
Suntec REIT Makes First Foray into London with £430.6 million Acquisition in Victoria, West End

Singapore, 8 October 2020 – Suntec REIT is pleased to announce that it has entered into a sale and purchase agreement with Canada Pension Plan Investment Board to acquire a 50.0% interest in two Grade A office buildings with ancillary retail (“Nova North, Nova South and The Nova Building¹” or collectively known as the “Nova Properties”) in the heart of Victoria, West End, London for an agreed value of £430.6 million². The remaining 50.0% interest in Nova Properties will continue to be held by Land Securities Group (“Landsec”), the developer and asset manager of the Nova Properties.

Mr. Chong Kee Hiong, Chief Executive Officer of the Manager, said, “The Nova Properties are a strategic fit with Suntec REIT’s existing portfolio of high quality commercial assets in Singapore and Australia. These two premium Grade A office buildings will enhance the resilience, diversification and quality of Suntec REIT’s portfolio with income contribution from high quality office tenants and long weighted average lease expiry of 11.1 years. The net property income yield of 4.6%³ will provide a DPU accretion of 4.9%⁴ upon completion of the acquisition in December 2020. There is also a 2-year guarantee on the retail income which will provide rental protection to ride out the current pandemic.”

With the acquisition of Nova Properties, Suntec REIT’s assets under management (“AUM”) will grow from S\$10.7 billion⁵ to S\$11.5 billion across a total of 10 properties in Singapore (77.2% of AUM), Australia (16.1% of AUM) and the United Kingdom (6.7% of AUM). Office Portfolio

¹ 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 Approximately S\$766.5 million based on the exchange rate of £1: S\$1.78.

³ Based on passing income as at 30 June 2020 divided by total acquisition cost of £439.4 million (approximately S\$782.1 million).

⁴ Illustrative DPU accretion based on passing income as at 30 June 2020 compared with actual annualised 1H2020 DPU (before retention of 10.0% distribution).

⁵ As at 30 June 2020, including the additional capital injection in Suntec Singapore and completion value of 477 Collins Street.

weighted average lease expiry will be lengthened to 4.4 years while the Retail Portfolio weighted average lease expiry will be extended to 2.8 years.

The acquisition is likely to be funded by GBP and SGD denominated loans.

The acquisition is subject to Unitholders' approval at an extraordinary general meeting which is expected to be convened in December 2020.

The Nova Properties are situated in the heart of London. Besides being near to key landmarks such as the Buckingham Palace, Westminster Abbey and the Houses of Parliament, the buildings are also situated opposite the Victoria Station, an important interchange for the London Underground network and Victoria Coach station. Victoria Station is also United Kingdom's second busiest railway station with direct train linkage to Gatwick Airport.

Completed in 2016 and 2017, the Nova Properties is the newest large scale addition to the West End. Constructed to the highest standards, it has a total net lettable area ("NLA") of approximately 559,000 sq ft and a long leasehold tenure of 1,042 years.

The Nova Properties are 100% occupied by quality office tenants from diversified sectors with a weighted average lease expiry of 10.6 years⁶. The strong income stream from the office tenants constitute approximately 90% of Nova Properties' total rental income. Key office tenants include Atkins, The Argyll Club, a government ministry, Vitol and BlueCrest.

Ancillary retail in the development offers dining, entertainment and leisure choices, providing a unique mix of food and beverage offerings and fitness amenities for both the office tenants and visitors in the Victoria area.

London, United Kingdom's largest and most dynamic city, has maintained its position at the top of the Global Power City Index⁷ for eight consecutive years, backed by its strong performance across economic, research and development, and cultural indicators.

United Kingdom, in turn, is the second⁸ largest economy in Europe and is widely regarded as a global hub for innovation and talents. The transparent and business friendly environment, coupled with a young workforce have made it a highly attractive investment destination.

Landsec, the joint venture partner for the other 50.0% interest in Nova Properties, is one of the largest commercial property development and investment companies in the United

⁶Based on net lettable area as at 30 June 2020.

⁷ Mori Memorial Foundation's Global Power City Index evaluates and ranks the major cities according to their comprehensive power to attract people, capital, and enterprises from around the world.

⁸ Source: Statista

Kingdom. Listed on the London Stock Exchange, Landsec owns and manages approximately 24.0 million sq ft of space with a combined portfolio value of £12.8 billion⁹.

Commenting on the partnership with Landsec, Mr. Chong said, "We are delighted to partner Landsec, which has a strong track record in managing assets in the United Kingdom. With their local knowledge and best-in-class practices, we are confident that the Nova Properties will continue to be a landmark, sought after development in London."

Marcus Geddes, Head of Property at Landsec, commented: "We're very pleased to welcome Suntec REIT as a partner for their first investment into the United Kingdom. We are also delighted that Suntec REIT has chosen to invest in Nova, highlighting how Landsec continues to deliver best-in-class office and retail space to the customers of the scheme."

⁹As at 31 March 2020

Summary of Acquisition

Description	Commercial development consisting two Grade A office buildings with ancillary retail and The Nova Building ¹		
Year of Completion	2016-2017		
Tenure	Leasehold expiring on 27 April 3062 (1,042 years remaining)		
Agreed Property Value²	£430.6 million (\$766.5 million) (1.2% discount to independent valuation ³ of £436.0 million (\$776.1 million))		
NPI yield	4.6% ⁴		
Sustainability	Office BREEAM rating 'Very Good' ⁵ Retail BREEAM rating 'Good' ⁵		
Tenancy Information⁶	Office	Retail	Total
Net Lettable Area (sq ft)	480,292 (86%)	78,811 (14%)	559,103 (100%)
Committed Occupancy⁷	100%	100%	100%
No. of tenants	17	18	35
Weighted Average Lease Expiry (Years)⁷	10.6	14.1	11.1

Notes:

¹ 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 50.0% interest and exchange rate of £1: S\$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.



Nova Properties

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ABOUT SUNTEC REIT

Listed on 9 December 2004, Suntec REIT holds properties in Suntec City, Singapore's largest integrated commercial development (including one of Singapore's largest shopping Mall), a 66.3% interest in Suntec Singapore Convention & Exhibition Centre, a one-third interest in One Raffles Quay, a one-third interest in Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall, and a 30.0% interest in 9 Penang Road. Suntec REIT also holds a 100% interest in a commercial building located at 177 Pacific Highway, Sydney, a 100% interest in a commercial building located at 21 Harris Street, Pyrmont, Sydney, a 50.0% interest in Southgate Complex, Melbourne, a 50.0% interest in a commercial building located at Olderfleet 477 Collins Street, Melbourne and a 100% interest in a commercial building located at 55 Currie Street, Adelaide, Australia. Its aim is to invest in income-producing real estate which is primarily used for office and/or retail purposes. Suntec REIT is managed by an external manager, ARA Trust Management (Suntec) Limited. For more details, please visit www.suntecreit.com.

ABOUT ARA TRUST MANAGEMENT (SUNTEC) LIMITED

Suntec REIT is managed by ARA Trust Management (Suntec) Limited, a wholly-owned subsidiary of ARA Asset Management Limited ("ARA" or the "Group").

ARA is a leading APAC real assets fund manager with a global reach. With S\$110 billion¹⁰ in gross assets under management as at 30 June 2020, ARA manages listed and unlisted real estate investment trusts (REITs), private real estate equity and credit funds, and infrastructure funds in 28 countries. As part of its investor-operator philosophy, ARA also operates a real estate management services division with local teams to manage its assets worldwide.

ARA's multi-platform, multi-product global fund management business is supported by dedicated local teams with in-depth knowledge and expertise and empowered by a forward-looking real estate technology strategy. Built on a foundation of strong corporate governance and business integrity, ARA counts some of the world's largest pension funds, sovereign wealth funds, financial institutions, endowments and family offices as its investors.

For more information, please visit www.ara-group.com.

¹⁰ Includes assets under management by ARA Asset Management Limited and the Group of companies ("ARA Group") and its Associates as at 30 June 2020

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The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Suntec REIT is not necessarily indicative of the future performance of Suntec REIT.

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