
Suntec REIT Divests 9 Penang Road for S\$295.5 million Achieves 305% Return on Investment

Singapore, 16 June 2021 – Suntec REIT is pleased to announce the divestment of its 30.0% interest in 9 Penang Road to Haiyi Holdings Pte. Ltd. at an agreed property value of S\$295.5 million or S\$2,468 per square foot (“psf”) based on the property’s net lettable area (“NLA”).

The agreed property value represents a 5.7% premium over the latest valuation of S\$931.8 million¹ and 30.3% higher than the total development cost of S\$756.0 million². On a stabilised basis, the net property income yield is 3.3%.

Mr. Chong Kee Hiong, Chief Executive Officer of the Manager, said, “The divestment of 9 Penang Road is part of our proactive portfolio management strategy to enhance unitholders’ value. We are pleased to have realised a gain on divestment of S\$66.5 million and achieved a 305%³ return on our investment. The divestment proceeds will improve our financial flexibility to pursue growth opportunities to further enhance the resilience, diversification and value of Suntec REIT’s portfolio for unitholders. Post divestment, Suntec REIT continues to be anchored by the resilient office segment which will contribute more than 80% to the REIT’s total income contribution with Singapore properties constituting about 75% of our total assets under management.”

The Manager had unlocked the potential of the former Park Mall site and maximised the asset value by redeveloping the former property into a Grade A commercial building through a joint venture with Haiyi Holdings Pte. Ltd., SingHaiyi Group Ltd and Suntec REIT.

¹ Based on the average of independent valuations by Knight Frank Pte Ltd and Savills Valuation and Professional Services (S) Pte Ltd as at 1 May 2021.

² Includes land and construction costs.

³ Net divestment profit as percentage of cost of investment.

Completed in 2019, the ten-storey development consists of two office towers and ancillary retail with a NLA of approximately 399,000 sq ft. The committed occupancy was 98.7% as at 31 March 2021 with the two office towers fully leased to a global financial institution, UBS AG.

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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 and a one-third interest in Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall. Suntec REIT 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. Suntec REIT also holds a 50.0% interest in Nova Properties located in London, United Kingdom. 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").

ARA is the largest real assets manager in Asia Pacific with S\$116 billion⁴ in gross assets under management. ARA Group operates a multi-product platform diversified across assets, strategies and geographies in both public and private markets, managing real estate investment trusts (REITs) and private funds in real estate, infrastructure and credit globally. ARA's vertically-integrated business includes development and value-add asset management capabilities, an in-house capital raising team, and property management expertise in local markets where ARA invests and manages assets. With a resolute focus on creating sustainable value, ARA manages funds on behalf of many of the world's largest pension funds, sovereign wealth funds and financial institutions.

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

⁴ Includes assets under management by ARA Asset Management Limited and the Group of companies ("ARA Group") and its Associates as at 31 December 2020

IMPORTANT NOTICE

This announcement is for information purposes only and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to subscribe for or acquire, units in Suntec REIT (the "Units") in any jurisdiction in which such an offer or solicitation is unlawful.

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.

Contacts**ARA Trust Management (Suntec) Limited**

Tel: +65 6835 9232

Melissa Chow

Manager, Investor Relations

melissachow@ara-group.com
