

ACQUISITION OF 50% INTEREST IN OLDERFLEET, 477 COLLINS STREET, MELBOURNE, AUSTRALIA



26 July 2017

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Investment Overview

Acquisition of 50% Interest in Olderfleet, 477 Collins Street, Melbourne



- Acquisition of **50% interest** in **Olderfleet, 477 Collins Street** from Mirvac Group for **A\$414.17 mil**
- Development of **freehold site** into a **Premium Grade¹ office building**
- **4.80%** initial yield, with **annual rent escalation at 3.50% - 3.75%. 4.80% coupon** p.a. on progress payments
- Target completion **mid 2020**
- **39.1% of NLA pre-committed** by **Deloitte** as its **Melbourne Headquarter**
- Mirvac to:
 - Provide **5-year rental guarantee** on any **unlet space**
 - Bear all **development risks**

¹Highest grade with standards by Property Council of Australia ("PCA")

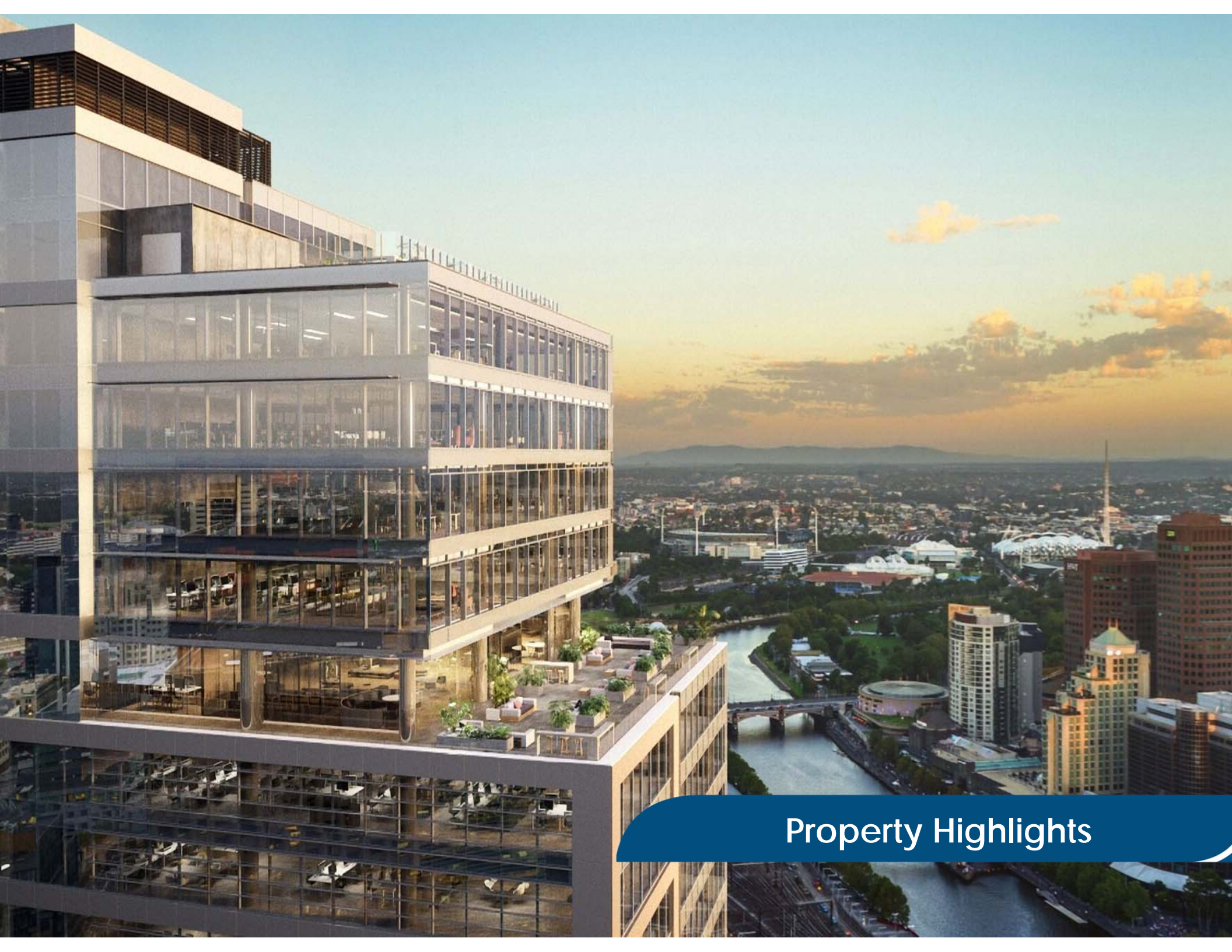
Investment Rationale

Acquisition of 50% Interest in Olderfleet, 477 Collins Street, Melbourne



- **Melbourne is a growing global city**
 - Ranked “Most Liveable City” for six consecutive years¹
 - Projected to be the largest capital city in Australia by 2030
- **Collins Street is the commercial spine of Melbourne CBD**
 - Most desirable commercial address with large clusters of Professional Services and Finance & Insurance firms
 - Cyclical upswing with multiple industries in expansion mode, vacancy trending lower and upward pressure on rent
- **Freehold Premium Grade Office Building at heart of Melbourne CBD**
 - The economic heart has moved to Western core of Melbourne CBD. Olderfleet, 477 Collins Street is strategically located between the Eastern Core and Docklands
 - Rare opportunity to invest in a new top-tier Premium Grade Office building that offers stable returns and capital appreciation potential

Source: ¹Economist Intelligence Unit



Property Highlights

● Exceptional Location

Absolute centre of Melbourne's premier business street

Docklands
Business Precinct

Western Core of
Melbourne CBD

OlderFleet,
477 Collins Street

Eastern Core of
Melbourne CBD



Southern
Cross Station

Crown
Entertainment
Complex

Southgate
Complex

● Excellent Transport Connectivity

Multiple transport options at door step



- Within walking distance from **Southern Cross Station**, Victoria's primary metropolitan and regional **transport hub**
- Located within **free-tram zone** with **4 tram lines**

● Property Details



Olderfleet, 477 Collins Street, Melbourne

Description	<ul style="list-style-type: none">• 40-level PCA Premium Grade office building with ancillary retail
Co-Owner & Developer	<ul style="list-style-type: none">• Mirvac
Architect	<ul style="list-style-type: none">• Grimshaw Architects
Tenure	<ul style="list-style-type: none">• Freehold
Total NLA (100%)	<ul style="list-style-type: none">• Office: ~56,000 sqm• Retail: ~2,000 sqm• Total: ~58,000 sqm
Typical Floor Plate	<ul style="list-style-type: none">• Approx. 1,500 – 1,950 sqm
Pre-committed Occupancy ¹	<ul style="list-style-type: none">• 39.1%
Rental Escalations	<ul style="list-style-type: none">• 3.50% to 3.75% p.a.
Anchor Tenant	<ul style="list-style-type: none">• Deloitte
Car Park Lots	<ul style="list-style-type: none">• 414
Target Green Ratings	<ul style="list-style-type: none">• 5-Star Green Star• 5-Star NABERS Energy• Well Platinum (Core & Shell)
Target Completion	<ul style="list-style-type: none">• Mid 2020

¹ Including the 5-year rental guarantee on any unlet space, the property is 100% committed

• Unique Building Design with Premium Facilities



- Marrying **unique 1880s façade** of 3 **heritage listed** Olderfleet buildings with **state-of-the-art** development
- 30 metres high, **double height lobby entrance**
- **Side-core design** allows for **flexible, open floor plates**
- Targeting **5-Star Green Star, 5-Star NABERS Energy** and **Platinum Core and Shell WELL** ratings
- 3 exclusive **outdoor terraces**
- **Best-in-class facilities**
 - Business lounge
 - Wellness centre
 - Childcare centre
 - End-of-trip facilities



Benefits to Unitholders

• Benefits to Unitholders

Augments Quality of Portfolio



9 Penang Road
Singapore

Leasehold



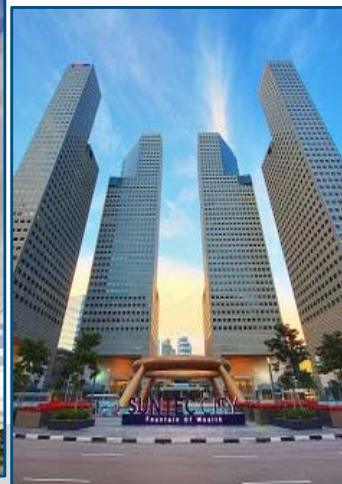
One Raffles Quay
Singapore

Leasehold



MBFC
Properties
Singapore

Leasehold



Suntec City
Singapore

Leasehold



177 Pacific Highway
Sydney

Freehold



Southgate Complex
Melbourne

Freehold

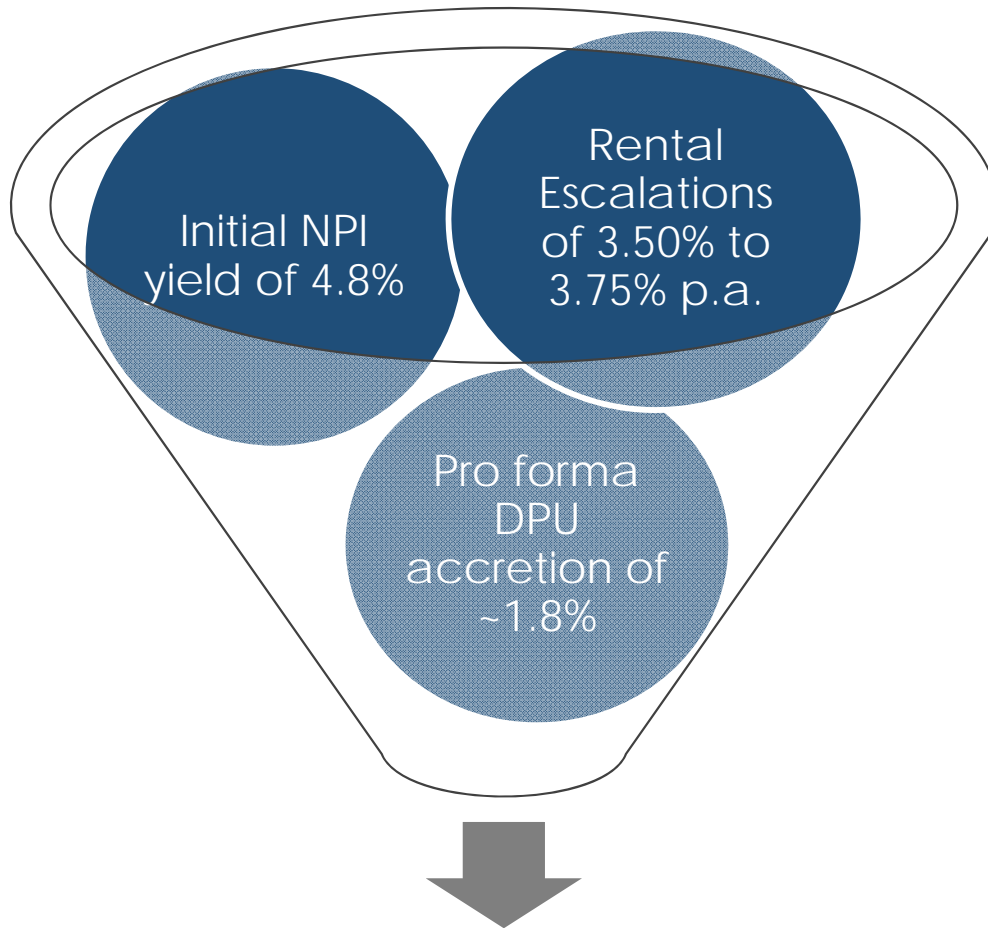


Olderfleet,
477 Collins Street
Melbourne

Freehold

- **Strategic addition** of a **freehold Premium Grade** asset
- **Income** and **geographical diversification**
- Increases Australia footprint to approx. **12% of total portfolio**

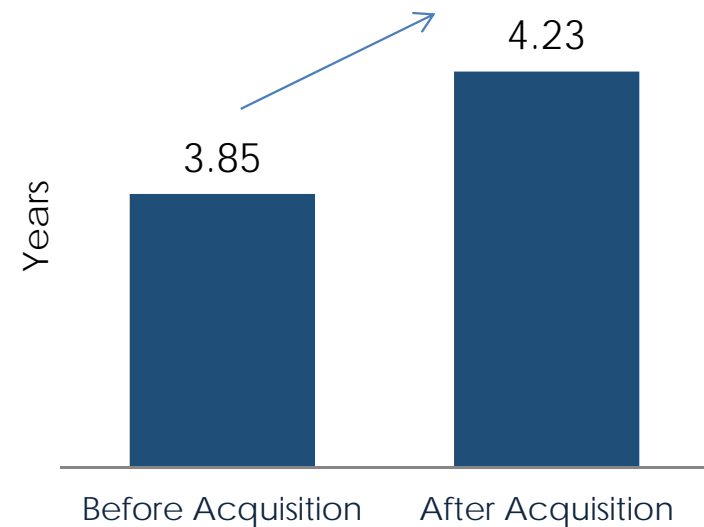
• Benefits to Unitholders



Extend Weighted Average Lease Expiry

- Asset WALE of ~7.74 years
- Extends Office portfolio WALE from 3.85 to ~4.23 years

Office Portfolio WALE



• Financing & Timeline



Financing

- Fully funded by debt
- To be drawn down progressively based on works completed

Timeline

- Completion of Acquisition → 3Q 2017
- Practical Completion → Mid 2020
- Lease Commencement → Immediately after Practical Completion

THANK YOU

Disclaimer: The material may contain forward-looking statements that involve 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 uncertainties, risks and assumptions. Representative examples of these factors include but are not limited to general market and economic conditions, interest rate trends, competition from other real estate investors, changes in operating expenses including employee wages and benefits, changes in government policies, and the continued availability of financing in the amounts and terms necessary to support future business. You are cautioned not to place undue reliance on the forward-looking statements which are based on the current view of management on future events.



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