

SUNTEC REIT EXTRAORDINARY GENERAL MEETING

Acquisition of 50.0% interest in Two Grade A Office Buildings with Ancillary Retail in Victoria, West End, London, United Kingdom

4 December 2020



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A photograph of a modern, multi-story building with a glass and metal facade. The building has a distinctive design with vertical metal panels and large glass windows. In the foreground, there is a paved sidewalk with several people walking. A large, leafy green tree stands on the left side of the sidewalk. To the right of the tree, there is a small outdoor seating area with white umbrellas and a black sign that says "Nova". The sky is clear and blue.

Acquisition Overview

Acquisition Overview

- Proposed acquisition of 50.0% interest in Nova North, Nova South and The Nova Building, comprising two high quality multi-tenanted office buildings with ancillary retail development
- Strategically located in Victoria, West End
- Agreed property value of £430.6 mil (~S\$766.5 mil)¹
- NPI yield of 4.6%²
- DPU accretion: 2.3%³
- 100% committed occupancy with long weighted average lease expiry (“WALE”) of 11.1 years⁴
- 2-year guarantee on retail income
- Expected completion in December 2020 subject to Suntec REIT's Unitholders' approval



Notes:

¹ Based on 50.0% interest and exchange rate of £1 : S\$1.78

² Based on passing income as at 30 June 2020 divided by total acquisition cost of £439.4 million (approximately S\$782.1 million).

³ Illustrative DPU accretion based on pro forma financial effects of the acquisition for FY2019, as if the acquisition was completed on 1 January 2019 and on the assumption that the acquisition is funded with a combination of debt and perpetual securities.

⁴ Based on net lettable area as at 30 June 2020

Property Information

Description	Nova North, Nova South and The Nova Building ¹ (“Nova Properties”)
Title	Leasehold expiring on 27 April 3062 (1,042 years remaining)
Year of Completion	2016/2017
Agreed Property Value²	£430.6 mil (\$\$766.5 mil) (1.2% discount to independent valuation ³ of £436.0 mil (\$\$776.1 mil)
NPI Yield	4.6% ⁴
Developer/Asset Manager	Land Securities (“Landsec”)
Sustainability	Office BREEAM rating ‘Very Good’ ⁵ Retail BREEAM rating ‘Good’ ⁵

Tenancy Information⁶	Office	Retail	Total
Net Lettable Area (“NLA”) (sq ft)	480,292 (85.9%)	78,811 (14.1%)	559,103 (100%)
Committed Occupancy⁷	100%	100%	100%
No. of tenants	17	18	35
Weighted Average Lease Expiry (“WALE”) (Years)⁷	10.6	14.1	11.1

Notes:

¹ The Nova Building consists of retail units on the ground floor and 170 residential units. While the acquisition includes the ground lease in relation to the residential units, the 170 residential units are excluded from the transaction.

² Based on 50.0% interest and exchange rate of £1 : \$\$1.78

³ Independent valuation conducted by Jones Lang LaSalle Limited dated 1 September 2020

⁴ Based on passing income as at 30 June 2020 divided by total acquisition cost

⁵ BREEAM (Building Research Establishment Environmental Assessment Method) provides independent certification of the sustainability performance of buildings

⁶ Based on 100% interest

⁷ Based on net lettable area as at 30 June 2020



High Quality Grade A Property

Distinctive Design



Contemporary Office Lobby



Column Free Floor Plates



Variety of Retail Offerings

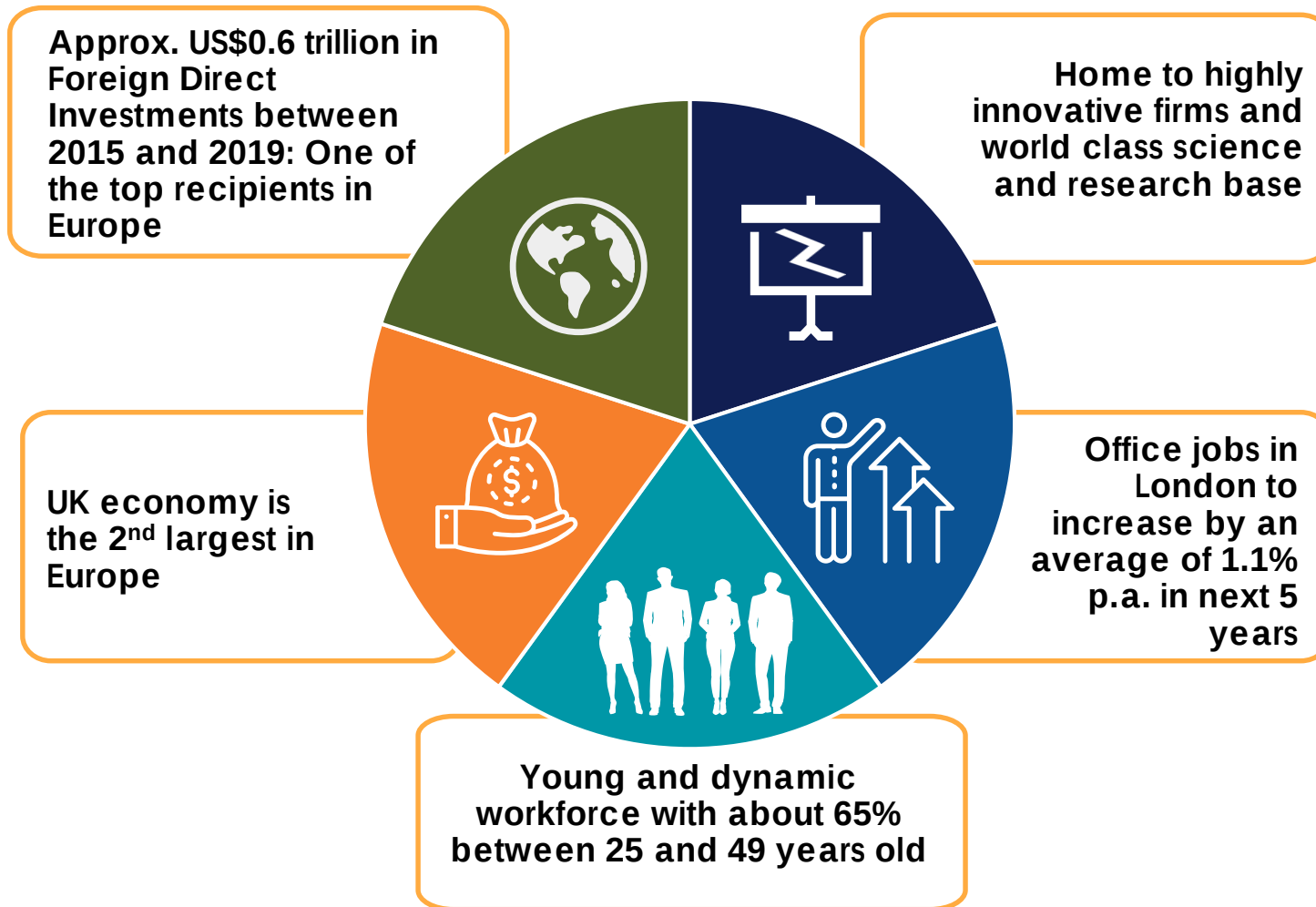


Strategic Fit with Suntec REIT's Existing Portfolio

An aerial photograph of a dense urban environment. In the foreground, a large, modern building with a distinctive red glass facade and a white diamond-patterned structural grid stands out. To its left is a long, multi-story building with a white facade and a flat roof featuring greenery. The surrounding area is filled with various other buildings, including older brick structures and modern glass-fronted ones. A street with traffic, including red double-decker buses, is visible in the lower right. The overall scene depicts a vibrant, modern city center.

Rationale for Expanding into UK

Strong Fundamentals of the UK Economy



UK is a Highly Attractive Investment Destination

Sources: JLL Research dated September 2020 and Statista

London's Commercial Property Market



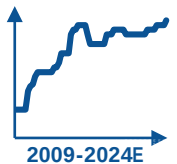
CBD Office stock is the largest amongst key European cities, providing liquidity for investments

Office Leasing demand supported by London's attractiveness as a global hub for businesses and talent to converge



Vacancy rate to remain stable due to limited new supply

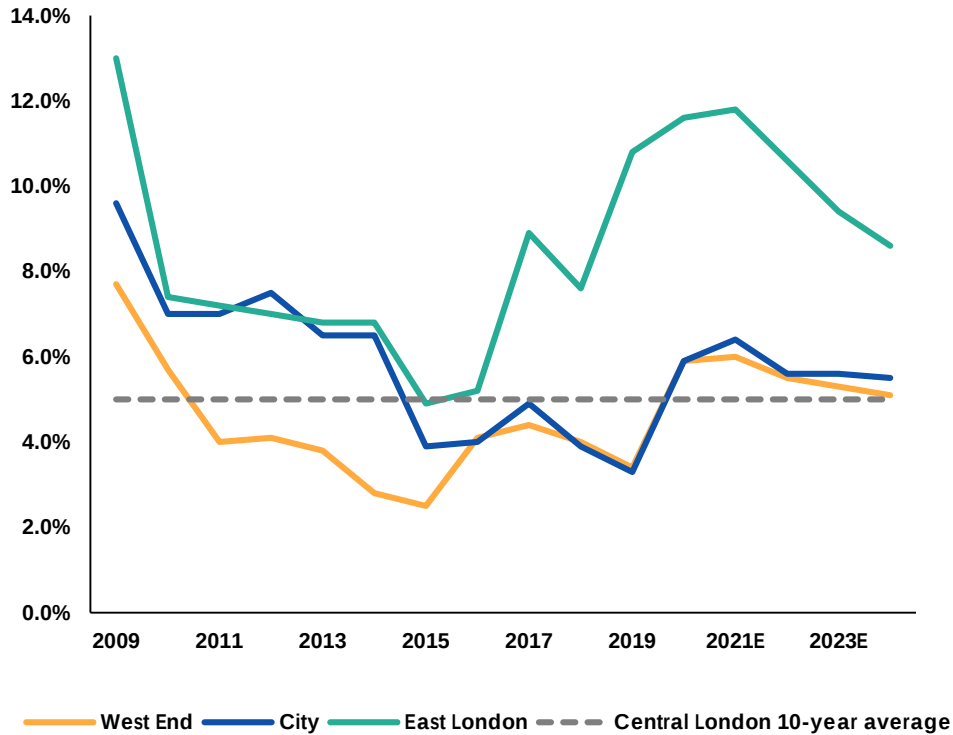
Prime rents in West End expected to improve in the medium term underpinned by limited new supply and recovery of economy



Property Market is Expected to be Resilient in the Long Term

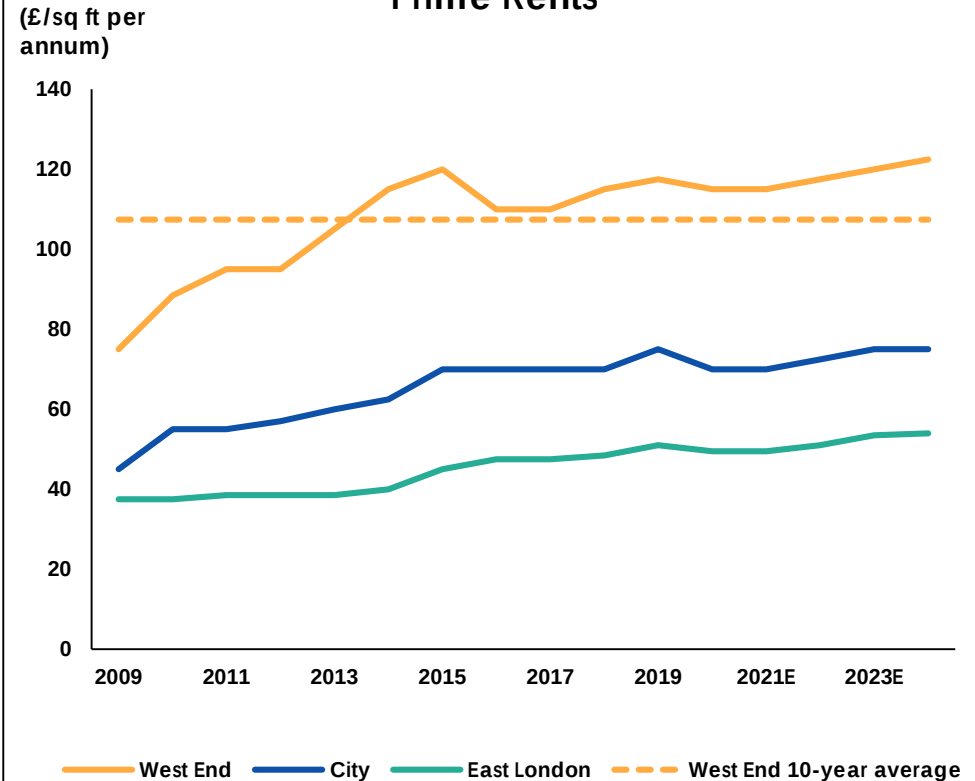
Central London's Property Market

Vacancy Rate

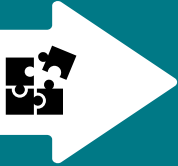


Vacancy Rate to Remain Stable due to Limited New Supply

Prime Rents

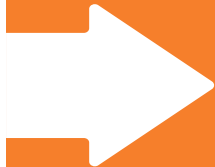


Prime Rents to Improve in the Medium Term Underpinned by Limited New Supply and Recovery of Economy



Office Still Has A Central Role

- Surveys show that employees want to work at home 1 to 2 days per week
- Office space facilitates essential face-to-face interactions that technology cannot replicate



De-densification

- More space needed to maintain physical distancing



Full Impact of COVID-19 Not Clear At This Stage

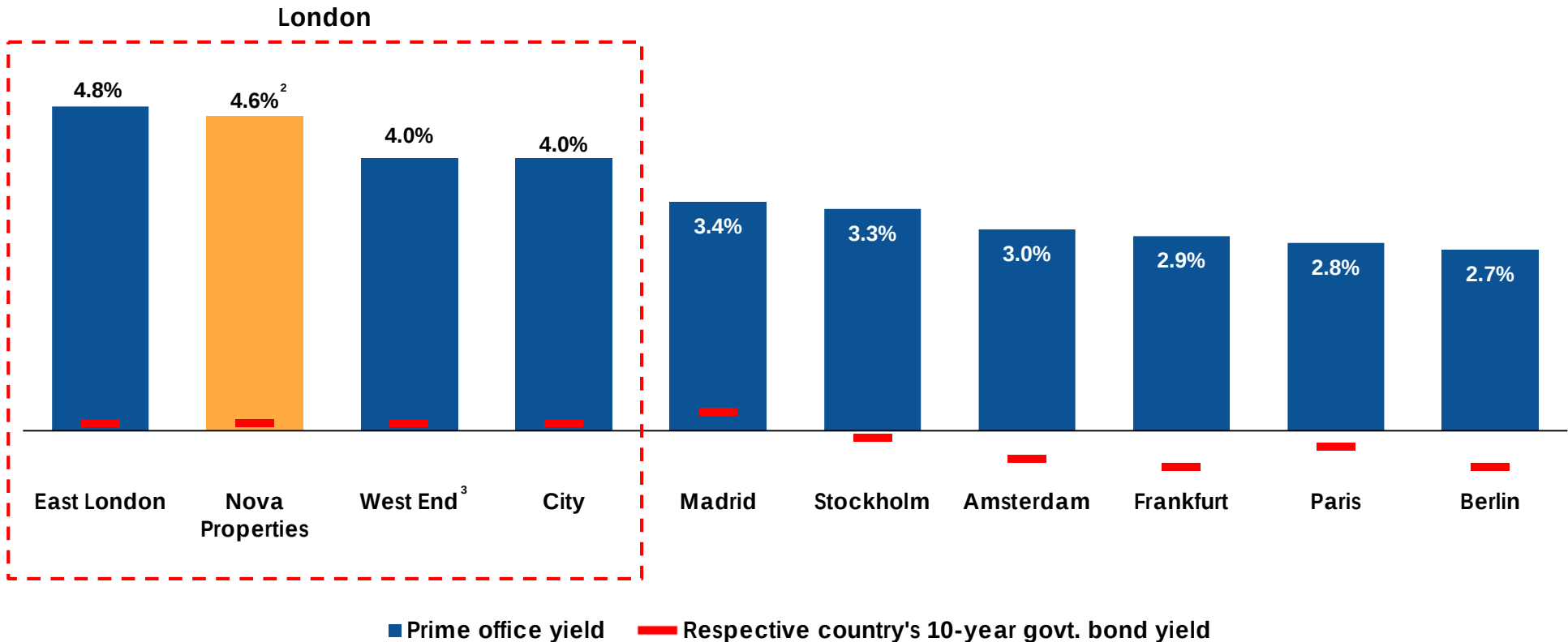
- Companies are still evaluating office space needs
- Impact on office demand will have a lagged effect due to the typical long lease tenure of approx. 10 years



Recovery of Economy in the Longer Term Will Positively Impact Demand for Office Space

Acquisition of Prime Grade A Asset at Attractive Valuation

Yield¹ of London & Key European Cities



London Cap Rates Compare Favourably to European Counterparts

Notes:
¹Based on passing income, expressed as a percentage of capital value, after adding notional purchaser's costs
²Based on passing income as at 30 June 2020 divided by total acquisition cost
³Based on property transactions which were more than £125 mil in value
Source: JLL Research dated September 2020

Recent Transactions in Central London

Property	Transaction Date	Size (sq ft)	Price (£ mil)	Capital Value (£ psf)	Yield ¹	Year of Building Completion / Major Refurbishment
Nova Properties, Victoria, SW1 (the Acquisition)	2020 Q4	559,103	430.6 (50.0% interest)	1,540	4.6%²	2016/2017
Sanctuary Buildings, SW1, West End	2020 Q1	225,428	300.0	1,331	4.0%	Major refurbishment completed in 2009
The Post Building, WC1, West End	2019 Q4	302,300	607.5	2,011	4.0%	2019
1 New Oxford Street, WC1, West End	2020 Q3	109,300	173.0	1,583	4.2%	Major refurbishment completed in 2017
25 Cabot Square, E14, Canary Wharf	2020 Q3	481,605	380.0	790	4.6% ³	Major refurbishment completed in 2020

Notes:

¹ Based on passing income, expressed as a percentage of capital value, after adding notional purchaser's costs

² Based on passing income as at 30 June 2020 divided by total acquisition cost

³ Yield has been reported between 4.6% and 4.9%.

Source: JLL Research dated September 2020

An aerial night photograph of a city skyline. The central focus is a modern, multi-story glass skyscraper with a distinctive, angular, crystalline structure. It is brightly lit from within, making it stand out against the dark sky. To its left is a tall, curved building with a grid-like facade, also illuminated. The surrounding area is filled with other city buildings, some older and more traditional, and streets with visible traffic and streetlights. The overall scene conveys a sense of urban development and modern architecture.

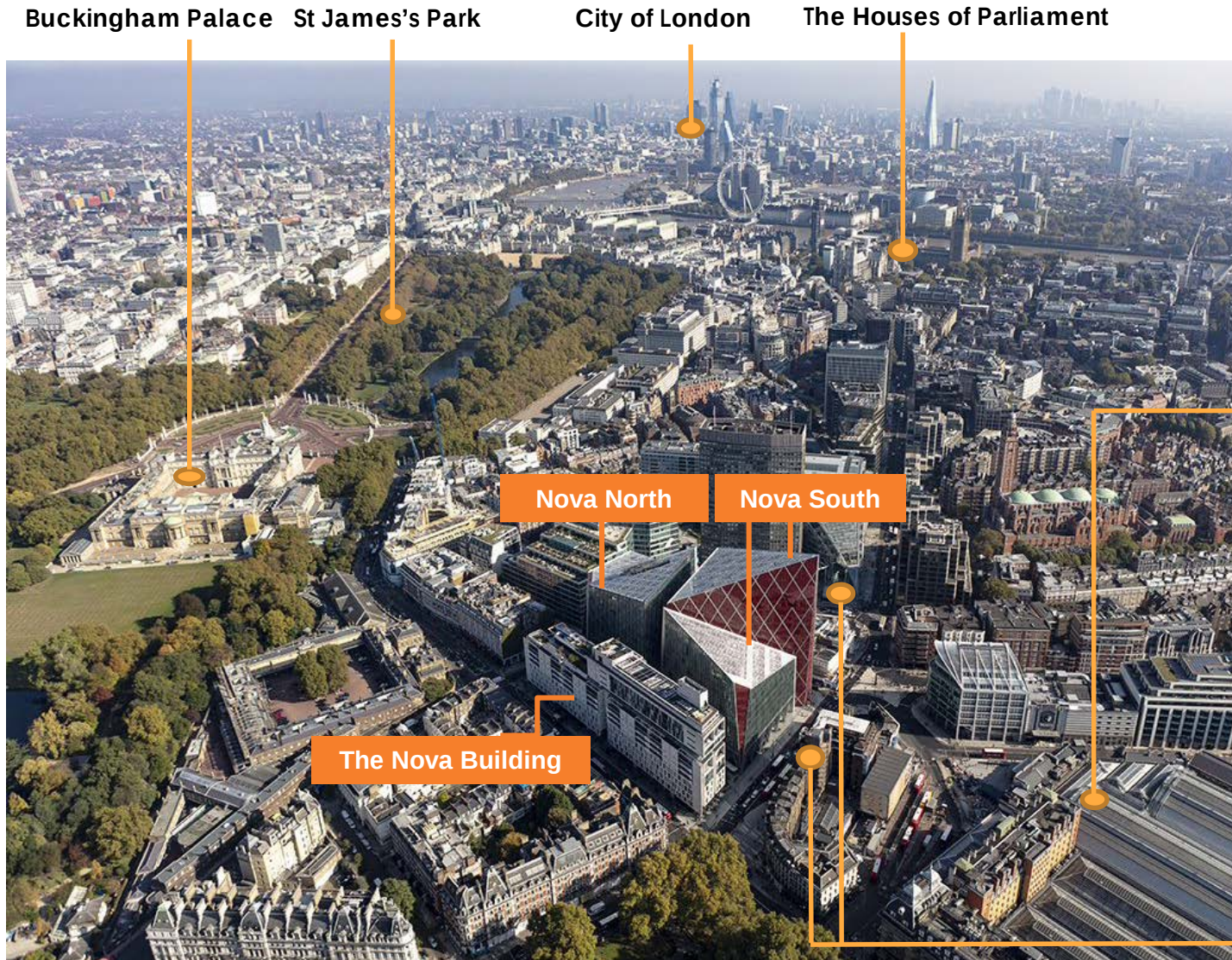
Benefits to Unitholders



Note:

¹ Illustrative DPU accretion based on pro forma financial effects of the acquisition for FY2019, as if the acquisition was completed on 1 January 2019 and on the assumption that the acquisition is funded with a combination of debt and perpetual securities.

High Quality, Grade A Property in Key Location



Strategically located opposite Victoria Station:

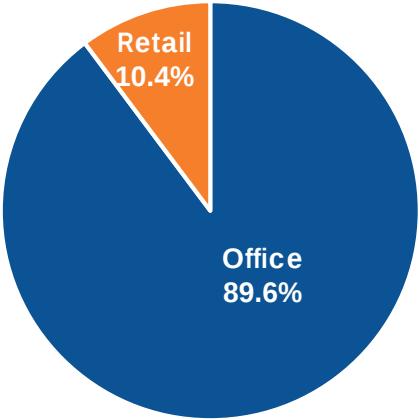
- **2nd busiest railway station in the UK**
- **Interchange for London Underground network and Victoria Coach station**
- **Direct train link to Gatwick Airport**

Entrances to London Underground

Situated in the Heart of Victoria with Exceptional Connectivity

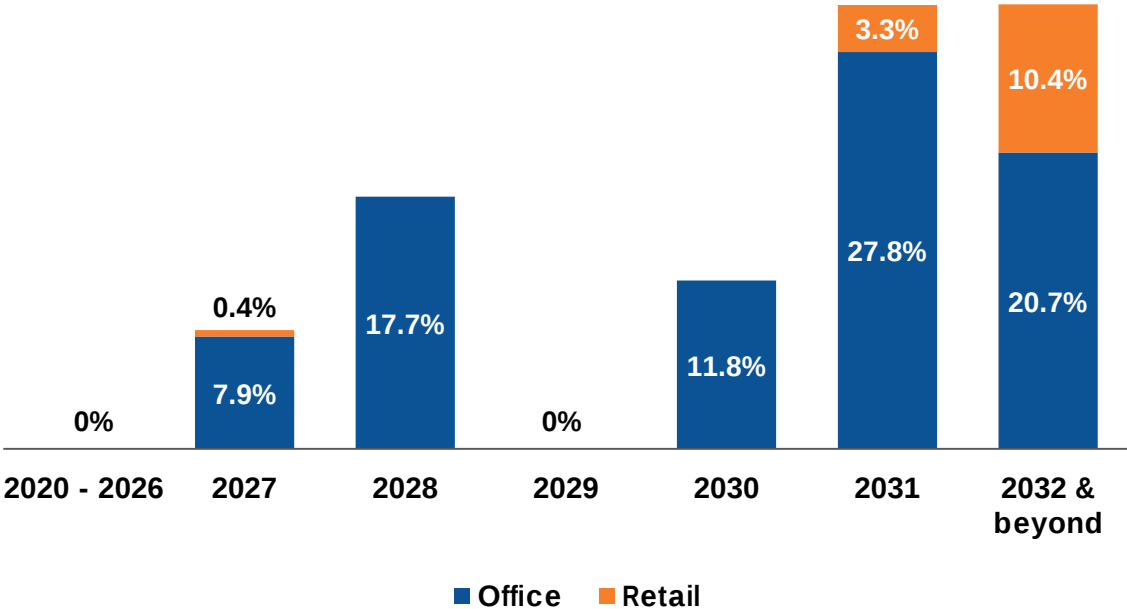
Stable Income with Long WALE

Income Contribution of Nova Properties¹



Strong Office Income Stream

Lease Expiry Profile (by NLA)

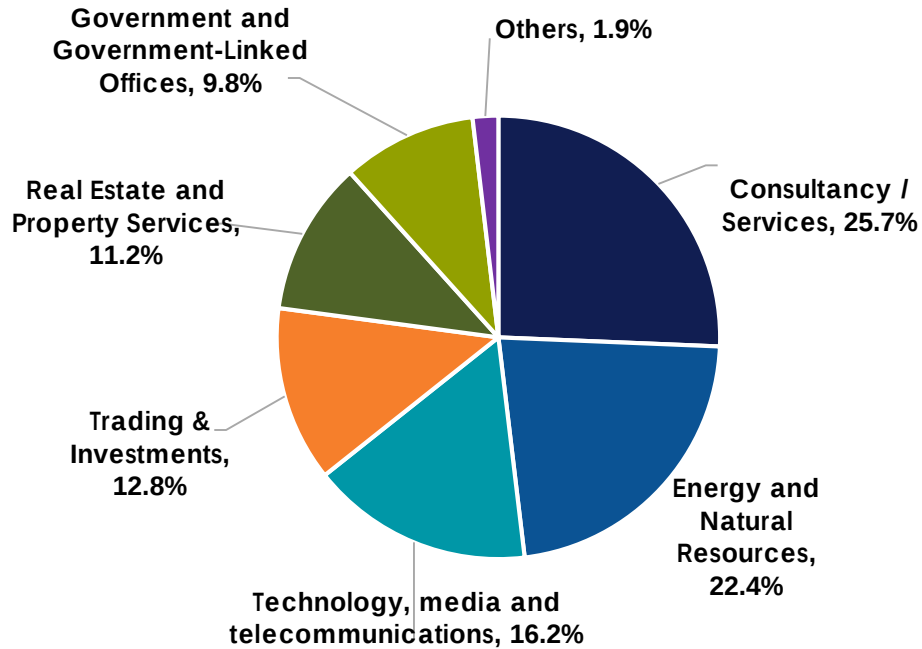


Long WALE of 11.1 years to Expire²

Note:
¹Based on committed monthly gross rental income as at 30 June 2020
² WALE to Break of 10.0 years

Diversified Office Tenant Mix

Office Trade Mix by Sector¹



Top 10 Tenants

	% of Gross Rental Income
Atkins	11.2
The Argyll Club	10.0
Government	8.8
Vitol	8.5
BlueCrest	6.2
Reply Limited	5.4
Advent International	5.2
BHP Billiton	5.2
Egon Zehnder	5.0
L.E.K. Consulting	5.0
Top 10 Tenants Total	70.5
Other Tenants (Office)	19.1
Other Tenants (Retail)	10.4
Grand Total	100

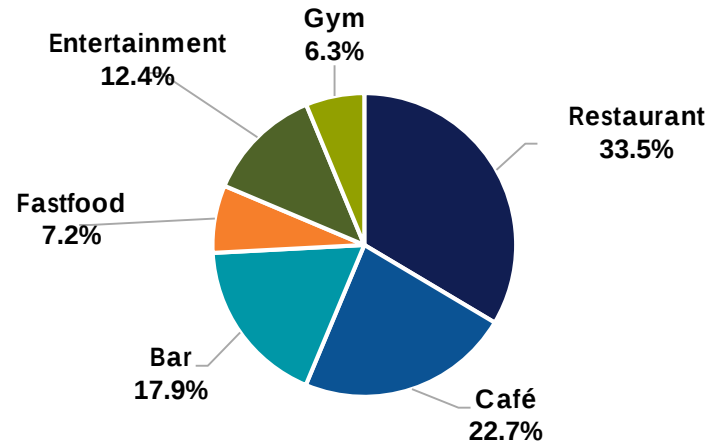
Non-Reliance on any Single Sector

Note:

¹Based on committed monthly gross office rental income as at 30 June 2020

Ancillary Retail – Wide Variety of F&B to Support Office Community

Retail Trade Mix by Sector¹



Key Retail Tenants

SHAKE SHACK

GREENWOOD
FIN & RESTAURANT & SPORTS LOUNGE

FLIGHT CLUB
SOCIAL DARTS

OLE & STEEN
LAGKAGEHUSET

STICKS N SUSHI

REBEL



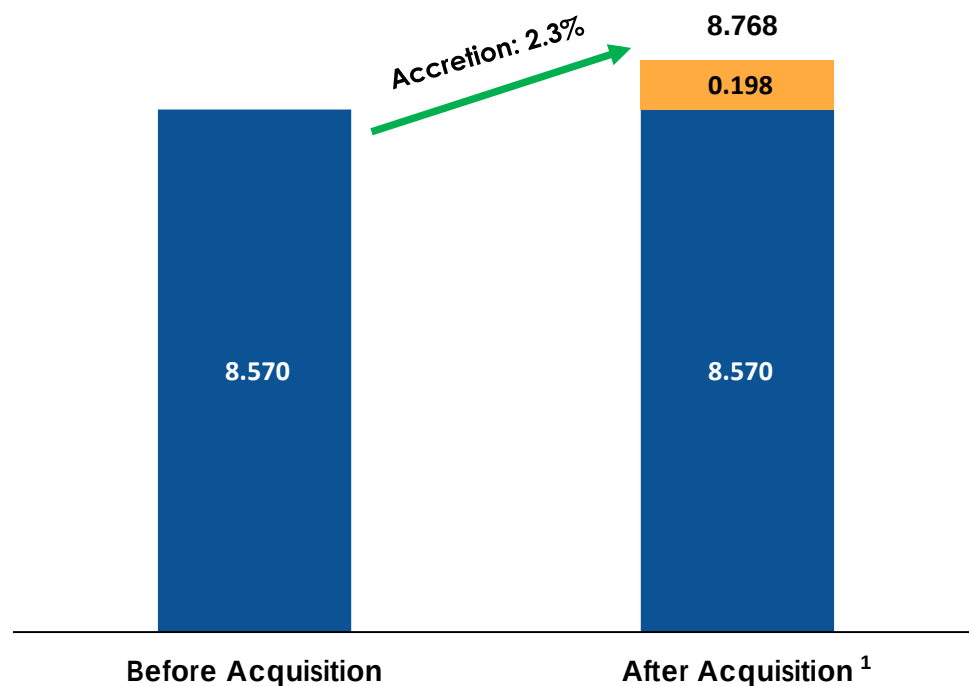
2-year Guarantee on Retail Income

Note:

¹Based on committed monthly gross retail rental income as at 30 June 2020

DPU Accretive to Unitholders

DPU from Operations (cents)



Key Drivers

- NPI yield of 4.6%²
- 100% occupied with possible upside through rent review³
- 2-year guarantee on retail income

Capital Management

- £200.0 mil loans in GBP to achieve partial natural hedge
- S\$200.0 mil in perpetual securities
- Up to S\$217.9 mil loans in SGD

DPU Accretion of 2.3%

Notes:

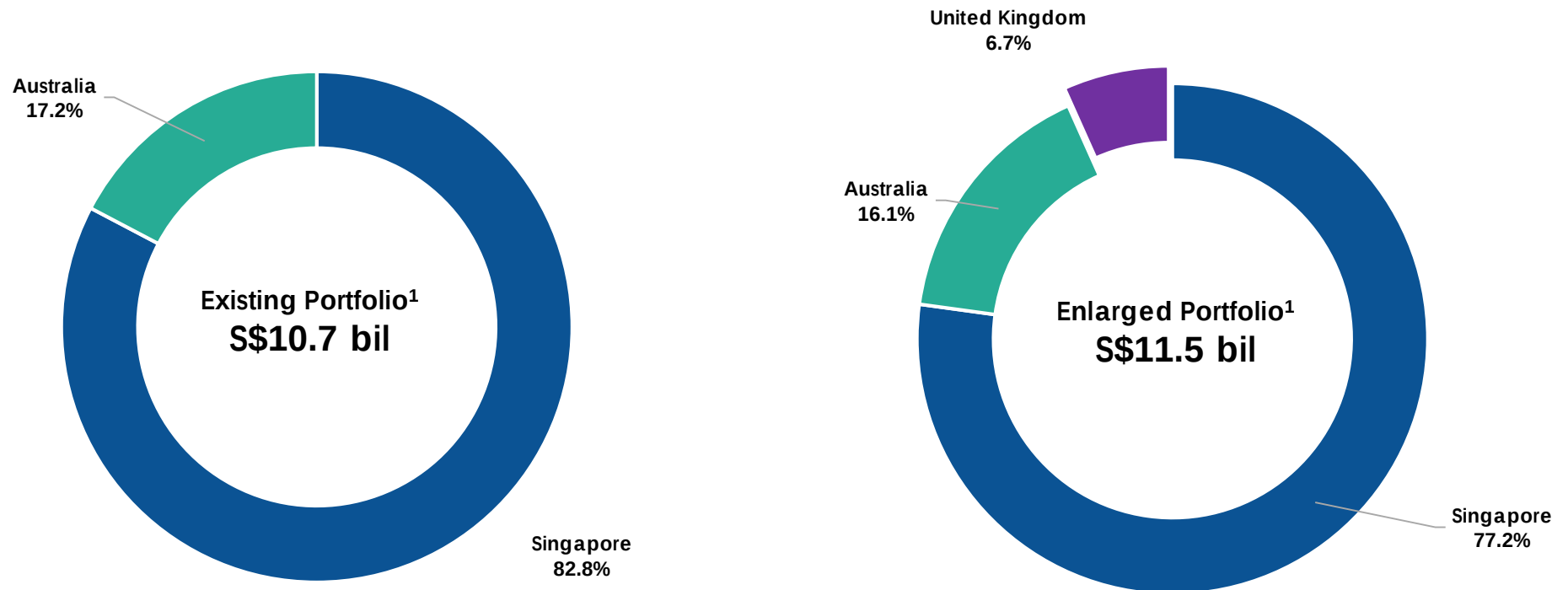
¹ Illustrative DPU accretion based on pro forma financial effects of the acquisition for FY2019, as if the acquisition was completed on 1 January 2019 and on the assumption that the acquisition is funded with a combination of debt and perpetual securities.

² Based on passing income as at 30 June 2020 divided by total acquisition cost

³ Generally every five years at market or existing rent, whichever is the higher

Enhances Portfolio's Geographical Diversification

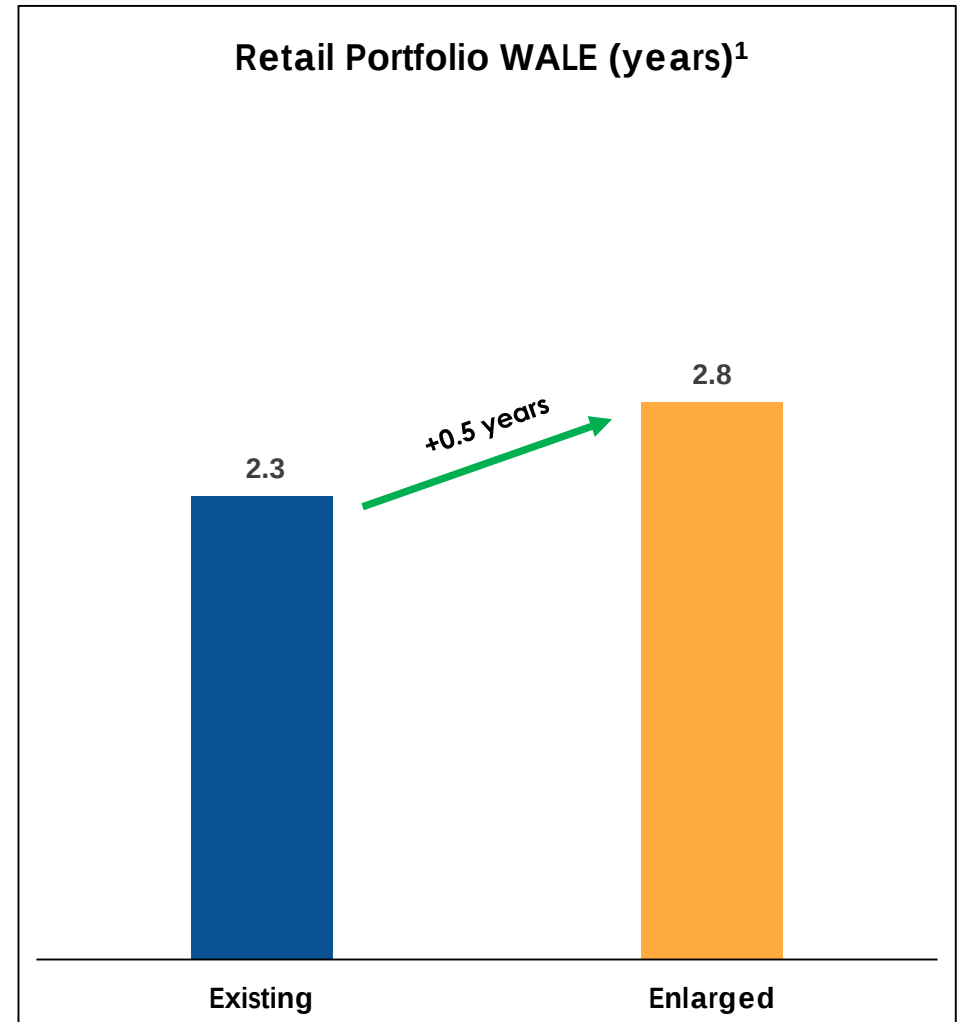
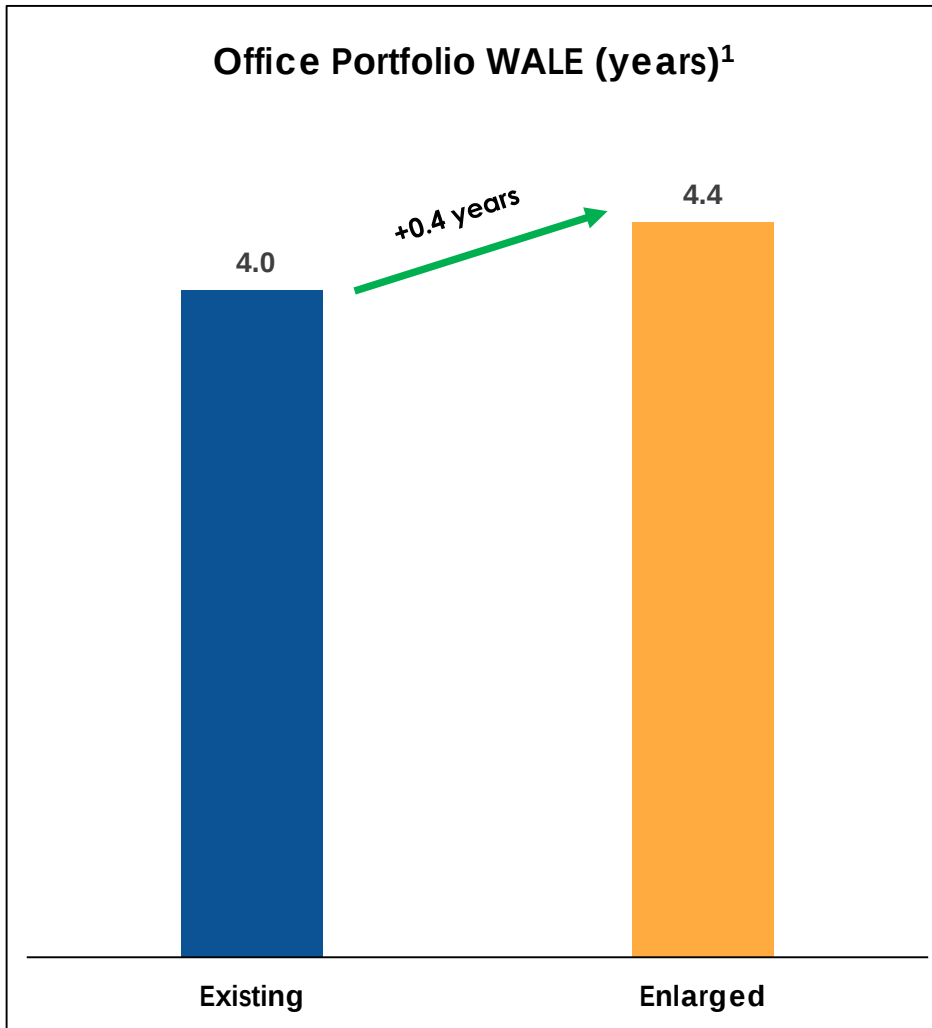
Asset Valuation



Note:

¹ As at 30 June 2020, including the additional capital injection in Suntec Singapore and the completion value of 477 Collins Street

Lengthens Portfolio's WALE & Increases Income Stability

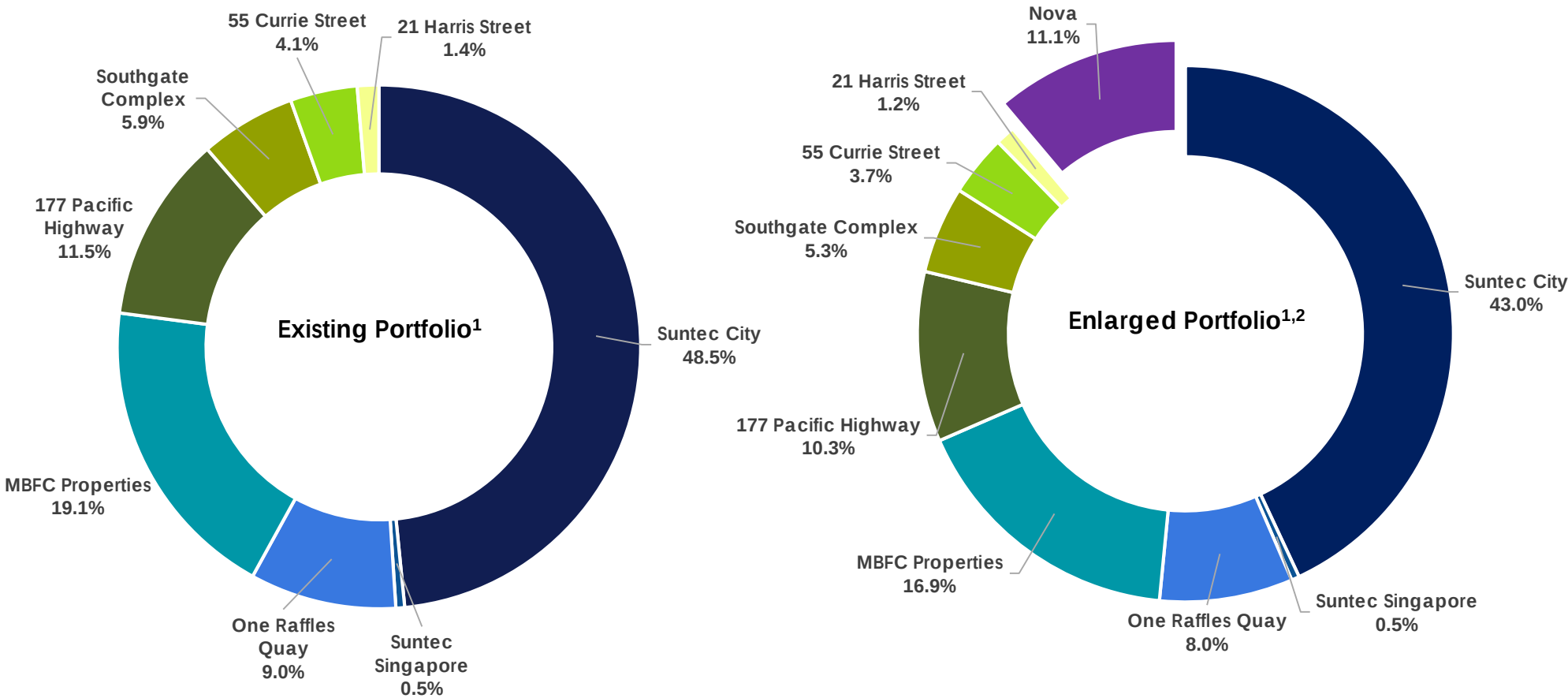


Note:

¹ Based on the NLA of Suntec REIT's interests in its respective properties as at 30 June 2020

Strengthens Portfolio's Resilience and Diversification

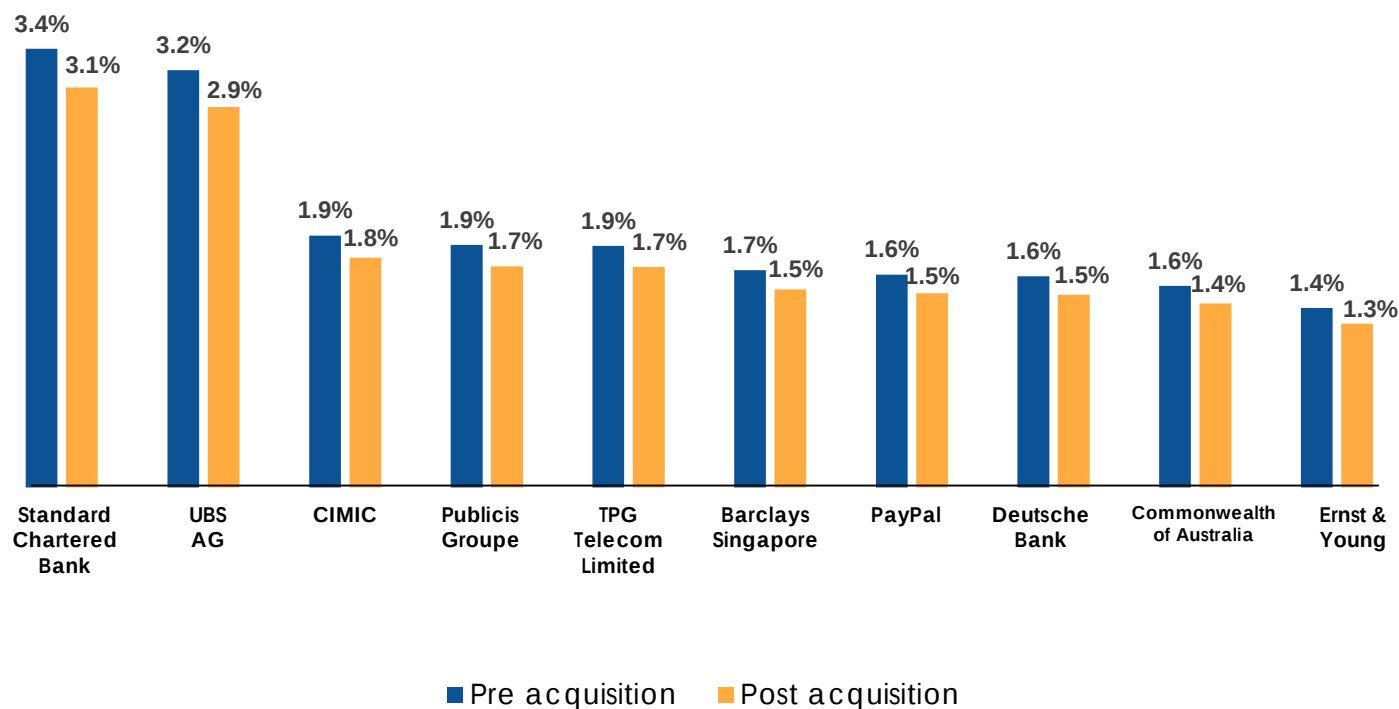
Income Contribution by Property



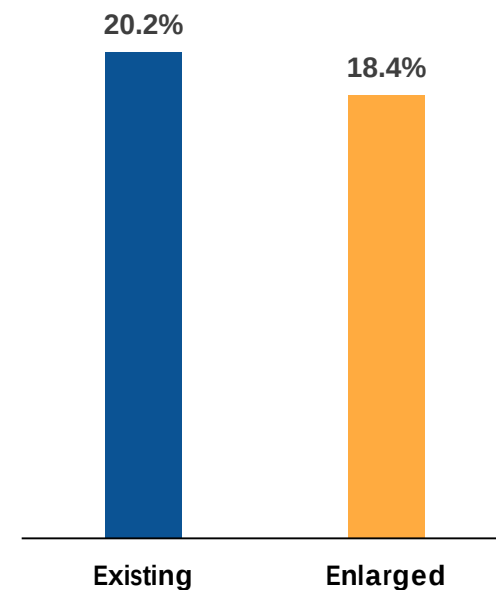
Notes:
¹ Refers to Net Property Income and Income Contribution from Joint Ventures for 1H2020
² Assumes Suntec REIT owns the property from 1 January 2020 to 30 June 2020

Reduces Tenants Concentration Risk

Income Contribution by Top 10 Tenants^{1,2}



Total Income Contribution by Top 10 Tenants^{1,2}



Notes:
¹ Based on total committed monthly gross rental income of Suntec REIT's top 10 tenants as at 30 June 2020
² Based on Suntec REIT's interests in its respective properties as at 30 June 2020



Established in 1944

Listed on London Stock Exchange (constituent of FTSE 100 Index) with £4.1 bil market capitalisation¹

Combined portfolio value of £12.8 bil¹

Owns and manages approximately 24 mil sq ft¹ of space

Note:

¹ As at 31 March 2020

Funding and Financial Impact



Total Acquisition Outlay & Funding

Acquisition of unit trusts (50.0% interest in Nova Properties)	£ mil	S\$ mil ²
Purchase consideration	426.0 ¹	758.3
Acquisition fee	4.3	7.6
Acquisition expenses	4.5	8.0
Total Acquisition Outlay	434.8	773.9

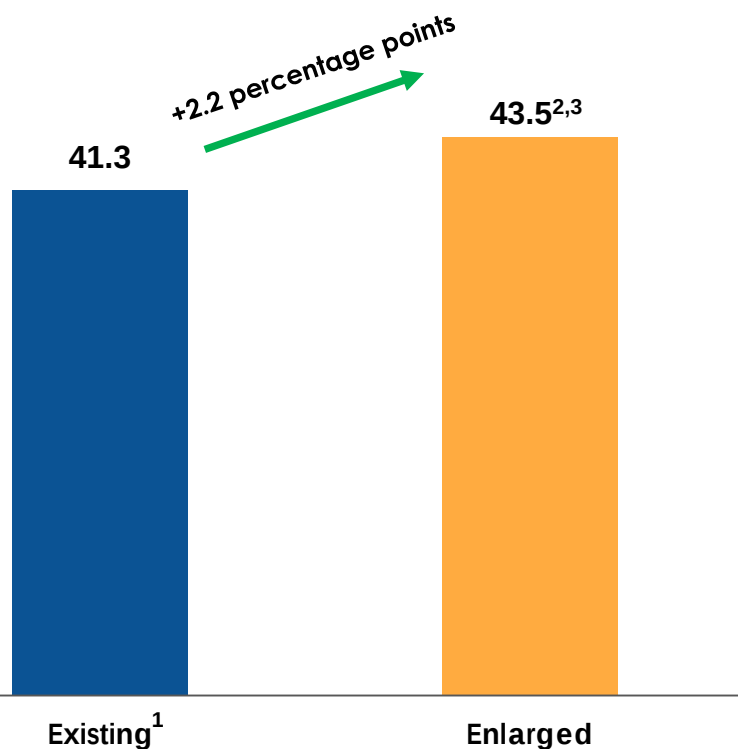
Funded by	Amount
GBP denominated loans	£200.0 mil (S\$356.0 mil)
Perpetual Securities	S\$200.0 mil
SGD-denominated loans	Up to S\$217.9 mil

Note:

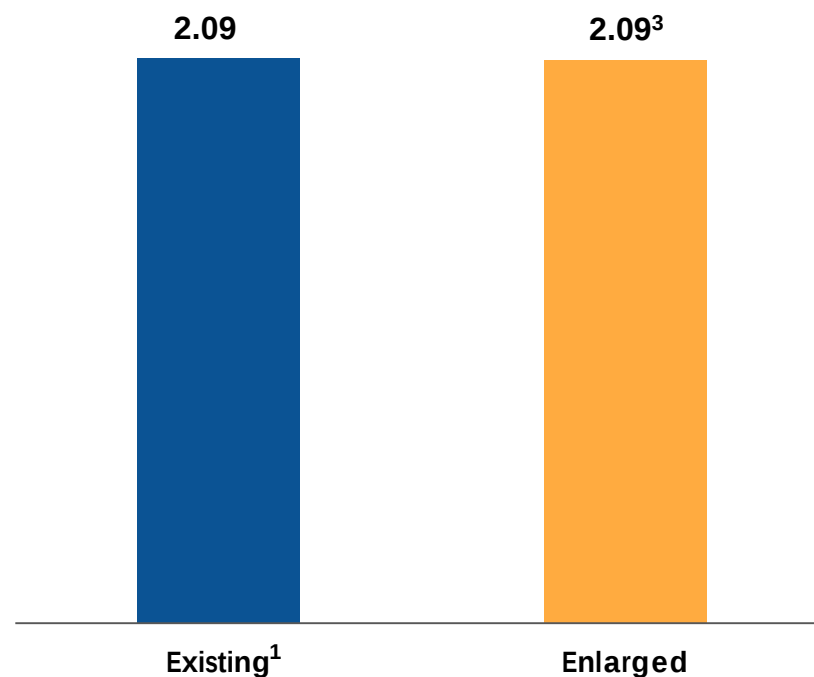
1 Based on the unit trusts' net asset value taking into account agreed property value of £430.6 mil, subject to completion adjustments.

2 Based on exchange rate of £1 : S\$1.78

Aggregate Leverage Ratio (%)



Net Asset Value Per Unit (S\$)



Notes:

¹ As at 30 June 2020

² Debt Headroom of approx. S\$1,530 mil to reach ALR of 50.0%

³ Based on £200.0 mil GBP denominated loans, S\$200.0 mil perpetual securities and up to S\$217.9 mil SGD denominated loans



Unitholders' Approval and Timeline

Unitholders' Approval for the Proposed Acquisition of Nova Properties by way of an Ordinary Resolution

Key Terms of Joint Venture Agreement with Landsec Include:

1. Either party has a right of first offer (“ROFO”) should the other party decide to sell its stake in the Property
2. Drag right on property sale at a price of not lower than 97.5% of the ROFO price if the ROFO is not exercised
3. Drag right can only be exercised at a price equal or higher than an independent valuation commissioned by the non-selling party.

Property Funds Appendix¹ requires a REIT to have a veto right over the sale of the asset where it holds through a joint venture. In respect of the property drag, the Manager has obtained a waiver from Monetary Authority of Singapore, subject to Unitholders' approval sought at a general meeting.

Note:

¹ Refers to Paragraph 6.5(b)(ix) of Appendix 6 in the Code on Collective Investment Schemes

Indicative Timetable

Events	Date and Time
Dispatch of circular and notice of Extraordinary General Meeting (EGM)	12 November 2020
Last date and time for lodgement of Proxy Forms	Wednesday, 2 December 2020 at 11.00 am
Date and time of the EGM	Friday, 4 December 2020 at 11.00 am
Target Date for Completion of the Proposed Acquisition (subject to Unitholders' approval)	18 December 2020



Disclaimer

The information included in this release does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for units in Suntec REIT (“Units”) in Singapore or any other jurisdiction.

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in the expected levels of occupancy rates, property rental income, changes in operating expenses, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Past performance is not necessarily indicative of future performance. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of Suntec REIT. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

IMPORTANT NOTICE

1. The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, ARA Trust Management (Suntec) Limited (as the manager of Suntec REIT) (the “Manager”) or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.
2. Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.
3. The past performance of Suntec REIT is not necessarily indicative of the future performance of Suntec REIT.

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