Offeror, the offer document dated 23 December 2024 (the "**Offer Document**"), setting out, amongst other matters, the terms and conditions of the Offer.

1.3 Circular. On 6 January 2025, the Manager issued, on behalf of Suntec REIT, the Circular, containing, amongst other matters, the recommendation of the directors of the Manager who are considered independent for the purpose of making a recommendation to Unitholders in respect of the Offer, namely (i) Ms. Chew Gek Khim, (ii) Mr. Lim Hwee Chiang, John,

(iii) Mr. Yap Chee Meng, (iv) Mr. Chan Pee Teck, Peter, (v) Mrs. Yu-Foo Yee Shoon, (vi) Mr. Shen Jinchu, Jeffrey, and (vii) Mr. Chong Kee Hiong (the “**Independent Directors**”), and the advice of KPMG Corporate Finance Pte Ltd, the independent financial adviser (the “**IFA**”), to the Independent Directors in relation to the Offer.

1.4 Revision of the Offer. On 8 January 2025, the Joint Financial Advisers announced, for and on behalf of the Offeror, that the Offeror is revising the Offer in the manner described in paragraph 2 below (the “**Offer Revision Announcement**”). On 9 January 2025, the Manager issued, on behalf of Suntec REIT, an announcement in response to the Offer Revision Announcement (the “**Response Announcement**”).

1.5 Copies of Relevant Documents. Copies of the Offer Revision Announcement and the Response Announcement are available on the website of the SGX-ST at <https://www.sgx.com> or at Suntec REIT’s corporate website at <https://suntecreit.listedcompany.com/newsroom.html>.

Unitholders are advised to read the revised terms and conditions of the Offer set out in the Offer Revision Announcement carefully.

1.6 Supplemental Letter. The purpose of this Supplemental Letter, which supplements the Circular, is to provide Unitholders with relevant information pertaining to the revised Offer and to set out the advice of the IFA to the Independent Directors and the recommendation of the Independent Directors with regard to the revised Offer.

This Supplemental Letter is important as it contains the recommendation of the Independent Directors and the advice of the IFA. This Supplemental Letter requires the immediate attention of Unitholders, who are advised to read it carefully.

If you are in any doubt in relation to this Supplemental Letter or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2. REVISION OF OFFER

2.1 Revision of Offer Price. Based on the Offer Revision Announcement, the Offeror is revising the Offer Price as follows:

For each Offer Unit: S\$1.19 in cash (the “**Revised Offer Price**”).

Based on the Offer Revision Announcement, Unitholders who have earlier accepted the Offer are entitled to the Revised Offer Price, subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms. Accordingly, no further action in respect of the Offer is required to be taken by Unitholders who have already validly accepted the Offer.

2.2 Extension of Closing Date. Based on the Offer Revision Announcement, pursuant to Rule 20.1 of the Code, the Offer must be kept open for at least 14 days from the date of posting of the written notification of revision to Unitholders. Accordingly, the Joint Financial Advisers have announced, for and on behalf of the Offeror, that the Closing Date of the Offer is extended from 5.30 p.m. (Singapore time) on 20 January 2025 to 5.30 p.m. (Singapore time) on 3 February 2025 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

2.3 Other Terms. As set out in the Offer Revision Announcement, save as disclosed in the Offer Revision Announcement, all the other terms and conditions of the Offer as set out in the Offer Document remain unchanged.

3. CONFIRMATION OF FINANCIAL RESOURCES

The Offer Revision Announcement sets out the full text of the confirmation of financial resources by the Joint Financial Advisers, which has been extracted therefrom and is reproduced in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Revision Announcement.

“9. CONFIRMATION OF FINANCIAL RESOURCES

UOB and DBS, as the Joint Financial Advisers to the Offeror in connection with the Offer, confirm that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer by the holders of the Offer Units on the basis of the Revised Offer Price.”

4. ADVICE OF THE IFA

4.1 IFA. KPMG Corporate Finance Pte Ltd (who had been appointed to advise the Independent Directors in respect of the Offer) has been retained to advise the Independent Directors in respect of the revised Offer. The IFA’s supplemental advice to the Independent Directors in respect of the revised Offer is set out in its letter dated 17 January 2025, which is set out in the Appendix to this Supplemental Letter (the “**Supplemental IFA Letter**”).

Unless otherwise defined or the context otherwise requires, all capitalised terms used in the extracts set out in paragraphs 4.2 and 4.3 of this Supplemental Letter shall have the same meanings as those defined in the Supplemental IFA Letter.

4.2 Key Factors Taken into Consideration by the IFA. In arriving at its advice, the IFA has relied on the following key considerations (an extract of which is set out below and which should be read in conjunction with, and in the context of, the full text of the Supplemental IFA Letter):

“6.1 Assessment of fairness of the Revised Offer

In determining the fairness of the Revised Offer from a financial point of view, we have compared the P/NAV implied by the Revised Offer Price of 0.57x with the P/NAV of the following:

(i) Historical periods;

- implied P/NAV of 0.57x is higher than the historical 1-year average P/NAV of 0.56x and below the historical 3-year average P/NAV of 0.64x;*
- implied P/NAV of 0.57x is below the average P/NAV for the period between the Offer Announcement Date and the LPD (both dates inclusive) of 0.58x; and*
- implied P/NAV of 0.57x is below the P/NAV as of the LPD of 0.58x.*

(ii) Selected Precedent Transactions;

- implied P/NAV of 0.57x is below the implied P/NAV range of values of the Selected Precedent Transactions of 0.99x to 1.45x;*

(iii) Suntec REIT Comparable Trusts;

- implied P/NAV of 0.57x is within the range of that of the Suntec REIT Comparable Trusts of 0.47x to 0.99x; and
- implied P/NAV of 0.57x is below the median and mean P/NAV of the Suntec REIT Comparable Trusts of 0.72x and 0.77x respectively.

After careful consideration of the information above, and that the Revised Offer Price of S\$1.19 is lower than our value range of S\$2.07 and S\$2.26 shown under Section 4.3, we are of the view that the Revised Offer is **NOT FAIR**.

6.2 Assessment of reasonableness of the Revised Offer

In determining the reasonableness of the Revised Offer, we have considered other matters as well as the value of the units. In particular, we have assessed:

- rationale for the Revised Offer and the Offeror's intention for Suntec REIT;
- the premium implied in the Revised Offer Price;

Comparison of the premium or discount of the Revised Offer Price with the historical VWAPs of Suntec Units:

- the Revised Offer Price represents a premium of approximately 1.62% and 3.84% over the 12-month and 1-month VWAP of the Suntec Units, respectively, and a discount of approximately 1.57% and 5.03% to the 6-month and 3-month VWAP of the Suntec Units, respectively. The Revised Offer Price represents a premium of 2.59% over the last closing price as of the LFTD; and
- the Revised Offer Price represents a discount of approximately 0.08% to the VWAP for the period between the Offer Announcement Date and up to and including the LPD (both dates inclusive), and a discount of approximately 0.83% to the last closing price as of the LPD.

Comparison of the premium or discount of the Revised Offer Price with Selected Precedent Transactions:

- the marginal premium of 1.6% over the 12-month VWAP prior to the Offer Announcement Date is within the range of the corresponding premia of the Selected Precedent Transactions of 0.4% to 31.8% and less than the median premium of 12.8% and the mean premium of 14.8% of the Selected Precedent Transactions;
- the discount of 1.6% to the 6-month VWAP prior to the Offer Announcement Date is less than the range of corresponding premia of the Selected Precedent Transactions of 2.0% to 49.9% and less than the median premium of 8.7% and the mean premium of 14.7% of the Selected Precedent Transactions;
- the discount of 5.0% to the 3-month VWAP prior to the Offer Announcement Date is less than the range of corresponding premia of the Selected Precedent Transactions of 0.6% to 31.9% and less than the median premium of 5.5% and the mean premium of 10.9% of the Selected Precedent Transactions;

- the premium of 3.8% over the 1-month VWAP prior to the Offer Announcement Date is within the range of corresponding premia of the Selected Precedent Transactions of (2.3%) to 31.6% and less than the median premium of 4.3% and the mean premium of 9.1% of the Selected Precedent Transactions; and
- the premium of 2.6% over the last closing price of Suntec Units prior to the Offer Announcement Date is within the range of corresponding premia of the Selected Precedent Transactions of (3.9%) to 25.1% and less than the median premium of 2.7% and the mean premium of 5.8% of the Selected Precedent Transactions.

(iii) *the liquidity of the units;*

- the last 12M ADT volume of Suntec Units as a percentage of free float is higher than the median last 12M ADT volume as a percentage of free float of 0.40% the STI Constituents; and
- the last 12M ADT value of Suntec Units as a percentage of market capitalisation is higher than both the mean and median last 12M ADT value as a percentage of market capitalisation of 0.24% and 0.20% respectively of the STI Constituents.

Given the liquidity of Suntec Units, should the market price of Suntec Units be above the Revised Offer Price prior to the close or lapse of the Offer, Suntec Unitholders may be able to obtain the higher market price with relative ease. We observe that as of the LPD, the closing price of the Suntec Units is S\$1.20, which is higher than the Revised Offer Price of S\$1.19.

Suntec Unitholders should be cognizant of brokerage and other costs, if any, while making the comparison between the market price of the units on any given day and the Revised Offer Price. We would like to also note that past liquidity of Suntec Units may not necessarily be an indication of the future liquidity of Suntec Units and that there is no assurance that the liquidity of Suntec Units will remain at the same level after the close or lapse of the Revised Offer;

(iv) *the analyst price targets;*

the Revised Offer Price represents a discount of approximately 1.65% to the average target prices estimated by various analysts of S\$1.21 per Suntec Unit; and

(v) *the availability of alternative or competing offer received by the Suntec Manager;*

the Suntec Manager has confirmed that they have not received any offer for any of the individual Suntec Properties, nor have they received any alternative or competing offer for the Suntec Units as of the LPD.

*After careful consideration of the information above, we are of the view that the Revised Offer is **NOT REASONABLE.***

4.3 Advice of the IFA. After carefully considering all available information and based on the IFA's assessment of the financial terms of the revised Offer, the IFA has advised the Independent Directors to make the following recommendation to Unitholders in relation to the revised Offer:

"In conclusion, after carefully considering the information available to us and our analysis set out above as of the LPD, and based upon the monetary, industry, market, economic and other relevant conditions subsisting as of the LPD, and subject to our terms of reference as set out in Section 2 of this letter, we are of the opinion that the financial terms of the Revised Offer are NOT FAIR and NOT REASONABLE from a financial point of view.

Accordingly, we advise the Independent Directors to recommend that the Suntec Unitholders REJECT the Revised Offer."

Unitholders should read the extracts in paragraphs 4.2 and 4.3 above in conjunction with, and in the context of, the full text of the Supplemental IFA Letter which is set out in the Appendix to this Supplemental Letter.

5. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

5.1 Exemption by SIC. As set out in paragraph 9.1 of the Circular, the SIC has ruled that Mr. Lock Wai Han is exempted from the requirement to make or assume responsibility for any recommendations on the Offer that the board of directors of the Manager may make to the Unitholders. However, Mr. Lock Wai Han still assumes responsibility for the accuracy of facts stated in documents which the Manager sends to the Unitholders in connection with the Offer.

5.2 Recommendation of the IBC. As set out in paragraph 9.2 of the Circular, the IBC had previously recommended to the Independent Directors that the Independent Directors recommend that the Unitholders reject the Offer.

Subsequent to the Offer Revision Announcement, the IBC, after considering carefully as at 8 January 2025, being the latest practicable date prior to the issuance of this Supplemental Letter (the "**Latest Practicable Date**"), the factors set out in the Supplemental IFA Letter and the advice given by the IFA in respect of the revised Offer, concurred with the advice given by the IFA in respect of the revised Offer. Accordingly, the IBC recommended to the Independent Directors that the Independent Directors recommend that the Unitholders REJECT the revised Offer.

5.3 Recommendation of the Independent Directors. As set out in paragraph 9.3 of the Circular, the Independent Directors had previously recommended that the Unitholders reject the Offer.

Subsequent to the Offer Revision Announcement, the Independent Directors, having considered carefully as at the Latest Practicable Date the factors set out in the Supplemental IFA Letter, the advice given by the IFA and the recommendation of the IBC in respect of the revised Offer, concur with the advice given by the IFA and the recommendation of the IBC in respect of the revised Offer. Accordingly, the Independent Directors recommend that the Unitholders REJECT the revised Offer.

UNITHOLDERS ARE ADVISED TO CONSIDER CAREFULLY THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS AND THE ADVICE OF THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE REVISED OFFER BEFORE DECIDING WHETHER TO ACCEPT OR REJECT THE REVISED OFFER.

5.4 No Regard to Specific Objectives. In making their recommendation, the Independent Directors have not had regard to the specific objectives, financial situation, tax status, risk profiles or unique needs and constraints of any individual Unitholder. Accordingly, the Independent Directors recommend that any individual Unitholder who may require advice in the context of his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

5.5 Accepting or Rejecting the Revised Offer. As set out in paragraph 5.11 of Appendix B to the Circular, the Directors who have a beneficial interest in the Units, namely Ms. Chew Gek Khim and Mr. Lim Hwee Chiang, John, intended to reject the Offer in respect of their Units.

Subsequent to the Offer Revision Announcement, Ms. Chew Gek Khim and Mr. Lim Hwee Chiang, John maintain their intention to reject the Offer (as revised) in respect of their Units.

6. ACTIONS TO BE TAKEN BY UNITHOLDERS

6.1 Unitholders who do not wish to accept the revised Offer need not take any further action in respect of the Offer Document and the Acceptance Forms which have been sent to them. As stated in paragraph 7.1 of the Offer Revision Announcement, Unitholders who have validly accepted the Offer prior to the date of the Offer Revision Announcement are not required to take any further action in relation to the Offer.

6.2 Procedures for Acceptance. As stated in paragraph 7.2 of the Offer Revision Announcement, Unitholders who wish to accept the revised Offer but who may not have done so may do so by following the procedures for acceptance as set out in Appendix 2 to the Offer Document and the relevant Acceptance Forms. Unitholders who wish to accept the revised Offer may do so by completing and returning the relevant Acceptance Forms and all other relevant documents as soon as possible so as to reach the Offeror c/o CDP or the Registrar (as the case may be) not later than 5.30 p.m. (Singapore time) on 3 February 2025, or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

The Directors would like to draw the attention of Unitholders who wish to accept the Offer to the “Acceptance Procedures for Unitholders” as set out in paragraph 7.2 of the Offer Revision Announcement.

6.3 Acceptance Procedures for CPFIS Investors and SRS Investors. As stated in paragraph 7.3 of the Offer Revision Announcement, CPFIS Investors and SRS Investors will receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks directly. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

The Directors would like to draw the attention of Unitholders who are CPFIS Investors and SRS Investors who wish to accept the revised Offer to the “Acceptance Procedures for CPFIS Investors and SRS Investors” as set out in paragraph 7.3 of the Offer Revision Announcement.

7. MATERIAL CHANGES IN INFORMATION

Save as disclosed in this Supplemental Letter and any other publicly available information on Suntec REIT (including but not limited to announcements released by the Manager on the SGXNET), there have been no material changes in any information previously announced (including information set out in the Circular) by or on behalf of Suntec REIT during the period commencing from 27 December 2024, being the latest practicable date prior to the issuance

of the Circular, and ending on 8 January 2025, being the Latest Practicable Date prior to the issuance of this Supplemental Letter.

8. CONSENT OF THE IFA

The IFA has given and has not withdrawn its written consent to the issue of this Supplemental Letter with the inclusion herein of its name and the Supplemental IFA Letter set out in the Appendix and all references to the subject-matter of the foregoing in the form and context in which they appear in this Supplemental Letter.

9. DOCUMENTS AVAILABLE FOR INSPECTION

In addition to the documents referred to in paragraph 14 of Appendix B to the Circular, copies of the following documents will be available for inspection at the office of the Manager at 5 Temasek Boulevard #12-01, Suntec Tower Five Singapore 038985, during normal business hours for the period which the Offer remains open for acceptance:

- (a) the Supplemental IFA Letter set out in the Appendix to this Supplemental Letter; and
- (b) the letter of consent referred to in paragraph 8 above.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any who may have delegated detailed supervision of this Supplemental Letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Supplemental Letter are fair and accurate and that no material facts have been omitted from this Supplemental Letter, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Revision Announcement), the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this Supplemental Letter.

In respect of the Supplemental IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Suntec REIT Group are fair and accurate.

Yours faithfully

For and on behalf of the Board of Directors of
ESR Trust Management (Suntec) Limited
as manager of Suntec REIT

APPENDIX
LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN
RESPECT OF THE REVISED OFFER



ESR Trust Management (Suntec) Limited
Supplemental Independent Financial Advice
17 January 2025

Independent Directors

ESR Trust Management (Suntec) Limited
(in its capacity as manager of Suntec Real Estate
Investment Trust)
5 Temasek Boulevard, #12-01
Suntec Tower Five
Singapore 038985

HSBC Institutional Trust Services (Singapore) Limited
(in its capacity as trustee of Suntec Real Estate
Investment Trust)
10 Marina Boulevard, #48-01
Marina Bay Financial Centre Tower 2
Singapore 018983

17 January 2025

Dear Sirs

**INDEPENDENT FINANCIAL ADVISER'S LETTER IN RELATION TO THE MANDATORY
CONDITIONAL CASH OFFER BY UNITED OVERSEAS BANK LIMITED AND DBS BANK
LTD., FOR AND ON BEHALF OF AELIOS PTE. LTD., TO ACQUIRE ALL THE ISSUED AND
OUTSTANDING UNITS IN SUNTEC REAL ESTATE INVESTMENT TRUST OTHER THAN
THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE
OFFEROR AND ITS CONCERT PARTIES**

*For the purposes of this letter, capitalised terms not otherwise defined herein shall have the same meaning given as in the circular dated 6 January 2025 (the "**Circular**") and in the supplemental letter to the unitholders of Suntec Real Estate Investment Trust dated 17 January 2025 (the "**Supplemental Letter**") in relation to, inter alia, the above matters*

1 INTRODUCTION

On 5 December 2024, (the "**Offer Announcement Date**"), United Overseas Bank Limited ("**UOB**") and DBS Bank Ltd. ("**DBS**", and together with UOB, the "**Joint Financial Advisers**") announced (the "**Offer Announcement**") for and on behalf of Aelios Pte. Ltd. (the "**Offeror**"), that in compliance with Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**"), the Offeror intends to make a mandatory conditional cash offer (the "**Offer**") for all the issued and outstanding units (the "**Suntec Units**", each a "**Suntec Unit**") in Suntec Real Estate Investment Trust ("**Suntec REIT**"), other than those already owned, controlled or agreed to be acquired by the Offeror and its Concert Parties (as defined in the Offer Announcement) (collectively with the Offeror, the "**Offeror Concert Party Group**") at an offer price of S\$1.16 in cash (the "**Offer Price**") for each Offer Unit (as defined in paragraph 3.1 below).



Under Rule 14.1 of the Code, where any person (defined to include any body corporate) acquires whether by a series of transactions over a period of time or not, units which (taken together with units held or acquired by persons acting in concert with it) carry 30% or more of the voting rights of a real estate investment trust ("**REIT**"), such person is required to make a mandatory general offer for all the units in the REIT which the person and/or persons acting in concert do not already own or control.

The Offeror and the Offeror Shareholders (as defined in the Offer Announcement) had on 5 December 2024 acquired an aggregate of 62,541,700 Suntec Units by way of on-market transactions for a cash consideration of S\$1.16 per Suntec Unit (excluding brokerage commission, clearing fees, stamp duties and applicable tax), representing approximately 2.14% of the total number of issued Suntec Units, based on a total of 2,921,418,466 Suntec Units in issue (the "**Pre-Offer Acquisitions**").

Prior to the Pre-Offer Acquisitions, the Offeror Concert Party Group owned or controlled in aggregate 856,201,901 Suntec Units, representing approximately 29.31% of the total number of issued Suntec Units. As a result of the Pre-Offer Acquisitions, the Offeror Concert Party Group has increased its aggregate unitholding in Suntec REIT to 918,743,601 Suntec Units, representing approximately 31.45% of the total number of issued Suntec Units.

Accordingly, as a result of the Pre-Offer Acquisitions, the Offeror Concert Party Group will own or control 30% or more of the total number of issued Suntec Units and has incurred an obligation to make the Offer for all the Offer Units in accordance with Rule 14 of the Code.

On 8 January 2025 (the "**Offer Revision Date**"), the Joint Financial Advisers announced (the "**Offer Revision Announcement**") for and on behalf of the Offeror, that Pursuant to Rule 12.1 of the Code, the Offeror had on 8 January 2025 acquired an aggregate of 18,031,000 Suntec Units by way of open market purchases for a cash consideration of S\$1.19 per Suntec Unit (excluding brokerage commission, clearing fees, and goods and services taxes), representing approximately 0.62% of the total number of issued Suntec Units. As a result, the Offeror Concert Party Group collectively owned or controlled 966,420,251 Suntec Units, representing approximately 33.08% of the total number of issued Suntec Units.

In the same announcement, the Offeror revised the terms and conditions of the Offer (the "**Revised Offer**") by increasing the Offer Price from S\$1.16 in cash per Offer Unit to S\$1.19 in cash per Offer Unit and extending the closing date of the Offer from 5.30 p.m. (Singapore time) on 20 January 2025 to 5.30 p.m. (Singapore time) on 3 February 2025 or such later date(s) as maybe announced from time to time by or on behalf of the Offeror.

Based on information provided to the Offeror, as at 6.00 p.m. (Singapore time) on 8 January 2025, the Offeror has received valid acceptances amounting to 7,003,542 Suntec Units, representing 0.24% of the total number of issued Suntec Units.

To comply with the requirements of the Code, ESR Trust Management (Suntec) Limited, in its capacity as manager of Suntec REIT (the "**Suntec Manager**"), has appointed KPMG Corporate Finance Pte Ltd ("**KPMG**") as the independent financial adviser to the directors of the Suntec Manager who are considered independent (the "**Independent Directors**") for the purposes of making a recommendation to the unitholders of Suntec REIT (the "**Suntec Unitholders**") as to whether the terms of the Revised Offer are fair and reasonable.

The objective of this letter is to advise the Independent Directors in connection with the Revised Offer as required under the Code.



2 TERMS OF REFERENCE

Our responsibility is to provide our opinion in respect of the financial terms of the Revised Offer in compliance with Rule 7.1 and 24.1(b) of the Code.

Our opinion is delivered pursuant to the Code as well as for the use and benefit of the Independent Directors for their deliberations on the Revised Offer, before arriving at a decision on the merits or demerits thereof, and for the use and benefit of the Independent Directors when making any recommendations.

We were not involved in any aspect of the negotiations pertaining to the Revised Offer, nor were we involved in the deliberations leading up to the decisions of and recommendations by the Independent Directors. The decisions of and recommendations made by the Independent Directors shall remain their sole responsibility.

We have not conducted a comprehensive review of the business, operations or financial conditions of Suntec REIT. Our terms of reference also do not require us to evaluate or comment on the merits and/or risk, whether strategic, commercial, financial or otherwise, of the Revised Offer, or on the future prospects of Suntec REIT and as such, we do not express opinions thereon. Such evaluations or comments remain the sole responsibility of the Independent Directors.

It is also not within our terms of reference to compare the relative merits of the Revised Offer to any alternative transactions previously considered by, or that may have been available to, Suntec REIT or any alternative transactions that may be available in the future. Such evaluations or comments remain the sole responsibility of the Independent Directors, although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion.

In addition, we have not made any independent evaluation or appraisal of the existing or proposed assets or liabilities (including without limitation, real property) of Suntec REIT.

In formulating our opinion, we have held discussions with the Independent Directors and the management of the Suntec Manager (the "**Management**"). We have considered the information provided by the Management and publicly available information collated by us as well as information, both written and verbal, provided by the Suntec Manager and the Suntec Manager's professional advisers (which may include solicitors, auditors, tax advisers and valuers). We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of and do not accept any responsibility for the accuracy, completeness or adequacy of all such information provided or otherwise made available to us or relied on by us. We have nevertheless made reasonable enquiries and used our judgment in assessing the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

No financial or profit forecasts, business plans or management accounts of Suntec REIT have been specifically prepared for the purpose of evaluating the Revised Offer. Accordingly, we were not able to comment on the expected future performance or prospects of the Suntec REIT arising from the Revised Offer or otherwise.

We have relied upon the representation of the Management that they have taken all reasonable care to ensure that all information and facts, both written and verbal, as provided to us by the Suntec Manager and the Suntec Manager's professional advisers (which may include solicitors, auditors, tax advisers and valuers) and facts as stated in the Circular and the Supplemental Letter are fair and accurate in all



material respects and all material information and facts have been disclosed to us, and that no material information and facts have been omitted, the omission of which would render any statement in the Circular and the Supplemental Letter, information and facts disclosed to us or our opinion in this letter to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted responsibility in the "Directors' Responsibility Statement" of the Circular and the Supplemental Letter. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information and facts.

Our opinion is based upon prevailing market conditions, economic conditions, and financial conditions (where applicable), and our analysis of the information provided to us by the Management, as of 8 January 2025 (the "**Latest Practicable Date**"). Such conditions and information can change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in the light of any subsequent changes or developments after 8 January 2025 even if it may affect our opinion contained herein.

In rendering our opinion, we did not have regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any unitholder. As different unitholders would have different investment objectives and profiles, we would advise the Independent Directors to recommend that any unitholder who may require specific advice in relation to his investment portfolio(s) should consult his or their stockbroker, bank manager, accountant or other professional advisers.

The Independent Directors have been separately advised by their own professional advisers in the preparation of the Circular and the Supplemental Letter (other than this letter). We have no role or involvement and have not and will not provide any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular and the Supplemental Letter (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Circular and the Supplemental Letter (other than this letter).

Our opinion in relation to the Revised Offer should be considered in the context of the entirety of this letter, the Circular and the Supplemental Letter.

3 DETAILS OF THE REVISED OFFER

The terms and conditions of the Revised Offer are set out in the Offer Revision Announcement issued by the Joint Financial Advisers for and on behalf of the Offeror. Save as disclosed in the Offer Revision Announcement, all other terms and conditions of the Offer as set out in the offer document dated 23 December 2024 remain unchanged (the "**Offer Document**"). Suntec Unitholders are advised to read the terms and conditions of the Revised Offer set out in the Offer Revision Announcement and the Offer Document carefully.

The key terms of the Revised Offer and the related matters are set out below.

3.1 Revised Offer Price

The consideration for each Suntec Unit other than those already owned, controlled or agreed to be acquired by the Offeror Concert Party Group as of the Offer Revision Date (an "**Offer Unit**", together the "**Offer Units**") is **S\$1.19 in cash** (the "**Revised Offer Price**").

Suntec Unitholders who have earlier accepted the Offer are entitled to the Revised Offer Price, subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms.



Accordingly, no further action in respect of the Offer is required to be taken by Suntec Unitholders who have validly accepted the Offer.

3.2 Extension of closing date

Pursuant to Rule 20.1 of the Code, the Revised Offer must be kept open for at least 14 days from the date of posting of the written notification of revision to Suntec Unitholders.

Accordingly, the Joint Financial Advisers announced, for and on behalf of the Offeror, that the closing date of the Offer has been extended from 5.30 p.m. (Singapore time) on 20 January 2025 to 5.30 p.m. (Singapore time) on 3 February 2025 or such later date(s) as may be announced from time to time by or on behalf of the Offeror (the "**Revised Closing Date**").

3.3 Other terms

Save as disclosed in the Offer Revision Announcement, all the other terms and conditions of the Offer as set out in the Offer Document remain unchanged.

4 EVALUATION OF THE OFFER

In arriving at our opinion in relation to the Revised Offer, we have taken into account the following key factors:

4.1 Rationale for the Offer

4.1.1 Rationale for the Offer and the Offeror's intention for Suntec REIT

The rationale for the Offer, the Offeror's intentions for Suntec REIT as well as the listing status and compulsory acquisition are stated in sections 7, 8 and 9 of the Offer Document and have been reproduced in italics below. All terms and expressions used in the extract below shall have the same meaning as those defined in the Offer Document, unless otherwise stated.

"7. RATIONALE FOR THE OFFER

Compliance with the Code. *As set out in Section 1.2 (Pre-Offer Acquisitions) of this Letter to Unitholders, prior to the Pre-Offer Acquisitions, the Offeror Concert Party Group owned or controlled in aggregate approximately 29.31% of the total number of issued Units. As a result of the Pre-Offer Acquisitions, the Offeror Concert Party Group owns or controls approximately 31.45% of the total number of issued Units and accordingly, the Offeror has incurred an obligation to make a mandatory general offer for all the Units which the Offeror Concert Party Group does not already own or control. The Offeror is therefore making the Offer for all the Offer Units in accordance with Rule 14 of the Code.*

8. THE OFFEROR'S INTENTIONS RELATING TO SUNTEC REIT

8.1 It is the current intention of the Offeror that Suntec REIT continues with its existing activities. There are presently no plans to make any material changes to Suntec REIT's existing business, re-deploy its fixed assets, to initiate any major changes to the investment policy of Suntec REIT or discontinue the employment of existing employees of Suntec REIT (if any), in each case, except in the ordinary course of business.



8.2 The Offeror however retains the discretion and flexibility to conduct a review of its options relating to the management and the operations of Suntec REIT and to consider any options or opportunities which may present themselves and which it regards to be in the interests of Suntec REIT and the Unitholders.

9. LISTING STATUS AND COMPULSORY ACQUISITION

9.1 Listing Status.

(a) Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that valid acceptances have been received pursuant to the Offer that brings the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total issued Units, the SGX-ST may suspend the trading of the Units on the SGX-ST until such time it is satisfied that at least 10% of the total issued Units are held by at least 500 Unitholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total issued Units, thus causing the percentage of the total number of issued Units held in public hands to fall below 10%, the SGX-ST will suspend trading of the Units only at the close of the Offer.

(b) Rule 723 of the Listing Manual requires Suntec REIT to ensure that at least 10% of the total number of issued Units is at all times held by the public (the “**Free Float Requirement**”). In addition, under Rule 724(1) of the Listing Manual, if the Free Float Requirement is not met, Suntec REIT must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Units on the SGX-ST. Rule 724(2) of the Listing Manual states that the SGX-ST may allow Suntec REIT a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Units in public hands to at least 10%, failing which Suntec REIT may be delisted from the SGX-ST.

(c) It is the present intention of the Offeror to maintain the listing status of Suntec REIT on the SGX-ST following completion of the Offer. In the event the Free Float Requirement is not satisfied as at the close of the Offer and the trading of the Units on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror reserves the right and discretion to assess the options available to itself at such time.

9.2 Compulsory Acquisition.

(a) Pursuant to Section 295A(1) of the SFA, if the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires Units during the period when the Offer is open for acceptance), in respect of not less than 90% of the Offer Units, the Offeror will be entitled to exercise the right to compulsorily acquire all the Units of the Unitholders who have not accepted the Offer on the same terms as those offered under the Offer. In addition, pursuant to Section 295A(4) of the SFA, if the Offeror acquires such number of Units which, together with the Units held by it, its related corporations and/or their respective nominees, comprise 90% or more of the total number of issued Units as at the close of the Offer, Unitholders who have not accepted the Offer have a right to require the Offeror to acquire their Units on the same terms as those offered under the Offer. Such Unitholders who wish to exercise such rights are advised to seek their own independent legal advice.

(b) As stated in Section 9.1(c) of this Letter to Unitholders, it is the present intention of the Offeror to maintain the listing status of Suntec REIT on the SGX-ST following completion of the Offer. Accordingly, the Offeror presently has no intention of exercising its right of compulsory acquisition under Section 295A(1) of the SFA, should it become available.



(c) The Offeror reserves the right and discretion to re-evaluate its position, taking into account, among other things, the level of acceptances received by the Offeror in respect of the Offer and the prevailing market conditions at the relevant time. Accordingly, there is no assurance that the current intention will be carried into effect.”

4.2 Financial assessment of the Revised Offer

In assessing the financial terms of the Revised Offer, we have taken into account the following factors which we consider having a significant bearing on our assessment:

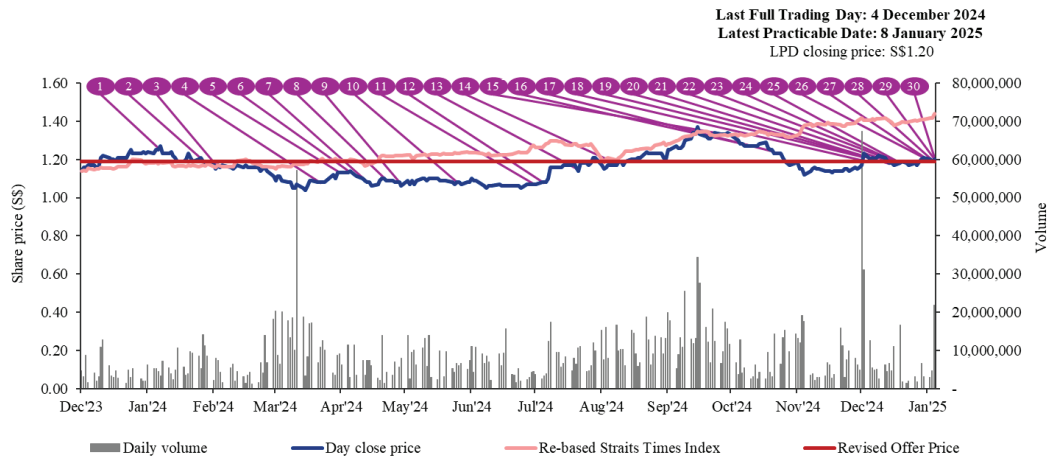
- a) market quotation and trading liquidity of the Suntec Units;
- b) historical financial performance and position of Suntec REIT;
- c) Price to Net Asset Value ("P/NAV") multiples of the Suntec Units relative to P/NAV multiples implied by Revised Offer Price;
- d) comparison with precedent take-over and merger transactions for REITs and business trusts listed on the Singapore Exchange Securities Trading Limited ("SGX-ST");
- e) comparison with valuation statistics of REITs and business trusts broadly comparable to Suntec REIT;
- f) estimated range of value of the Suntec Units; and
- g) other relevant considerations.

4.2.1 Historical unit price performance

The market valuation of the Suntec Units (traded on a recognised exchange) provides a perspective on its financial value. Accordingly, we have considered the historical price performance of the Suntec Units relative to the Revised Offer Price.

We wish to highlight that under ordinary circumstances the market valuation of the securities of an entity (traded on a recognised exchange) may be affected by, amongst other things, the relative liquidity, the size of the free float, the extent of applicable research coverage and investor interest, and the general market sentiment at a given point in time. Accordingly, this analysis serves as an illustrative guide only.

Exhibit 1: Daily closing price and daily trading volume of Suntec Units for 1-year period prior to Offer Announcement Date and up to and including the Latest Practicable Date ("LPD")



Sources: S&P Capital IQ, the Circular, and the Supplemental Letter

Extract of selected announcements as follows:

S/N	Date	Announcement details ^{(1),(2)}
1	5-Jan-24	Notification of FY2023 financial results release (period ended 31 December 2023)
2	24-Jan-24	- Announcement of FY2023 financial results. Reported distributable income of S\$206.8 million for FY2023 - Reported Distribution Per Unit ("DPU") of 1.866 cents to Suntec Unitholders for 4Q2023 (fourth quarter ended 31 December 2023) - Notice of Valuation of Real Assets - Independent valuations of properties owned by Suntec REIT (as of 31 December 2023)
3	2-Feb-24	Announcement of entry into a S\$950,000,000 sustainability-linked loan facility and disclosure pursuant to Listing Manual
4	27-Mar-24	Release of FY2023 Annual Report and notice of Annual General Meeting ("AGM") to be held on 18 April 2024
5	5-Apr-24	Notification of 1Q2024 business updates release (first quarter ended 31 March 2024)
6	12-Apr-24	Release of responses to the substantial and relevant questions for the AGM to be held on 18 April 2024
7	18-Apr-24	Release of results of the AGM held on 18 April 2024
8	25-Apr-24	- Announcement of business updates for 1Q2024 (first quarter ended 31 March 2024). Reported distributable income from operations of S\$44.0 million for the period - Reported DPU from operations of 1.511 cents to Suntec Unitholders for 1Q2024 (first quarter ended 31 December 2024)
9	30-Apr-24	Release of minutes of AGM held on 18 April 2024
10	30-May-24	Release of Sustainability Report 2023
11	5-Jul-24	Notification of 1H2024 financial results release (first half-year ended 30 June 2024)
12	10-Jul-24	Announcement of change of name of Suntec Manager from "ARA Trust Management (Suntec) Limited" to "ESR Trust Management (Suntec) Limited" with effect from 15 July 2024
13	25-Jul-24	- Announcement of 1H2024 financial results. Reported distributable income from operations of S\$88.7 million for the period - Reported DPU from operations of 1.531 cents to Suntec Unitholders for 2Q2024 (second quarter ended 30 June 2024)



S/N	Date	Announcement details ^{(1),(2)}
14	12-Aug-24	Reaffirmed commitment towards net zero carbon emissions with 21 Harris Street achieving carbon neutral status ahead of schedule
15	4-Oct-24	Notification of 3Q2024 business updates release (third quarter ended 30 September 2024)
16	15-Oct-24	Attained the highest GRESB 5 Star rating for the fifth consecutive year since its inaugural participation in 2020
17	24-Oct-24	<ul style="list-style-type: none"> - Announcement of business updates for 3Q2024 (third quarter ended 30 September 2024). Reported distributable income from operations of S\$46.2 million for the period - Reported DPU from operations of 1.580 cents to Suntec Unitholders for 3Q2024 (third quarter ended 30 September 2024)
18	5-Dec-24	Announcement of Mandatory Conditional Cash Offer by UOB and DBS, for and on behalf of Aelios Pte. Ltd., to acquire all the issued and outstanding Suntec Units in Suntec REIT other than those already owned, controlled or agreed to be acquired by the Offeror Concert Party Group
19	6-Dec-24	<ul style="list-style-type: none"> - Holding announcement - Mandatory Conditional Cash Offer - Disclosure of change in interest of substantial unitholders - Tang Yigang @ Gordon Tang, Chen Huaidan @ Celine Tang - Offeror acquired 62,541,700 Suntec Units on 5 December 2024. Gordon Tang and Celine Tang each hold 50% of the shares in the Offeror
20	11-Dec-24	<ul style="list-style-type: none"> - Dealings disclosure by OCBC in relation to the Mandatory Conditional Cash Offer for Suntec REIT - Acquired 68,000 Suntec Units on 11 December 2024 for settlement pursuant to terms of existing derivative contract entered into prior to the Mandatory General Offer with a non-discretionary investment client, who is not connected with the Offeror nor Suntec REIT
21	18-Dec-24	<ul style="list-style-type: none"> - Appointment of Independent Financial Advisor. The Board of Directors of Suntec Manager has appointed KPMG Corporate Finance Pte Ltd as the Independent Financial Advisor to advise the Independent Directors - Holdings disclosure announcement - Mandatory Conditional Cash Offer. The Offeror Concert Party Group, own, control or have agreed to acquire an aggregate of 944,512,301 Suntec Units, representing approximately 32.33% of the total number of issued Suntec Units
22	19-Dec-24	<ul style="list-style-type: none"> - Disclosure of change in interest of director - Chong Kee Hiong. Acceptance of 179,127 performance-based contingent units in Suntec REIT pursuant to the Suntec Performance Unit Plan - Dealings disclosure by UOB and DBS on behalf of Aelios Pte. Ltd. - Acceptance of Performance Unit Plan performance-based contingent units
23	20-Dec-24	<ul style="list-style-type: none"> - Dealings disclosure by OCBC in relation to the Mandatory Conditional Cash Offer for Suntec REIT - Entered into a derivative contract for nominal amount of S\$370,817.36 with non-discretionary investment client, who holds existing Suntec Units and an accumulator position. The non-discretionary client is not connected with the Offeror nor the offeree company
24	23-Dec-24	<ul style="list-style-type: none"> - Release of Offer Document - UOB and DBS, for and on behalf of Aelios Pte. Ltd., hereby makes the Offer to acquire all the Offer Units in accordance with Rule 14 of the Code and on the terms and subject to the conditions set out in the Offer Document and the Acceptance Forms. The consideration for each Offer Unit is S\$1.16 in cash - Notice of Valuation of Real Assets - Independent valuations of properties owned by Suntec REIT (as of 20 December 2024) - Dealings disclosure by UOB and DBS on behalf of Aelios Pte. Ltd. - Offeror has by way of open market purchases acquired 2,756,800 Suntec Units at a price of S\$1.16 per unit. Resultant total number of Suntec Units owned or controlled by Offeror amounts to 70,098,500
25	24-Dec-24	Dealings disclosure by OCBC in relation to the Mandatory Conditional Cash Offer for Suntec REIT - Buying of Suntec Units amounting to S\$65,327.60, pursuant to terms of existing derivative contract entered into prior to the Mandatory General Offer with a non-discretionary investment client with existing Suntec Units holding and accumulator position. The non-discretionary client is not connected with the Offeror nor the offeree company
26	2-Jan-25	Dealings disclosure by OCBC in relation to the Mandatory Conditional Cash Offer for Suntec REIT - Selling of Suntec Units amounting to S\$12,428.85, pursuant to terms of existing derivative contract with a non-discretionary investment client with existing Suntec Units holding and decumulator position. The non-discretionary client is not connected with the Offeror nor offeree company



S/N	Date	Announcement details ^{(1),(2)}
27	6-Jan-25	Release of Circular to Suntec Unitholders in relation to the Mandatory Conditional Cash Offer for Suntec REIT - Suntec Manager has issued the offeree circular in connection with the Offer containing, <i>inter alia</i> , the letter from KPMG Corporate Finance Pte Ltd, the Independent Financial Adviser to the directors of the Manager who are considered independent for the purposes of the Offer, and the recommendation of the Independent Directors in respect of the Offer
28	7-Jan-25	Notification of FY2024 financial results release (Full year ended 31 December 2024)
29	8-Jan-25	Dealings disclosure by OCBC in relation to the Mandatory Conditional Cash Offer for Suntec REIT - Buying of Suntec Units amounting to S\$65,327.60, pursuant to terms of existing derivative contract with a non-discretionary investment client with existing Suntec Units holding and decumulator position. The non-discretionary client is not connected with the Offeror nor offeree company
30	8-Jan-25	Revision of Offer Price and Extension of Closing Date Announcement - The Offeror is revising the Offer Price for each Offer Unit to S\$1.19 in cash. The Offer to Suntec Unitholders will be extended from 5.30pm on 20 January 2025 to 5.30pm on 3 February 2025 or such later date(s) as may be announced from time to time by or on behalf of the Offeror

Sources: Suntec REIT announcements on SGX-ST

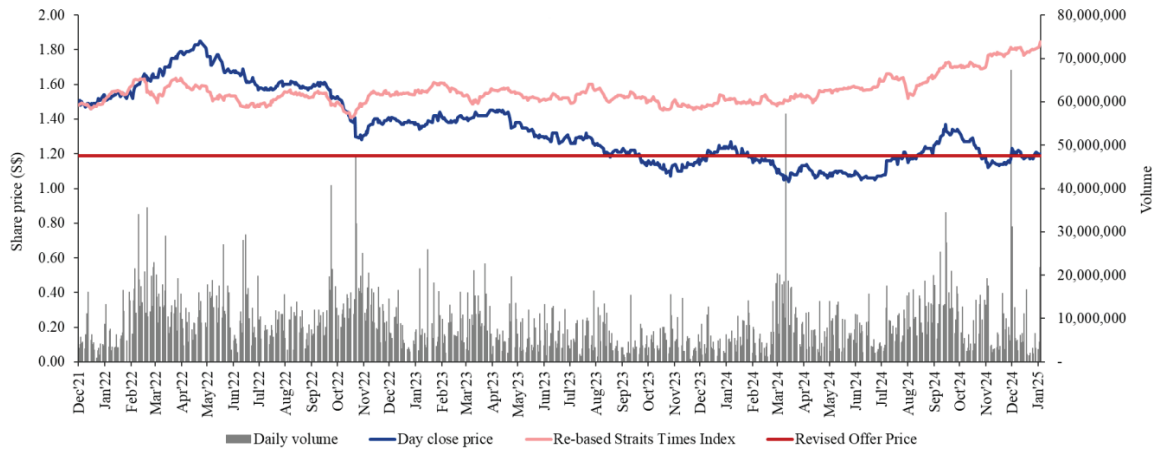
Notes:

- (1) With effect from 15 July 2024, the name of Suntec Manager was changed from “ARA Trust Management (Suntec) Limited” to “ESR Trust Management (Suntec) Limited”. Correspondingly, when extracting company announcements from SGX-ST, we have taken into account the change of name.
- (2) Financial information for quarterly business updates and full/half-year financial results presented above have been extracted from the respective press releases, quarterly investor presentations and/or unaudited interim financial statements, as announced by the Suntec Manager. As noted in the press releases, quarterly investor presentations and/or unaudited interim financial statements, distributable income/distribution per unit from operations exclude capital distribution.

Based on Exhibit 1, we observe that the Revised Offer Price represents a premium of approximately 1.71% over the median daily closing price of S\$1.17, a 14.42% premium over the lowest daily closing price of S\$1.04 and a 13.14% discount to the highest daily closing price of S\$1.37.

Further, we note that Revised Offer Price represents a premium of approximately 2.59% over the last transacted price of S\$1.16 for the Suntec Units on 4 December 2024, the Last Full Trading Day (“LFTD”). We further note that the Revised Offer Price represents a 0.83% discount to the closing price of S\$1.20 as of the LPD.

Exhibit 2: Daily closing price and daily trading volume of Suntec Units for 3-year period prior to the Offer Announcement Date and up to and including the LPD



Sources: S&P Capital IQ, the Circular, and the Supplemental Letter

Based on Exhibit 2, we observe that the Revised Offer Price represents a discount of approximately 8.46% to the median daily closing price of S\$1.30 and a premium of approximately 14.42% over the lowest daily closing price of S\$1.04 and a discount of approximately 35.68% to the highest daily closing price of S\$1.85.

4.2.2 Liquidity analysis of Suntec Units

Ordinarily, unit prices may be affected by different factors including but not limited to relative liquidity, free float and investor interest or market sentiment at a given point in time. In assessing the Revised Offer, we have considered the relative liquidity of Suntec Units in comparison with the units or shares of the constituents of the Straits Times Index (the "STI Constituents").

We note that as of the LFTD, Suntec REIT had a market capitalisation of S\$3,389 million while those of the Straits Times Index ("STI"), used in our liquidity analysis, had market capitalisation ranging from S\$3,424 million to S\$124,557 million.



Exhibit 3: Liquidity analysis of Suntec Units relative to the units or shares of the STI Constituents as of LFTD

Name	Market capitalisation ('mn)	Free float ⁽¹⁾ (%)	Last 12M ADT volume ⁽²⁾ ('mn)	Last 12M ADT value ⁽³⁾ (S\$'mn)	Last 12M ADT volume ⁽²⁾ / free float (%)	Last 12M ADT value ⁽³⁾ / market capitalisation (%)
CapitaLand Ascendas REIT	11,432	73.00%	12.73	34.82	0.40%	0.30%
CapitaLand Integrated Commercial Trust	14,305	69.00%	24.76	49.87	0.49%	0.35%
CapitaLand Investment Limited	13,803	46.50%	9.77	27.22	0.42%	0.20%
City Developments Limited	4,762	46.30%	2.65	15.06	0.64%	0.32%
DBS Group Holdings Ltd	124,557	70.77%	4.69	163.57	0.23%	0.13%
DFI Retail Group Holdings Limited	3,438	22.43% ⁽⁴⁾	0.89	2.47	0.29%	0.07%
Frasers Centrepoint Trust	3,944	60.00%	3.57	7.95	0.33%	0.20%
Frasers Logistics & Commercial Trust	3,424	74.00%	13.44	14.11	0.48%	0.41%
Genting Singapore Limited	9,417	47.06%	29.58	26.15	0.52%	0.28%
Hongkong Land Holdings Limited	9,952	46.59% ⁽⁵⁾	2.64	12.90	0.26%	0.13%
Jardine Cycle & Carriage Limited	11,600	21.90%	0.61	16.16	0.70%	0.14%
Jardine Matheson Holdings Limited	13,137	80.55% ⁽⁵⁾	0.28	14.67	0.12%	0.11%
Keppel Ltd.	12,336	72.00%	3.59	24.03	0.28%	0.19%
Mapletree Industrial Trust	6,485	72.87%	5.97	13.88	0.29%	0.21%
Mapletree Logistics Trust	6,520	61.33%	22.35	31.18	0.72%	0.48%
Mapletree Pan Asia Commercial Trust	6,475	43.32%	16.65	22.02	0.73%	0.34%
Oversea-Chinese Banking Corporation Limited	73,339	72.30%	5.59	79.92	0.17%	0.11%
SATS Ltd.	5,651	59.03%	4.98	15.72	0.57%	0.28%
Seatrium Limited	6,850	61.98%	28.87	50.03	1.37%	0.73%
Sembcorp Industries Ltd	9,805	50.22%	3.32	17.14	0.37%	0.17%
Singapore Airlines Limited	18,821	46.23%	5.44	35.61	0.40%	0.19%
Singapore Exchange Limited	13,653	99.64%	2.09	21.55	0.20%	0.16%
Singapore Technologies Engineering Ltd	14,296	47.87%	4.49	18.97	0.30%	0.13%
Singapore Telecommunications Limited	52,182	48.00%	32.72	90.07	0.41%	0.17%
Thai Beverage Public Company Limited	14,323	27.72%	31.56	15.93	0.45%	0.11%
United Overseas Bank Limited	61,261	76.00%	2.76	85.04	0.22%	0.14%
UOL Group Limited	4,529	47.88%	1.72	9.94	0.43%	0.22%
Venture Corporation Limited	3,780	86.25%	0.71	9.90	0.29%	0.26%
Wilmar International Limited	19,352	28.60%	5.37	17.48	0.30%	0.09%
Yangzijiang Shipbuilding (Holdings) Ltd.	10,193	54.65%	23.34	50.78	1.08%	0.50%
Minimum	3,424	21.90%	0.28	2.47	0.12%	0.07%
Median	10,812	59.03%	5.17	20.26	0.40%	0.20%
Mean	18,787	57.94%	10.24	33.14	0.45%	0.24%
Maximum	124,557	99.64%	32.72	163.57	1.37%	0.73%
Suntec REIT	3,389	65.70%⁽⁶⁾	8.28	9.70	0.43%	0.29%

Sources: S&P Capital IQ, latest annual reports and financial statements of respective companies

Notes:

- (1) Free float information is extracted from the latest annual reports of the respective companies, unless stated otherwise.
- (2) Average Daily Traded ("ADT") volume for the last twelve months ("12M") up to and including the LFTD.



- (3) ADT value for the last 12M up to and including the LFTD.
- (4) Free-float information is obtained from S&P Capital IQ and adjusted for Jardine Strategic Limited direct interest in 1,050 million ordinary shares as disclosed in DFI Retail Group Holdings Limited's latest annual report.
- (5) Free-float information is obtained from S&P Capital IQ.
- (6) The free float of 65.70% is based on information that was disclosed in the 2023 Annual Report. We note that this does not account for any dealings that have been disclosed for the Offer.

For the last 12M leading up to the LFTD, we note that:

- (i) Suntec REIT had a last 12M ADT volume of 8.28 million units which is higher than the median for the STI Constituents;
- (ii) the last 12M ADT volume of Suntec Units as a percentage of free float was 0.43%, which is within the range of that of the STI Constituents. It is less than the mean of 0.45% and higher than the median of 0.40%; and
- (iii) the last 12M ADT value of Suntec Units as a percentage of market capitalisation was 0.29%, which is within the range of that of the STI Constituents. This is higher than both the mean and median of 0.24% and 0.20% respectively.

The past liquidity of Suntec Units, particularly for the period after the Offer Announcement Date up to the LPD, should not be relied upon in any way as an indication of the future liquidity of Suntec Units. We wish to highlight that there is no assurance that the liquidity of Suntec Units will remain at the same level after the close or lapse of the Revised Offer.

4.2.3 Comparison of historical unit prices against the Revised Offer Price

We have computed the price of Suntec Units based on its Volume-Weighted Average Price ("VWAP") for varying time periods before and after the LFTD and compared them to the premium or discount implied by the Revised Offer Price over the respective VWAPs.

Exhibit 4: Historical VWAP and ADT volume of Suntec Units for various periods over the last 12M prior to the Offer Announcement Date up to and including the LPD

Reference period	VWAP (S\$)	Premium/ (discount) of Revised Offer Price to VWAP (%)	ADT volume ('mn) ⁽¹⁾	ADT volume as a percentage of free float (%) ⁽²⁾
For the periods up to and including the LFTD				
12 months prior to the Offer Announcement Date	1.17	1.62%	8.28	0.43%
6 months prior to the Offer Announcement Date	1.21	(1.57%)	9.20	0.48%
3 months prior to the Offer Announcement Date	1.25	(5.03%)	10.01	0.52%
1 month prior to the Offer Announcement Date	1.15	3.84%	7.56	0.39%
As of the LFTD	1.16 ⁽³⁾	2.59%	4.84	0.25%
Periods after the LFTD, up to and including the LPD				
Between Offer Announcement Date and the LPD (both dates inclusive)	1.19	(0.08%)	9.90	0.52%
As of the LPD	1.20 ⁽⁴⁾	(0.83%)	21.85	1.14%

Sources: S&P Capital IQ, Suntec REIT filings and KPMG analysis



Notes:

- (1) *The ADT volume of Suntec Units is calculated based on the total volume of the Suntec Units traded on the SGX-ST during the relevant periods, divided by the number of days when the SGX-ST was open for trading during the respective periods.*
- (2) *For the purpose of computing the ADT volume as a percentage of free float, we have derived the free float of approximately 1,919 million Suntec Units based on the free float of 65.70% as of 1 March 2024 as disclosed in Suntec REIT's Annual Report 2023 and total issued Suntec Units of 2,921,418,466.*
- (3) *This price refers to the last closing price on the LFTD instead of the VWAP.*
- (4) *This price refers to the last closing price on the LPD instead of the VWAP.*

Having benchmarked the Revised Offer Price against the VWAP and the ADT volumes of the Suntec Units, we observe the following:

- (i) for periods up to and including the LFTD
 - the Revised Offer Price represents a premium of approximately 1.62% and 3.84% over the 12-month and 1-month VWAP of Suntec Units, respectively, and a discount of approximately 1.57% and 5.03% to the 6-month and 3-month VWAP of the Suntec Units, respectively;
 - the Revised Offer Price represents a premium of 2.59% over the last closing price as of the LFTD; and
 - in relation to the trading liquidity of Suntec Units for the 12-month, 6-month, 3-month and 1-month periods up to the Offer Announcement Date, the past ADT volume of Suntec Units were between approximately 0.39% and 0.52% of the free float of Suntec REIT.
- (ii) for periods after the LFTD, up to and including the LPD
 - the Revised Offer Price represents a discount of approximately 0.08% to the VWAP for the period between the Offer Announcement Date and up to and including the LPD (both dates inclusive);
 - the Revised Offer Price represents a discount of approximately 0.83% to the last closing price as of the LPD; and
 - the ADT volume of Suntec Units as a percentage of free float was approximately 0.52% for the period between the Offer Announcement Date and the LPD (both dates inclusive).

4.2.4 Historical Financial Performance of Suntec REIT

The salient audited consolidated financial information of Suntec REIT for the financial year ended 31 December 2021 ("FY2021"), 31 December 2022 ("FY2022"), 31 December 2023 ("FY2023"), and the unaudited interim financial information for the six-month period ended 30 June 2023 ("1H2023") and 30 June 2024 ("1H2024") are set out in the table below. The following summary financial information should be read in conjunction with the full text of the annual reports and results announcements, in



respect of the relevant financial periods including the notes thereto. For the purposes of our analysis, we have reviewed the performance and extracted Management's comments below for reference.

Exhibit 5: Consolidated Statement of Total Return

(S\$'000)	Audited			Interim ⁽¹⁾	
	FY2021	FY2022	FY2023	1H2023	1H2024
Gross revenue	358,069	427,269	462,739	224,300	226,882
Property expenses	(103,438)	(111,518)	(149,589)	(70,996)	(75,889)
Net property income	254,631	315,751	313,150	153,304	150,993
Other income	14,860	8,097	5,961	2,379	674
Share of profit of joint ventures	102,908	144,856	36,001	37,293	41,418
Finance income	33,107	39,204	21,116	11,467	10,081
Finance costs	(127,491)	(151,440)	(174,694)	(84,930)	(88,446)
Net finance costs	(94,384)	(112,236)	(153,578)	(73,463)	(78,365)
Asset management fees					
- base fee	(39,848)	(40,865)	(41,129)	(20,387)	(20,498)
- performance fee	(18,025)	(20,306)	(20,299)	(9,966)	(9,997)
Trust expenses	(6,204)	(5,956)	(9,254)	(3,611)	(3,396)
Net income	213,938	289,341	130,852	85,549	80,829
Net change in fair value of financial derivatives	49,814	65,407	(46,220)	(7,290)	5,371
Net change in fair value of investment properties	223,973	159,120	109,859	578	-
Net gain from divestment of investment properties	13,891	-	9,800	-	8,618
Net gain from divestment of joint venture	13,925	-	-	-	-
Total return for the period before tax	515,541	513,868	204,291	78,837	94,818
Tax expense	(25,030)	(16,241)	(7,970)	(7,533)	(5,864)
Total return for the period after tax	490,511	497,627	196,321	71,304	88,954

Sources: Annual reports for FY2021, FY2022, and FY2023 and unaudited interim financial statements for 1H2023 and 1H2024

Note:

- (1) The unaudited interim financial statements have been reviewed by Ernst & Young LLP in Singapore in accordance with the Singapore Standard on Review Engagement 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

FY2021 vs FY2022

Suntec REIT achieved gross revenue of S\$427.3 million in FY2022 which was 19.3% higher compared to that in FY2021. This was mainly due to higher contribution from Suntec City Office and Suntec City Mall due to the higher occupancy and rent, higher revenue from Suntec Convention, 21 Harris Street and Olderfleet, 477 Collins Street as well as the full year contribution from The Minster Building. The increase was partially offset by lower revenue from 177 Pacific Highway and 55 Currie Street.

The net property income for FY2022 was S\$315.8 million, an increase of 24.0% year-on-year, which was attributable to higher revenue from Suntec City, Suntec Singapore, 21 Harris Street and Olderfleet, 477 Collins Street as well as The Minster Building, and partially offset by lower contribution from 177 Pacific Highway and 55 Currie Street.

The share of profit of joint ventures increased by approximately S\$41.9 million, mainly due to share of revaluation gain from investment properties held by joint ventures, absence of performance fee paid to a fund manager for 9 Penang Road in FY2021 and lower provision for bad debts at Nova Properties. The increase was partially offset by higher interest expense at One Raffles Quay ("ORQ") and Southgate Complex and higher property expenses at ORQ and Marina Bay Financial Centre ("MBFC")



properties. The committed occupancy for ORQ, MBFC Towers 1 & 2, Marina Bay Link Mall, and Nova Properties was 100%, 94.1%, 92.7%, and 100% respectively as of 31 December 2022.

Finance costs increased by approximately S\$23.9 million, largely due to higher interest expense recorded in FY2022 because of higher interest rates. The all-in financing cost for FY2022 was 2.94% per annum, as opposed to 2.35% per annum in FY2021.

FY2022 vs FY2023

Suntec REIT achieved gross revenue of S\$462.7 million in FY2023, which was 8.3% higher compared to that in FY2022. This was due to higher revenue from Suntec City, Suntec Singapore and The Minster Building. The increase was partially offset by lower revenue from 177 Pacific Highway, 21 Harris Street, 55 Currie Street and Olderfleet, 477 Collins Street mainly due to the weaker Australian dollar and incentives given for new leases and renewals at 177 Pacific Highway.

The net property income for FY2023 was S\$313.2 million, a slight decrease of 0.8% year-on-year, attributable to lower contribution from the Australia properties, partially offset by higher revenue from Suntec City, Suntec Singapore and The Minster Building.

The share of profit of joint ventures before fair value adjustments for FY2023 was 4.0% lower year-on-year mainly due to lower contribution from Southgate Complex. The decrease was partially offset by higher share of profits from ORQ, MBFC Properties, and Nova Properties.

Finance costs increased by approximately S\$23.3 million, mainly due to higher interest rates. The all-in financing cost for FY2023 was 3.84% per annum, as opposed to 2.94% per annum in FY2022.

1H2023 vs 1H2024

Suntec REIT achieved gross revenue of S\$226.9 million in 1H2024 which was 1.2% higher compared to that in 1H2023. The increase was mainly due to higher revenue from Suntec City, Suntec Singapore and 21 Harris Street. This was offset by lower revenue from 177 Pacific Highway, 55 Currie Street, Olderfleet, 477 Collins Street and The Minster Building.

The net property income for 1H2024 was S\$151.0 million, a decrease of 1.5% year-on-year, which was attributable to lower contribution from The Minster Building and incentives for new and renewal leases at 177 Pacific Highway, higher vacancy at 55 Currie Street and the weaker Australian Dollar. The decrease was partially offset by higher contribution from Suntec City and Suntec Singapore.

The share of profit of joint ventures increased by approximately S\$4.1 million, mainly due to increase in share of profits from ORQ and MBFC Properties as a result of higher occupancy and rent as well as the recovery of doubtful debts at Nova Properties. This was partially offset by lower share of profits from Southgate Complex mainly due to higher interest expense and incentives given.

Finance costs increased by approximately S\$3.5 million, largely due to higher interest expense recorded in 1H2024 because of higher interest rates. The all-in financing cost for 1H2024 was 4.02% per annum, as opposed to 3.64% per annum in 1H2023.



Exhibit 6: Consolidated Statement of Cash Flows

(S\$'000)	Audited			Interim ⁽¹⁾	
	FY2021	FY2022	FY2023	1H2023	1H2024
Net cash flows (used in)/generated from operating activities	243,727	284,183	252,019	101,127	113,639
Net cash flows (used in)/generated from investing activities	(82,679)	114,773	698,153	611,916	79,776
Net cash flows (used in)/generated from financing activities	(116,943)	(383,592)	(1,000,985)	(770,077)	(225,672)
Net increase/(decrease) in cash and cash equivalents	44,105	15,364	(50,813)	(57,034)	(32,257)
Cash and cash equivalents at beginning of the period	227,474	268,311	269,610	269,610	217,925
Effects on exchange rate fluctuations on cash held	(3,268)	(14,065)	(872)	1,787	1,194
Cash and cash equivalents at end of the period	268,311	269,610	217,925	214,363	186,862

Sources: Annual reports for FY2021, FY2022, and FY2023 and unaudited interim financial statements for 1H2023 and 1H2024

Note:

(1) The unaudited interim financial statements have been reviewed by Ernst & Young LLP in Singapore in accordance with the Singapore Standard on Review Engagement 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

Suntec REIT generated positive net cash flows from operating activities of S\$243.7 million, S\$284.2 million, S\$252.0 million, S\$101.1 million, and S\$113.6 million in FY2021, FY2022, FY2023, 1H2023, and 1H2024 respectively.

Net cash generated from operating activities in 1H2024 was mainly due to positive cash flows before changes in working capital of S\$132.5 million partially offset by a net working capital outflow of S\$14.2 million, and income tax paid of S\$4.7 million.

Net cash generated from investing activities in 1H2024 was S\$79.8 million, mainly arising from (i) net proceeds from divestment of investment properties of S\$47.9 million, (ii) dividend income received from joint ventures of S\$16.6 million, (iii) a loan repayment received from joint ventures of S\$12.3 million, and (iv) interest received from loan to joint ventures of S\$9.7 million. This was partially offset by the capital expenditure incurred on investment properties of S\$4.6 million.

Net cash used in financing activities in 1H2024 was S\$225.7 million, mainly attributing to (i) repayment of interest-bearing loans of S\$982.9 million, (ii) distribution to Suntec Unitholders of S\$98.3 million, and (iii) financing costs paid of S\$85.8 million, which was partially offset by proceeds from interest-bearing loans of S\$950.0 million.



Exhibit 7: Consolidated Statement of Financial Position

(S\$'000)	Audited as of 31-Dec-23	Interim as of 30-Jun-24 ⁽¹⁾
Non-current assets		
Plant and equipment	1,697	1,190
Investment properties	7,964,809	7,960,354
Rental guarantee receivables	-	-
Interests in joint ventures	2,829,479	2,843,927
Interests in subsidiaries	-	-
Long-term investment	-	-
Derivative assets	24,387	17,297
Total non-current assets	10,820,372	10,822,768
Current assets		
Investment properties held for sale	39,761	25,184
Derivative assets	11,239	9,550
Rental guarantee receivables	-	-
Trade and other receivables	39,931	54,048
Cash and cash equivalents	217,925	186,862
Total current assets	308,856	275,644
Total assets	11,129,228	11,098,412
Current liabilities		
Interest-bearing borrowings	399,853	501,855
Trade and other payables	119,998	120,221
Derivative liabilities	192	262
Security deposits	23,628	21,206
Current tax liabilities	8,699	4,121
Total current liabilities	552,370	647,665
Non-current liabilities		
Interest-bearing borrowings	3,860,497	3,733,918
Security deposits	60,386	61,790
Derivative liabilities	14,630	3,887
Deferred tax liabilities	57,445	56,636
Total non-current liabilities	3,992,958	3,856,231
Total liabilities	4,545,328	4,503,896
Net assets	6,583,900	6,594,516
Represented by:		
Unitholders' funds	6,107,793	6,118,672
Perpetual securities holders	348,040	348,002
Non-controlling interests	128,067	127,842
	6,583,900	6,594,516
Units in issue ('000)	2,897,274	2,913,675
Asset management fees paid in units ('000)	12,161	4,297
Total issued and issuable units ('000)	2,909,435	2,917,972
Unitholders' funds	6,107,793	6,118,672
Net asset value per unit (S\$)	2.10	2.10

Sources: Annual report for FY2023 and unaudited interim financial statements for 1H2024

Note:

- (1) The unaudited interim financial statements have been reviewed by Ernst & Young LLP in Singapore in accordance with the Singapore Standard on Review Engagement 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity.



Assets

As of 30 June 2024, Suntec REIT has total assets of approximately S\$11.1 billion comprising current assets of approximately S\$275.6 million (2.5% of total assets) and non-current assets of approximately S\$10.8 billion (97.5% of total assets).

The main current assets are (i) cash and cash equivalents of approximately S\$186.9 million (67.8% of current assets); (ii) trade and other receivables of approximately S\$54.0 million (19.6% of current assets); and (iii) investment properties held for sale of approximately S\$25.2 million (9.1% of current assets).

The main non-current assets are (i) investment properties of approximately S\$8.0 billion (73.6% of non-current assets); and (ii) interests in joint ventures of approximately S\$2.8 billion (26.3% of non-current assets).

Liabilities and equity

As of 30 June 2024, Suntec REIT has total liabilities of approximately S\$4.5 billion comprising current liabilities of S\$647.7 million (14.4% of total liabilities) and non-current liabilities of approximately S\$3.9 billion (85.6% of total liabilities).

The main current liabilities are (i) interest-bearing borrowings of approximately S\$501.9 million (77.5% of current liabilities); and (ii) trade and other payables of approximately S\$120.2 million (18.6% of current liabilities).

Non-current liabilities are largely made up of interest-bearing borrowings of approximately S\$3.7 billion (96.8% of non-current liabilities).

As of 30 June 2024, total equity and NAV of Suntec REIT was approximately S\$6.6 billion.

4.2.5 Net Asset Value ("NAV") per unit

Exhibit 8: NAV & NAV per unit at different time periods

	Audited financial statements As of 31-Dec-23	1 st quarter 2024 business updates As of 31-Mar-24	1 st half 2024 results ⁽⁴⁾ As of 30-Jun-24	3 rd quarter 2024 business updates As of 30-Sep-24
NAV attributable to unitholders ⁽¹⁾ (S\$'000)	6,107,793 ⁽²⁾	Not available ⁽³⁾	6,118,672 ⁽⁵⁾	Not available ⁽³⁾
Suntec Units in issue ('000)	2,897,274	Not available ⁽³⁾	2,913,675	Not available ⁽³⁾
Asset management fees paid in units ('000)	12,161	Not available ⁽³⁾	4,297	Not available ⁽³⁾
Total issued and issuable units ('000)	2,909,435	Not available⁽³⁾	2,917,972	Not available⁽³⁾
NAV attributable to unitholders per unit (S\$)	2.10	2.09	2.10	2.07⁽⁶⁾

Sources: Annual report for FY2023, unaudited interim financial statements for 1H2024 and quarterly business updates of Suntec REIT

Notes:

- (1) Represents Suntec Unitholders' funds and excludes the value attributed to non-controlling interests and the value of perpetual securities.



- (2) Suntec REIT's non-current assets, which comprise investment properties, plant and equipment, interests in joint ventures, and derivative assets, constitute 97.22% of total assets. Non-current liabilities, including interest-bearing borrowings, security deposits, derivative liabilities, and deferred tax liabilities, account for 87.85% of total liabilities.*
- (3) We have noted that NAV and Suntec Units in issue are not disclosed in Suntec REIT's quarterly business updates as indicated in the respective cells.*
- (4) The unaudited interim financial statements have been reviewed by Ernst & Young LLP in Singapore in accordance with the Singapore Standard on Review Engagement 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity.*
- (5) Suntec REIT's non-current assets, which comprise investment properties, plant and equipment, interests in joint ventures, and derivative assets, constitute 97.52% of total assets. Non-current liabilities, including interest-bearing borrowings, security deposits, derivative liabilities, and deferred tax liabilities, account for 85.62% of total liabilities.*
- (6) We have used the NAV per unit as of 30 September 2024 of S\$2.07 as the latest available NAV per unit as of LPD.*

Based on the balance sheet as of 31 December 2023, we note that:

- (i) the NAV attributable to Suntec Unitholders was S\$6,107.8 million; and
- (ii) based on the total of 2,909.4 million units, the NAV per unit was S\$2.10⁽¹⁾.

Based on the balance sheet as of 30 June 2024, we note that:

- (i) the NAV attributable to Suntec Unitholders was S\$6,118.7 million; and
- (ii) based on the total of 2,918.0 million units, the NAV per unit was S\$2.10⁽¹⁾.

Based on Suntec REIT's business update presentation as of 30 September 2024⁽²⁾, we note that:

- (i) the NAV per unit was S\$2.07; and
- (ii) this is the latest publicly available NAV per unit and we have used this in our assessment of the Revised Offer.

As of the LPD, we note that:

- (i) there was insufficient publicly available updated information on Suntec REIT's other assets and liabilities to calculate an updated NAV from that of 30 September 2024; and
- (ii) Suntec REIT has released an updated valuation of the underlying property portfolio as of 20 December 2024, announced on 23 December 2024 on the SGX-ST. There was no change in the valuers and valuation methodology as of 20 December 2024 in comparison with that of 31 December 2023. The updated valuation of the properties as of 20 December 2024 is lower than the valuation of the properties as of 31 December 2023 by S\$125.6 million or by 1.06%.

Management has confirmed that other than the announced property valuation update announced on 23 December 2024, there are no material changes in the operations and financial position of Suntec REIT between 30 September 2024 and the LPD.



Based on the balance sheet as of 31 December 2023, 30 June 2024, and the NAV per unit adopted for LPD:

- (i) the Revised Offer Price of S\$1.19 is at a 43.31% discount to the NAV per unit of S\$2.10⁽¹⁾ as of 31 December 2023;
- (ii) the Revised Offer Price of S\$1.19 is at a 43.25% discount to the NAV per unit of S\$2.10⁽¹⁾ as of 30 June 2024; and
- (iii) the Revised Offer Price of S\$1.19 is at a 42.51% discount to the NAV per unit of S\$2.07 adopted as of the LPD, and results in a P/NAV implied by the Revised Offer Price of 0.57x.

Notes:

- (1) The NAV per unit for 31 December 2023 and 30 June 2024 has been rounded to 2 decimal places.
- (2) The Suntec REIT's business update presentation slides was announced on 24 October 2024 on the SGX-ST.

4.2.6 Comparison of historical average P/NAV against the P/NAV implied by the Revised Offer Price

Exhibit 9: Historical average P/NAV

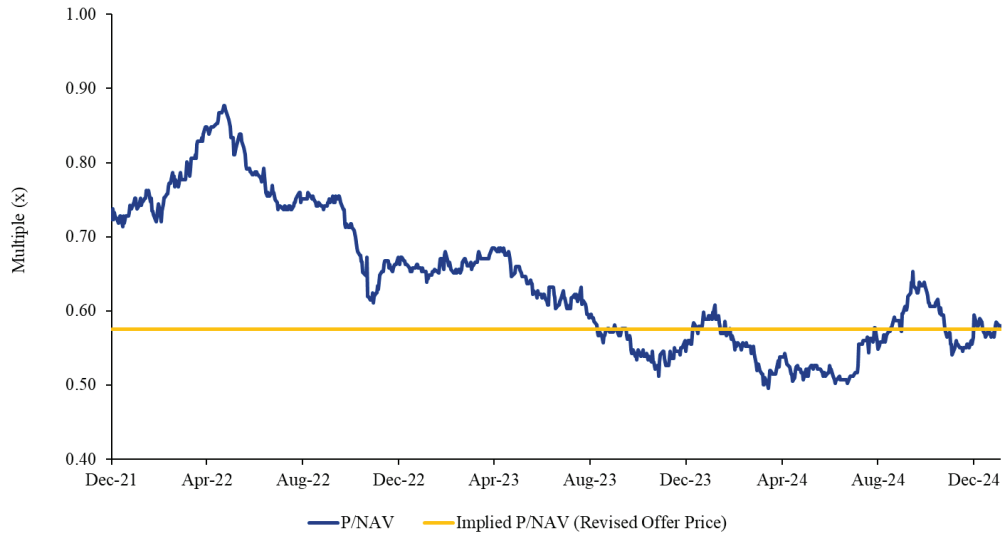
Reference period	From	To	Average P/NAV ^{(1),(2)}
For the periods up to and including the LFTD			
3 years prior to the Offer Announcement Date	5-Dec-21	4-Dec-24	0.64x
1 year prior to the Offer Announcement Date	5-Dec-23	4-Dec-24	0.56x
As of the LFTD	4-Dec-24	4-Dec-24	0.56x
Periods after the LFTD, up to and including the LPD			
Between Offer Announcement Date and the LPD (both dates inclusive)	5-Dec-24	8-Jan-25	0.58x
As of the LPD	8-Jan-25	8-Jan-25	0.58x
P/NAV implied by the Revised Offer Price⁽³⁾			0.57x

Sources: S&P Capital IQ, Suntec REIT filings and KPMG analysis

Notes:

- (1) Multiples shown in the table above are rounded to the nearest two (2) decimal places.
- (2) The historical average P/NAV is computed daily up to and including the LPD and reflects the price per Suntec Unit at the end of each trading day divided by the immediate preceding (based on the announcement dates) i) NAV per Suntec Unit as reported in the first quarter and third quarter business updates or ii) Suntec Unitholders' funds per Suntec Unit as reported in the full year and half year financial results, as sourced from S&P Capital IQ and Suntec REIT filings.
- (3) We have used the NAV per unit as of 30 September 2024 of S\$2.07 as the latest available NAV per unit as of LPD to calculate the P/NAV implied by the Revised Offer Price.

Exhibit 10: Graph of historical average P/NAV against the P/NAV implied by the Revised Offer Price



Sources: S&P Capital IQ, Suntec REIT filings and KPMG analysis

Having benchmarked the P/NAV implied by the Revised Offer Price against the P/NAV for varying periods, we observe the following:

- (i) for periods up to and including the LFTD:
 - implied P/NAV of 0.57x is higher than the historical 1-year average P/NAV of 0.56x and below the historical 3-year average P/NAV of 0.64x.
- (ii) for periods after the LFTD and, up to and including the LPD:
 - implied P/NAV of 0.57x is below the average P/NAV for the period between the Offer Announcement Date and the LPD (both dates inclusive) of 0.58x; and
 - implied P/NAV of 0.57x is below the P/NAV as of the LPD of 0.58x.

4.2.7 Analysis of P/NAV implied by the Revised Offer Price against the P/NAV of Selected Precedent Transactions implied by the price offered

For the purposes of our analysis, we have considered precedent take-over and merger transactions announced and completed since 1 January 2019 and up to the LPD involving REITs and/or business trusts listed on SGX-ST (“**Selected Precedent Transactions**”).

We wish to highlight that the targets involved in the Selected Precedent Transactions as set out in the analysis below may not be directly comparable to Suntec REIT in terms of market capitalisation, size of operations, composition of business activities, asset base, geographical spread, track record, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria.



Each Selected Precedent Transaction should be evaluated based on its own financial and commercial merits. It should also be noted that the Selected Precedent Transactions were completed between 1 January 2019 and LPD and hence may not appropriately reflect the current market conditions.

It should also be noted that the level of premium or discount that an offeror pays in any Selected Precedent Transaction varies in different circumstances depending, amongst other things, on the attractiveness of the underlying business to be acquired, the potential synergies to be gained from integration with an existing business to be acquired, the possibility of significant revaluation of the assets to be acquired, the availability of cash reserves, the liquidity of the target's traded units, the presence of competing bids for the target, the form of consideration offered by an acquirer, the extent of control the acquirer already had in the target and the prevailing market expectations.

The list of Selected Precedent Transactions provided is by no means exhaustive and conclusions drawn from the comparisons may not necessarily provide a meaningful basis that reflects the perceived or implied market valuation of Suntec REIT.

Exhibit 11: Selected Precedent Transactions

Name	Announcement date	Price offered (S\$)	NAV/unit (S\$)	Implied P/NAV	Premium/(discount) of price offered				
					Last closing price prior to offer announcement date	1-month VWAP prior to offer announcement date	3-month VWAP prior to offer announcement date	6-month VWAP prior to offer announcement date	12-month VWAP prior to offer announcement date
OUE Hospitality Trust ⁽¹⁾	8-Apr-2019	0.75	0.75	1.00x	1.6%	3.0%	4.5%	6.7%	0.4%
Ascendas Hospitality Trust ⁽²⁾	3-Jul-2019	1.09	0.99	1.10x	11.5%	13.8%	18.9%	24.0%	31.8%
Frasers Commercial Trust ⁽³⁾	2-Dec-2019	1.68	1.63	1.03x	0.6%	3.6%	3.1%	3.5%	8.2%
Capitaland Commercial Trust ⁽⁴⁾	22-Jan-2020	2.12	1.82	1.17x	0.0%	4.1%	4.8%	3.2%	5.2%
Soilbuild Business Space REIT ⁽⁵⁾	14-Dec-2020	0.54	0.55	0.99x	25.1%	31.6%	31.9%	49.9%	26.3%
ARA LOGOS Logistics Trust ⁽⁶⁾	15-Oct-2021	0.97	0.67	1.45x	3.7%	4.5%	6.2%	10.7%	24.4%
Mapletree North Asia Commercial Trust ⁽⁷⁾	31-Dec-2021	1.19	1.19	1.00x	7.6%	14.4%	17.5%	17.8%	17.3%
SPH REIT ⁽⁸⁾	29-Apr-2022	0.94	0.92	1.02x	(3.9%)	(2.3%)	0.6%	2.0%	4.7%
Minimum				0.99x	(3.9%)	(2.3%)	0.6%	2.0%	0.4%
Median				1.03x	2.7%	4.3%	5.5%	8.7%	12.8%
Mean				1.09x	5.8%	9.1%	10.9%	14.7%	14.8%
Maximum				1.45x	25.1%	31.6%	31.9%	49.9%	31.8%
Suntec REIT (Implied by the Revised Offer Price)	5-Dec-2024	1.19	2.07	0.57x	2.6%	3.8%	(5.0%)	(1.6%)	1.6%

Sources: Relevant SGX-ST filings, respective companies' announcements, circulars and offer/scheme documents and KPMG analysis

Notes:

- (1) On 8 April 2019, OUE Commercial REIT and OUE Hospitality Trust jointly announced the proposed merger of OUE Commercial REIT and OUE Hospitality Trust by way of a trust scheme of arrangement.
- (2) On 3 July 2019, Ascott Residence Trust and Ascendas Hospitality Trust jointly announced the proposed merger of Ascott Residence Trust and Ascendas Hospitality Trust by way of a trust scheme of arrangement.
- (3) On 2 December 2019, Frasers Logistics and Industrial Trust and Frasers Commercial Trust jointly announced the proposed merger of Frasers Logistics and Industrial Trust and Frasers Commercial Trust by way of a trust scheme of arrangement.
- (4) On 22 January 2020, CapitaLand Mall Trust and CapitaLand Commercial Trust jointly announced the proposed merger of CapitaLand Mall Trust and CapitaLand Commercial Trust by way of a trust scheme of arrangement.
- (5) On 14 December 2020, the respective boards of directors of SB REIT Management Pte. Ltd. and Clay Holdings III Limited jointly announced the proposed acquisition of all the issued units in Soilbuild Business Space REIT held by the unitholders by way of a trust scheme of arrangement.



- (6) *On 15 October 2021, ESR-REIT and ARA LOGOS Logistics Trust jointly announced the proposed merger of ESR-REIT and ARA LOGOS Logistics Trust by way of a trust scheme of arrangement.*
- (7) *On 31 December 2021, Mapletree Commercial Trust and Mapletree North Asia Commercial Trust jointly announced the proposed merger of Mapletree Commercial Trust and Mapletree North Asia Commercial Trust by way of a trust scheme of arrangement.*
- (8) *On 29 April 2022, Cuscaden Peak Pte. Ltd. ("Cuscaden") released an announcement that Cuscaden will make a mandatory cash offer for all the units in SPH REIT (currently known as Paragon REIT) other than those already owned, controlled or agreed to be acquired by Cuscaden and parties acting in concert with Cuscaden.*

In respect of the Selected Precedent Transactions, we observe the following:

- (i) implied P/NAV of the Revised Offer Price of 0.57x is below the implied P/NAV range of values of the Selected Precedent Transactions of 0.99x to 1.45x;
- (ii) the marginal premium of 1.6% implied by the Revised Offer Price over the 12-month VWAP prior to the Offer Announcement Date is:
 - within the range of the corresponding premia of the Selected Precedent Transactions of 0.4% to 31.8%; and
 - less than the median premium of 12.8% and the mean premium of 14.8% of the Selected Precedent Transactions.
- (iii) the discount of 1.6% implied by the Revised Offer Price to the 6-month VWAP prior to the Offer Announcement Date is:
 - less than the range of the corresponding premia of the Selected Precedent Transactions of 2.0% to 49.9%; and
 - less than the median premium of 8.7% and the mean premium of 14.7% of the Selected Precedent Transactions.
- (iv) the discount of 5.0% implied by the Revised Offer Price to the 3-month VWAP prior to the Offer Announcement Date is:
 - less than the range of the corresponding premia of the Selected Precedent Transactions of 0.6% to 31.9%; and
 - less than the median premium of 5.5% and the mean premium of 10.9% of the Selected Precedent Transactions.
- (v) the premium of 3.8% implied by the Revised Offer Price over the 1-month VWAP prior to the Offer Announcement Date is:
 - within the range of the corresponding premia of the Selected Precedent Transactions of (2.3%) to 31.6%; and
 - less than the median premium of 4.3% and the mean premium of 9.1% of the Selected Precedent Transactions.



(vi) the premium of 2.6% implied by the Revised Offer Price over the last closing price of Suntec Units prior to the Offer Announcement Date is:

- within the range of the corresponding premia of the Selected Precedent Transactions of (3.9%) to 25.1%; and
- less than the median premium of 2.7% and the mean premium of 5.8% of the Selected Precedent Transactions.

4.2.8 Analysis of P/NAV implied by the Revised Offer Price as compared to Suntec REIT Comparable Trusts

Historical trading multiples are related to how a listed entity is perceived by the stock market and subject to market efficiency and rationality, reflect the information relevant to an entity such as its business direction, plans and strategies, expected financial performance, future prospects and potential growth, and are susceptible to, amongst other things, the degree of broker coverage of the entity, trading liquidity, investor sentiment and market speculation.

We have compared the P/NAV of Suntec REIT implied by the Revised Offer Price with comparable REITs and business trusts listed on SGX-ST which predominantly own office and retail assets in Singapore and which in our view, are broadly comparable to Suntec REIT ("**Suntec REIT Comparable Trusts**").

We wish to highlight that the Suntec REIT Comparable Trusts are not exhaustive and there may not be any entity that is directly comparable to Suntec REIT in terms of, inter alia, market capitalisation, size of operations, clientele base, composition of business activities, asset base, geographical spread, track record, operating and financial leverage, risk profile, liquidity, accounting policies, adherence to accounting standards, tax factors, future prospects and other relevant criteria. As such, any comparison made with respect to the Suntec REIT Comparable Trusts is intended to serve as an illustrative guide only. The conclusions drawn from such comparisons, therefore, may not necessarily reflect the perceived or implied market valuation of Suntec REIT as of the LPD.

In assessing the financial terms of the Revised Offer, we have used NAV-based valuation parameter i.e. P/NAV. P/NAV illustrates the comparison between a company's stock price or market value versus the book value of the entity's total common equity as indicated on its balance sheet. The P/NAV approach shows the extent to which the value of each share is backed by assets and would be relevant if the entity decides to realise or convert the use of all or most of its assets and represents an asset-based relative valuation methodology.

Exhibit 12: Brief description of Suntec REIT Comparable Trusts

Name	Business description
CapitaLand Integrated Commercial Trust	Listed on the SGX-ST in July 2002 as CapitaLand Mall Trust, CapitaLand Integrated Commercial Trust became the first and largest REIT on the exchange. It was renamed in November 2020 following a merger with CapitaLand Commercial Trust. The trust specialises in the ownership and management of income-generating commercial properties, such as retail and office spaces. It holds a portfolio of 21 properties in Singapore, two in Frankfurt, Germany, and three in Sydney, Australia. The total portfolio is valued at approximately S\$24.5 billion.
Mapletree Pan Asia Commercial Trust	Listed on the SGX-ST in April 2011, Mapletree Pan Asia Commercial Trust, originally named Mapletree Commercial Trust, was renamed following a merger with Mapletree North Asia Commercial Trust. The trust is focused on investing in a diverse portfolio of income-producing real estate, mainly for office and retail purposes, in key Asian gateway cities like Singapore, Hong Kong, China, Japan, and South Korea. It manages a portfolio of 17 commercial properties across Asia, with total assets under management valued at approximately S\$15.5 billion.
Frasers Centrepoint Trust	Listed on the SGX-ST in July 2006, Frasers Centrepoint Trust is a retail REIT owning suburban retail malls in Singapore. The trust has a portfolio that includes nine retail malls and one office building, all located in suburban areas near residential zones and transportation facilities. These properties provide a total of about 2.7 million square feet of net lettable area, supporting over 1,700 leases. The assets under management are valued at approximately S\$7.1 billion.
Keppel REIT	Listed on the SGX-ST in April 2006, Keppel REIT is managed by Keppel REIT Management Limited and sponsored by Keppel Corporation, known for its global expertise in infrastructure, real estate, and connectivity. The REIT's portfolio comprises 13 Grade A commercial assets located in prime business districts across Singapore, Sydney, Melbourne, Perth, Seoul, and Tokyo, valued at approximately S\$9.5 billion.
Paragon REIT	Listed on the SGX-ST in July 2013, Paragon REIT, formerly known as SPH REIT, is a Singapore-based REIT that focuses on retail and mixed-use properties in Singapore and Australia. The portfolio includes five assets, with the Singapore properties having an aggregate net lettable area of approximately 960,000 square feet and the Australian properties a gross lettable area of about 1.7 million square feet. The total portfolio is valued at approximately S\$4.1 billion.
OUE Real Estate Investment Trust	Listed on the SGX-ST in January 2014, OUE REIT, formerly known as OUE Commercial REIT, is a Singapore-based REIT. It encompasses over 2.2 million square feet of prime office, hospitality, and retail spaces, consisting of six properties in Singapore and one in Shanghai. The portfolio is valued at approximately S\$6.3 billion.
Lendlease Global Commercial REIT	Listed on the SGX-ST in October 2019, Lendlease Global Commercial REIT aims to invest in a portfolio of stabilised income-producing real estate used mainly for retail and/or office purposes. This includes leasehold properties in Singapore and freehold interests in three Grade A commercial buildings in Milan. The portfolio features a net lettable area of 2.0 million square feet, with an appraised value of approximately S\$3.7 billion.
Starhill Global Real Estate Investment Trust	Listed on the SGX-ST in September 2005, Starhill Global REIT is a Singapore-based REIT focusing on retail and office properties. The REIT's portfolio consists of nine properties spread across Singapore, Australia, Malaysia, Japan, and China. The total portfolio is valued at approximately S\$2.8 billion.

Sources: Annual reports and press releases of respective companies



Exhibit 13: Suntec REIT Comparable Trusts trading P/NAV

Name	Country	Market capitalisation ⁽¹⁾ (S\$'mn)	P/NAV ⁽²⁾
CapitaLand Integrated Commercial Trust	Singapore	14,232	0.99x
Mapletree Pan Asia Commercial Trust	Singapore	6,369	0.71x
Frasers Centrepoint Trust	Singapore	3,889	0.93x
Keppel REIT	Singapore	3,383	0.68x
Paragon REIT	Singapore	2,527	0.95x
OUE Real Estate Investment Trust	Singapore	1,593	0.49x
Lendlease Global Commercial REIT	Singapore	1,333	0.72x
Starhill Global Real Estate Investment Trust	Singapore	1,157	0.71x
Minimum			0.49x
Median			0.72x
Mean			0.77x
Maximum			0.99x
Suntec REIT (Implied by the Revised Offer Price)	Singapore	3,476	0.57x

Sources: S&P Capital IQ, annual reports, financial statements and business updates presentation slides of respective companies

Notes:

- (1) Market capitalisation as of the LPD.*
- (2) P/NAV computed based on unit price as of the LPD and the NAV per unit to unitholders (calculated as net assets less value of perpetual securities and non-controlling interest divided by outstanding issued units) as of the latest disclosed information from audited/unaudited financial statements or the available quarterly investor presentations.*

Based on the above table, we observe the P/NAV implied by the Revised Offer Price of 0.57x is below the median and mean P/NAV of the Suntec REIT Comparable Trusts.

4.3 Estimated range of value of the Suntec Units

There are three (3) primary approaches typically used in valuing any asset: Income Approach, Market Approach and Asset Approach. Income Approach uses a set of projected cash flows accruing to the underlying asset and discounting them at an appropriate rate to arrive at the value of the asset. Market Approach uses comparable multiples from similar assets either traded or transacted in the relevant market in order to determine the value of underlying asset. Asset Approach uses the concept of cost, including replacement cost, in order to arrive at the value of the underlying asset.

As set out in Section 4.1 and 4.2 of this letter, we have taken into consideration various factors in our evaluation of the financial terms of the Revised Offer, being the Revised Offer Price of S\$1.19 per Suntec Unit. In the absence of any cash flow projections and given the asset-intensive nature of REITs, we are of the view that the Asset Approach and Market Approach are the most appropriate to value the Suntec Units.



Asset Approach

The latest available NAV per unit as of 30 September 2024 represents the value of Suntec REIT's underlying property portfolio and other assets, net of liabilities attributable to each unitholder. We are of the view that the NAV per unit of **S\$2.07** as of **30 September 2024** establishes the **lower limit** of our valuation range.

For the purpose of our analysis, we have not considered certain additional costs involved in relation to the potential disposal of the properties which would depend on several factors including location, size, tenant profile, age, buyer profile, potential synergies to be gained by the potential buyer with their existing investments and prevailing market conditions.

Market Approach

The analysis in Section 4.2.7 compares the P/NAV multiple implied by the Revised Offer Price against P/NAV multiples of Selected Precedent Transactions and the analysis in Section 4.2.8 compares the P/NAV multiple implied by the Revised Offer Price against the P/NAV traded multiples derived from Suntec REIT Comparable Trusts. Of the two, the analysis of Selected Precedent Transactions in Section 4.2.7 captures the market multiples for take-over and merger transactions and therefore in our view, is the better metric for assessing the value for Suntec REIT in the current circumstances. Accordingly, by applying the mean implied P/NAV multiple of 1.09x from Section 4.2.7 to the NAV per Suntec Unit of **S\$2.07** as of LPD, we derive the **higher limit** of our valuation range of **S\$2.26** per Suntec Unit.

Based on these considerations, the range of values for the Suntec Units is estimated to be between **S\$2.07** and **S\$2.26**.

5 OTHER RELEVANT CONSIDERATIONS

5.1 Analysts' forecasts

We have reviewed the recommendations and target prices of the Suntec Units in the research reports of various analysts as provided below.



Exhibit 14: Summary of target prices by various analysts up to the LPD

Analysts	Date of report	Target price (S\$)
Bank of America	25-Oct-24	1.25
CGS International	25-Oct-24	1.38
CLSA	6-Dec-24	1.12
DBS Research	25-Oct-24	1.15
HSBC Global Research	6-Dec-24	1.20
JP Morgan	6-Jan-25	1.15
Maybank Research	25-Nov-24	1.25
Morgan Stanley	6-Dec-24	1.10
OCBC	25-Oct-24	1.19
Phillip Securities	29-Oct-24	1.36
RHB Invest	6-Dec-24	1.35
UBS	6-Dec-24	1.05
UOB Kay Hian	21-Nov-24	1.18
Average		1.21
Revised Offer Price		1.19

Sources: Latest research reports published by the respective analysts

We observe that the Revised Offer Price of S\$1.19 per Suntec Unit represents a discount of approximately 1.65% to the average target prices estimated by various analysts of S\$1.21 per Suntec Unit.

We wish to highlight that the above analyst research universe may not be exhaustive and price targets for Suntec REIT and other statements and opinions contained in the reports within the universe used represent the individual views of the research analyst based on the circumstances (including, *inter alia*, market, economic, industry and monetary conditions as well as market sentiment and investor perceptions regarding the future prospects of Suntec REIT) prevailing at the date of the publication of the respective reports. The opinions of these analysts may change over time as a result of, among other things, changes in market conditions, Suntec REIT's market development and the emergence of new information relevant to Suntec REIT. As such, the above price targets may not be an accurate prediction of future market prices of Suntec REIT.

5.2 Adjustment to Revised Offer Price for Distributions

As highlighted in paragraph 2.1(d) of the Offer Announcement, the Offeror reserves the right to reduce the Revised Offer Price to the extent of any distributions and/or return of capital declared, made or paid by the Suntec Manager in respect of the Suntec Units (collectively, the "**Distributions**") (if any), the Record Date for which falls on or after the Offer Announcement Date. "**Record Date**" means, in relation to any Distributions, the date on which the transfer books and register of Suntec Unitholders will be closed in order to determine the entitlements of Suntec Unitholders to the Distributions. The adjustments will be dependent on specific timing of the settlement date in respect of the Offer Units tendered in acceptance of the Offer (the "**Offer Settlement Date**") in relation to the Record Date.

For the benefit of Suntec Unitholders, we have presented the Distributions declared by Suntec REIT over the past 11 quarters, consisting of both the taxable income component and a tax-exempt income component.



Exhibit 15: Historical Distribution per Suntec Unit in Singapore cents

Financial period	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
FY2024	1.511	1.531	1.580	To be declared
FY2023	1.737	1.739	1.793	1.866
FY2022	2.391	2.419	2.084	1.990

Sources: Relevant SGX-ST filings and announcements of Suntec REIT

On 24 October 2024, Suntec REIT announced the Distribution for the period 1 July 2024 to 30 September 2024 of 1.580 Singapore cents per Suntec Unit. The books closure date for this distribution was 4 November 2024 and eligible holders of Suntec Units received this distribution on 28 November 2024.

In the event of any such Distribution, the Revised Offer Price payable to a Suntec Unitholder who validly accepts or has validly accepted the Offer shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the Offer Settlement Date falls. It is relevant to note that the 4th quarter Distribution for FY2024 has not been declared.

If the Offer Settlement Date falls on or before the Record Date for the Distribution, the Offeror will pay the relevant accepting Unitholders the unadjusted Revised Offer Price for each Offer Unit, as the Offeror will receive the Distribution in respect of such Offer Units from the REIT Manager; and if the Offer Settlement Date falls after the Record Date for this Distribution, the Revised Offer Price payable for such Offer Units tendered in acceptance shall be reduced by an amount which is equal to the Distribution in respect of such Offer Units, as the Offeror will not receive such Distribution from the REIT Manager.

These Distributions presented above are not in any way indicative of any Distributions that Suntec REIT may declare in the future and should not in any way be construed as a dividend or distribution forecast.

5.3 No alternative offer

The Suntec Manager has confirmed that they have not received any offer for any of the individual investment properties under the portfolio of Suntec REIT ("**Suntec Properties**"), nor have they received any alternative or competing offer for the Suntec Units as of the LPD.

5.4 Dealings of Suntec Units by the Offeror Concert Party Group

Based on the latest information available to the Offeror as of the LPD and responses received pursuant to enquiries that the Offeror has made, the details of the dealings in Suntec Units by the Offeror Concert Party Group during the period commencing six (6) months prior to the Offer Announcement Date and ending on the LPD ("**Reference Period**").



Exhibit 16: Dealings of Suntec Units by the Offeror Concert Party Group during the Reference Period

Name	Date	Dealing	Aggregate no. of units	Transaction price of the units (S\$) ⁽¹⁾
Chong Nui Sian	1-Oct-24	Sell	203,500	1.34
Chong Nui Sian	2-Oct-24	Sell	46,500	1.34
Offeror	18-Nov-24	Buy	500,000	1.15
Offeror	19-Nov-24	Buy	500,000	1.15
GT and CT (held jointly) ⁽²⁾	19-Nov-24	Buy	124,000	1.14
Offeror	20-Nov-24	Buy	500,000	1.14
GT and CT (held jointly) ⁽²⁾	20-Nov-24	Buy	276,000	1.14
GT and CT (held jointly) ⁽²⁾	21-Nov-24	Buy	8,400	1.13
Offeror	21-Nov-24	Buy	300,000	1.14
Offeror	22-Nov-24	Buy	300,000	1.14
GT and CT (held jointly) ⁽²⁾	22-Nov-24	Buy	51,500	1.13
Offeror	25-Nov-24	Buy	300,000	1.14
GT and CT (held jointly) ⁽²⁾	25-Nov-24	Buy	200,000	1.14
Offeror	26-Nov-24	Buy	400,000	1.14
GT and CT (held jointly) ⁽²⁾	27-Nov-24	Buy	154,700	1.14
Offeror	28-Nov-24	Buy	250,000	1.15
GT and CT (held jointly) ⁽²⁾	29-Nov-24	Buy	400,000	1.15
Offeror	29-Nov-24	Buy	1,500,000	1.15
Offeror	2-Dec-24	Buy	250,000	1.15
Offeror	5-Dec-24	Buy	62,541,700	1.16
Offeror	23-Dec-24	Buy	2,756,800	1.16
Offeror	8-Jan-25	Buy	18,031,000	1.19

Sources: Offer Document, Offer Announcement and Suntec REIT's announcements on SGX-ST

Notes:

- (1) Rounded to the nearest two (2) decimal places.
- (2) Tang Yigang @ Gordon Tang ("GT") and Chen Huaidan @ Celine Tang ("CT")

Based on the above table, we note the following:

- (i) between 18 November 2024 and 2 December 2024, the Offeror Concert Party Group acquired Suntec Units at a price range of S\$1.13 to S\$1.15, which is lower than the Revised Offer Price; and
- (ii) the Revised Offer Price of S\$1.19 represents the highest transaction price paid by the Offeror Concert Party Group for Suntec Unit during the Reference Period and is compliant with the Code.

6 OPINION

In arriving at our opinion to the Independent Directors, we have carefully considered the financial information that has been made available to us, and the above factors set forth in this letter including amongst other things, the following:



6.1 Assessment of fairness of the Revised Offer

In determining the fairness of the Revised Offer from a financial point of view, we have compared the P/NAV implied by the Revised Offer Price of 0.57x with the P/NAV of the following:

- (i) Historical periods;
 - implied P/NAV of 0.57x is higher than the historical 1-year average P/NAV of 0.56x and below the historical 3-year average P/NAV of 0.64x;
 - implied P/NAV of 0.57x is below the average P/NAV for the period between the Offer Announcement Date and the LPD (both dates inclusive) of 0.58x; and
 - implied P/NAV of 0.57x is below the P/NAV as of the LPD of 0.58x.
- (ii) Selected Precedent Transactions;
 - implied P/NAV of 0.57x is below the implied P/NAV range of values of the Selected Precedent Transactions of 0.99x to 1.45x;
- (iii) Suntec REIT Comparable Trusts;
 - implied P/NAV of 0.57x is within the range of that of the Suntec REIT Comparable Trusts of 0.47x to 0.99x; and
 - implied P/NAV of 0.57x is below the median and mean P/NAV of the Suntec REIT Comparable Trusts of 0.72x and 0.77x respectively.

After careful consideration of the information above, and that the Revised Offer Price of S\$1.19 is lower than our value range of S\$2.07 and S\$2.26 shown under Section 4.3, we are of the view that the Revised Offer is **NOT FAIR**.

6.2 Assessment of reasonableness of the Revised Offer

In determining the reasonableness of the Revised Offer, we have considered other matters as well as the value of the units. In particular, we have assessed:

- (i) rationale for the Revised Offer and the Offeror's intention for Suntec REIT;
- (ii) the premium implied in the Revised Offer Price;

Comparison of the premium or discount of the Revised Offer Price with the historical VWAPs of Suntec Units:

- the Revised Offer Price represents a premium of approximately 1.62% and 3.84% over the 12-month and 1-month VWAP of the Suntec Units, respectively, and a discount of approximately 1.57% and 5.03% to the 6-month and 3-month VWAP of the Suntec Units, respectively. The Revised Offer Price represents a premium of 2.59% over the last closing price as of the LFTD; and



- the Revised Offer Price represents a discount of approximately 0.08% to the VWAP for the period between the Offer Announcement Date and up to and including the LPD (both dates inclusive), and a discount of approximately 0.83% to the last closing price as of the LPD.

Comparison of the premium or discount of the Revised Offer Price with Selected Precedent Transactions:

- the marginal premium of 1.6% over the 12-month VWAP prior to the Offer Announcement Date is within the range of the corresponding premia of the Selected Precedent Transactions of 0.4% to 31.8% and less than the median premium of 12.8% and the mean premium of 14.8% of the Selected Precedent Transactions;
- the discount of 1.6% to the 6-month VWAP prior to the Offer Announcement Date is less than the range of corresponding premia of the Selected Precedent Transactions of 2.0% to 49.9% and less than the median premium of 8.7% and the mean premium of 14.7% of the Selected Precedent Transactions;
- the discount of 5.0% to the 3-month VWAP prior to the Offer Announcement Date is less than the range of corresponding premia of the Selected Precedent Transactions of 0.6% to 31.9% and less than the median premium of 5.5% and the mean premium of 10.9% of the Selected Precedent Transactions;
- the premium of 3.8% over the 1-month VWAP prior to the Offer Announcement Date is within the range of corresponding premia of the Selected Precedent Transactions of (2.3%) to 31.6% and less than the median premium of 4.3% and the mean premium of 9.1% of the Selected Precedent Transactions; and
- the premium of 2.6% over the last closing price of Suntec Units prior to the Offer Announcement Date is within the range of corresponding premia of the Selected Precedent Transactions of (3.9%) to 25.1% and less than the median premium of 2.7% and the mean premium of 5.8% of the Selected Precedent Transactions.

(iii) the liquidity of the units;

- the last 12M ADT volume of Suntec Units as a percentage of free float is higher than the median last 12M ADT volume as a percentage of free float of 0.40% the STI Constituents; and
- the last 12M ADT value of Suntec Units as a percentage of market capitalisation is higher than both the mean and median last 12M ADT value as a percentage of market capitalisation of 0.24% and 0.20% respectively of the STI Constituents.

Given the liquidity of Suntec Units, should the market price of Suntec Units be above the Revised Offer Price prior to the close or lapse of the Offer, Suntec Unitholders may be able to obtain the higher market price with relative ease. We observe that as of the LPD, the closing price of the Suntec Units is S\$1.20, which is higher than the Revised Offer Price of S\$1.19.

Suntec Unitholders should be cognizant of brokerage and other costs, if any, while making the comparison between the market price of the units on any given day and the Revised Offer Price. We would like to also note that past liquidity of Suntec Units may not necessarily be an



indication of the future liquidity of Suntec Units and that there is no assurance that the liquidity of Suntec Units will remain at the same level after the close or lapse of the Revised Offer;

(iv) the analyst price targets;

the Revised Offer Price represents a discount of approximately 1.65% to the average target prices estimated by various analysts of S\$1.21 per Suntec Unit; and

(v) the availability of alternative or competing offer received by the Suntec Manager;

the Suntec Manager has confirmed that they have not received any offer for any of the individual Suntec Properties, nor have they received any alternative or competing offer for the Suntec Units as of the LPD.

After careful consideration of the information above, we are of the view that the Revised Offer is **NOT REASONABLE**.

6.3 Our opinion on the Revised Offer

In conclusion, after carefully considering the information available to us and our analysis set out above as of the LPD, and based upon the monetary, industry, market, economic and other relevant conditions subsisting as of the LPD, and subject to our terms of reference as set out in Section 2 of this letter, we are of the opinion that the financial terms of the Revised Offer are NOT FAIR and NOT REASONABLE from a financial point of view.

Accordingly, we advise the Independent Directors to recommend that the Suntec Unitholders REJECT the Revised Offer.

This opinion is prepared and delivered pursuant to the Code as well as addressed to the Independent Directors, in connection with and for the purpose of their consideration of the Revised Offer. Any statement or recommendation made by the Independent Directors in respect of the terms of the Revised Offer shall remain their responsibility. Our opinion does not and cannot consider future circumstances, including market, economic, industry, monetary and other conditions after LPD as these are factors beyond the ambit of our review.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours truly,

For and behalf of

KPMG Corporate Finance Pte Ltd