



Trust Management (Suntec) Limited

Manager of

Suntec Real Estate Investment Trust
("Suntec REIT")



CONVERTIBLE BONDS DUE 2024

1. ISSUE OF CONVERTIBLE BONDS

ARA Trust Management (Suntec) Limited, as manager of Suntec REIT (the "**Manager**"), is pleased to announce that the issue of S\$300,000,000 in aggregate principal amount of 1.750 per cent. convertible bonds due 2024 (excluding the upside option to increase by S\$50.0 million in aggregate principal amount of convertible bonds which may be exercised on or before 8 December 2017) (the "**Convertible Bonds**", and the issue of the Convertible Bonds, the "**Issue**"), convertible into new ordinary units of Suntec REIT ("**New Units**") and/or cash has successfully closed today.

The Convertible Bonds are expected to be admitted to the Official List of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") with effect from 9.00 a.m. on 1 December 2017.

The Issue has been fully placed to institutional investors and accredited investors. The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch is the lead manager and underwriter for the Issue.

Approval in-principle has been granted by the SGX-ST for the listing and quotation of: (a) the Convertible Bonds; and (b) up to 159,890,360 New Units to be issued upon the full conversion of the Convertible Bonds. The SGX-ST's in-principle approval for the listing and the quotation of the Convertible Bonds and the New Units is not to be taken as an indication of the merits of the proposed Convertible Bonds issue, Suntec REIT and/or its subsidiaries.

2. REDEMPTION ON CHANGE OF CONTROL

The terms and conditions of the Convertible Bonds (the "**Terms and Conditions**") contain a condition which places restrictions on any change in control of the Manager, the breach of which will cause a Change of Control Event (as defined in the Terms and Conditions) in respect of the Convertible Bonds.

Under the Terms and Conditions, following the occurrence of, *inter alia*, a Change of Control Event, the holder of each Convertible Bond shall have the right, at such holder's option, to require HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Suntec REIT (the "**Issuer**") to redeem in whole but not in part such holder's

Convertible Bonds on the Change of Control redemption date at their principal amount plus interest accrued to the date of redemption.

Under the Terms and Conditions, the change of control provisions state, *inter alia*, that a “**Change of Control Event**” occurs when:

- (A) ARA Trust Management (Suntec) Limited (the REIT Manager as at the date of issue of the Convertible Bonds) is replaced by a new manager in which ARA Asset Management Limited does not, whether directly or indirectly, hold at least 20.0 per cent. of the voting rights; or
- (B) (x) one or more other persons, acting together, acquires the legal or beneficial ownership of all of Suntec REIT’s total issued and outstanding unit capital or (y) any person or persons, acting together, acquires control of Suntec REIT if such person or persons does not or do not have, and would not be deemed to have, control of Suntec REIT on 30 November 2017; or
- (C) Suntec REIT consolidates with or merges into or sells or transfers all of Suntec REIT’s assets to any other person, unless the consolidation, merger, sale or transfer will not result in the other person or persons (or any person(s) controlling such other person(s)) acquiring control over Suntec REIT or the successor entity.

3. ADJUSTMENT TO CONVERSION PRICE OF THE CONVERTIBLE BONDS

The conversion price of the Convertible Bonds may be adjusted upon the occurrence of certain events, which are summarised below:

- (a) any alteration to the number of issued Units as a result of subdivision, consolidation or reclassification;
- (b) any issue of Units by way of capitalisation of profits or reserves, including Units paid up out of distributable profits or reserves and a free distribution or bonus issue of Units;
- (c) if and whenever any Excess Distribution (as defined in the Terms and Conditions) is paid or made;
- (d) any issue of Units by way of rights, or issue or the grant of any rights, options, warrants or other rights to subscribe for any Units, where the issue price of the Units in each case is less than 90 per cent. of the Current Market Price (as defined in the Terms and Conditions) of the Units;
- (e) (other than an issue of Units or options, warrants or other rights to subscribe for any Units) any issue of securities by way of rights, or the grant of any rights, options, warrants or other rights to subscribe for any securities;
- (f) (otherwise than as mentioned in paragraph (d) above) any issue of Units (other than Units issued upon the exercise of any conversion rights in connection with the Convertible Bonds or on the exercise of any other rights of conversion into, or exchange or subscription for, Units) wholly for cash, or issued or granted, whether for cash or otherwise (otherwise than as mentioned in paragraph (d) above), options, warrants or other rights to subscribe or purchase, directly or indirectly,

Units, where the issue price of the Units in each case is less than 90 per cent. of the Current Market Price of the Units;

- (g) (otherwise than as mentioned in paragraphs (d), (e) or (f) above) any issue of securities wholly for cash (other than the Convertible Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Units to be issued upon conversion, exchange or subscription at a consideration per Unit which is less than 90 per cent. of the Current Market Price of the Units;
- (h) any modification of the rights of conversion, exchange or subscription attaching to any such securities referred to in paragraph (g) above (other than in accordance with the terms applicable to such securities) with the result that the consideration per Unit (for the number of Units available on conversion, exchange or subscription following the modification) is less than 90 per cent. of the Current Market Price of the Units;
- (i) (except in the case where the conversion price of the Convertible Bonds would be adjusted pursuant to paragraphs (d), (e), (f) and (g) above) an issue of any securities in connection with an offer under which holders of at least 60 per cent. of the Units (outstanding at the time such offer is made) are entitled to acquire such securities; and
- (j) where the Issuer determines in its sole opinion that an adjustment to the conversion price should be made.

4. NUMBER OF NEW CONVERSION UNITS

Assuming the upside option is fully exercised, the maximum number of New Units to be allotted and issued by the Issuer upon full conversion of the S\$350,000,000 in aggregate principal amount of 1.750 per cent. convertible bonds due 2024 (based on the initial fixed conversion price of S\$2.189 per unit in Suntec REIT) is 159,890,360 New Units.

BY ORDER OF THE BOARD
ARA Trust Management (Suntec) Limited
(as manager of Suntec Real Estate Investment Trust)
(Company registration no. 200410976R)

Chan Kong Leong
Chief Executive Officer and Executive Director

30 November 2017

ABOUT SUNTEC REIT

Listed on 9 December 2004, Suntec REIT holds properties in Suntec City, Singapore's largest integrated commercial development (including one of Singapore's largest shopping mall), a 60.8% interest in Suntec Singapore Convention & Exhibition Centre, a one-third interest in One Raffles Quay, a one-third interest in Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall and a 30.0% interest in 9 Penang Road. Suntec REIT holds a 100% interest in a commercial building located at 177 Pacific Highway, Sydney, a 25.0% interest in Southgate complex, Melbourne and a 50.0% interest in a commercial building to be developed located at Olderfleet 477 Collins Street, Melbourne, Australia. Its aim is to invest in income-producing real estate which is primarily used for retail and/or office 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**").

Established in 2002, ARA is a premier integrated real estate fund manager driven by a vision to be the best-in-class real estate fund management company focused on the management of real estate investment trusts ("**REITs**") and private real estate funds.

ARA's business is focused on the following segments:

- (a) REITs – ARA is one of the largest REIT managers in Asia ex-Japan and currently manages six REITs listed in three countries, namely Fortune REIT dual-listed in Singapore and Hong Kong, Suntec REIT and Cache Logistics Trust listed in Singapore, Hui Xian REIT and Prosperity REIT listed in Hong Kong and AmFIRST REIT listed in Malaysia. The Group also manages six privately-held REITs in South Korea;
- (b) Private real estate funds – The Group manages 9 private funds investing in real estate in Asia; and
- (c) Real estate management services – The Group provides property management services and convention & exhibition services, including managing the award-winning Suntec Singapore Convention & Exhibition Centre.

ARA's diverse suite of REITs and private real estate funds are invested in the office, retail, logistics/industrial, hospitality and residential sectors. ARA has distinguished itself over the years with its unique investor-operator philosophy, which nurtures each asset from acquisition to divestment to add value to every stage of the asset life cycle. Built on a foundation of strong corporate governance and business integrity, it counts some of the world's largest pension funds, financial institutions, endowments and family offices as its investors.

ARA has approximately 1,300 staff in 19 cities in seven countries. It manages close to 100 properties measuring 57 million square feet in Asia Pacific, with approximately S\$35 billion in assets under management.

IMPORTANT NOTICE

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units and/or Convertible Bonds.

The Convertible Bonds and the Units issuable upon conversion of the Convertible Bonds have not been, and will not be registered under the U.S. Securities Act 1933, as amended (the “**Securities Act**”) and may not be offered or sold within the United States, except pursuant to an exemption from, or transactions not subject to, the registration requirements of the Securities Act. This notice is for information purposes only and does not constitute an offer or sale of Convertible Bonds or Units issuable upon conversion of the Convertible Bonds in the United States or any other jurisdiction. Neither this notice nor any portion hereof may be sent or transmitted into the United States or any jurisdiction where to do so is unlawful. Any failure to comply with these restrictions may constitute a violation of the United States securities law or the securities laws of any such other jurisdiction.

This announcement 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 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 companies and venues for the sale or distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view on future events.

The value of Units and the Convertible Bonds and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units and/or Convertible Bonds is subject to investment risks, including the possible loss of the principal amount invested.

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 and Convertible Bonds on the SGX-ST does not guarantee a liquid market for the Units and/or Convertible Bonds.

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