

Press Release

26 July 2017

Manager of



Suntec REIT acquires 50% interest in rare new Premium Grade office building in Melbourne Central Business District

Singapore, 26 July 2017 – ARA Trust Management (Suntec) Limited, the manager of Suntec Real Estate Investment Trust (“Suntec REIT”, and the “Manager”), is pleased to announce that Suntec REIT through its wholly-owned sub trust, Suntec REIT 477 Trust, has entered into agreements to acquire a 50% interest in Olderfleet, 477 Collins Street (the “Property”) (the “Acquisition”), a freehold land and property to be developed from Mirvac Group (“Mircac”) for a consideration of A\$414.17 million. Mirvac continues to be the co-owner, with its remaining 50% interest in the Property.

Located along Melbourne’s most prestigious commercial address, Olderfleet, 477 Collins Street is within the Western Core of the Central Business District (“CBD”). It is adjacent to the 5-Star Intercontinental Melbourne Hotel, offering exceptional convenience to business travellers. The Property is located within the Melbourne CBD Free Tram Zone. With four tram lines serving Collins Street, the Property is excellently connected to the other buildings within the CBD. The Southern Cross Station, Victoria’s primary metropolitan and regional transportation hub serving over 1.2 million people every week, is also a short walking distance away.

The 40-level state-of-the-art building is under construction and is expected to achieve practical completion by mid 2020. On completion, the Property will have an estimated total net lettable area of 58,000 sqm which comprises 56,000 sqm of office space and 2,000 sqm of retail space as well as 414 car park lots. The Property will also provide market leading amenities including business lounge, wellness centre, childcare centre and best-in-class end-of-trip facilities.

Creating an exclusive office building for Melbourne’s CBD, this project is designed by award-winning Grimshaw Architects. The Property accommodates the demand for premium-grade

commercial space while integrating with its urban and heritage setting. The main entrance from Collins Street will incorporate facades of three heritage listed buildings constructed during various periods of the 19th Century. These are historically and culturally significant examples of Romanesque and Gothic Victorian architecture. The Property is targeting to achieve 5-Star Green Star rating, 5-Star NABERS Energy rating as well as International WELL Platinum rating for Core & Shell.

Commenting on Suntec REIT's second acquisition in Melbourne, Mr. Chan Kong Leong, Chief Executive Officer of the Manager, said, "We are pleased to expand our footprint in Australia with the acquisition of the premium-grade 477 Collins Street. This is a strategic fit with Suntec REIT's portfolio of high quality assets and enhances the REIT's income and geographical diversification."

"The acquisition will improve earnings and distributions to unitholders with an initial net property income yield of 4.80% upon practical completion. In addition, unitholders will enjoy income certainty and stability through the long lease terms and annual rental escalations."

The Property is 39.1% pre-committed by leading professional services firm Deloitte Australia, as its Melbourne headquarters. Deloitte has signed a 12-year lease for over 22,000 sqm of office space, spanning 12 floors.

Deloitte Chairman, Mr. Tom Imbesi previously said, "The flexible building design will enable us to have a best-in-class, technology-enabled future workplace that encourages greater collaboration between both our people and clients. I'm really excited about our new Melbourne home and know our people are too."

Mr. Chan commented, "We expect to achieve a high pre-commitment rate for 477 Collins Street prior to practical completion and are currently in active discussions with a number of tenants in the financial services and legal sectors."

During the construction stage, there will be a coupon at 4.80% per annum on the progressive payments made. In addition, Mirvac will provide a rent guarantee on any unlet space for five years post practical completion. The resultant weighted average lease to expiry is approximately 7.74 years with an annual escalation of between 3.50% to 3.75%.

Mirvac is one of the leading, diversified Australian property groups, with integrated investment, development and asset management capability. An ASX 50 company with over A\$15 billion of assets under management, Mirvac owns and manages assets across the

office, retail and industrial sectors and has a strong history of successful capital partnerships for prime grade office assets.

Commenting on the partnership with Mirvac, Mr. Chan said, "We are delighted to partner Mirvac, who has demonstrated a strong track record in delivering superior products and services. With their local knowledge and best-in-class practices, we are confident that Olderfleet, 477 Collins Street will be a landmark development that appeals to leading companies."

Mirvac's CEO and Managing Director, Susan Lloyd-Hurwitz, commented, "We are delighted to partner with a high-quality capital partner such as Suntec at our Olderfleet, 477 Collins Street development, which is set to become the largest premium grade office building to be delivered in Melbourne in over 25 years, and represents a fantastic investment opportunity in a strong market."

Mr. Chan added, "The Economist Intelligence Unit has ranked Melbourne as the Most Liveable City in the World for the sixth year in a row. The economy, underpinned by strong population and workforce growths, is projected to continue to perform well. We expect the Melbourne office market to continue to trend upwards with demand for premium grade office space such as 477 Collins Street outweighing supply."

"While we remain Singapore-centric, our strategy to expand in Australia for income diversification has partially helped us mitigate the property cycles in our Singapore core market as we seek to continue to deliver stable sustainable returns to our unitholders."



Artist's impression:
Olderfleet, 477 Collins Street

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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 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 and a 25.0% interest in Southgate Complex, 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 10 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 55 million square feet in Asia Pacific, with approximately S\$36 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 in Suntec REIT.

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. 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.

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

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