



Trust Management (Suntec) Limited

Suntec Real Estate Investment Trust
("Suntec REIT")

Manager of



USE OF PROCEEDS FROM THE CONVERTIBLE BONDS

ARA Trust Management (Suntec) Limited, as manager of Suntec REIT (the "**Manager**") refers to the offering circular dated 2 September 2016 (the "**Offering Circular**") issued in connection with the issue of S\$300,000,000 in aggregate principal amount of 1.750 per cent. convertible bonds due 2021 (the "**Convertible Bonds**", and the issue of Convertible Bonds, the "**Issue**"), where it was disclosed that Suntec REIT, acting through HSBC Institutional Trust Services (Singapore) Limited in its capacity as trustee of Suntec REIT (the "**Issuer**"), expects to use the net proceeds from the Issue in the following manner:

- (a) approximately S\$161.0 million (which is equivalent to 54.4% of the net proceeds of the Issue) to fund the announced acquisition¹ of an interest in the commercial property known as "Southgate Complex" which is located in Melbourne, Victoria; and
- (b) approximately S\$135.0 million (which is equivalent to 45.6% of the net proceeds of the Issue) to partially refinance existing debt and/or for capital expenditure purposes,

with the balance of the net proceeds, if any, to be used for general corporate and/or working capital purposes.

The Manager now wishes to announce a change in the use of proceeds from the Issue as was previously set out in the Offering Circular.

The Manager had announced on 27 February 2018² the acquisition of the balance 50% interest in Southgate Complex (the "**Tranche B Acquisition**") by Southgate Trust which is jointly held by Suntec REIT (through Suntec REIT (Australia) Trust) and PIP Southgate Sub-Trust, a managed investment trust, in the proportion of 50:50. In view of the Tranche B Acquisition, the Issuer intends to re-allocate S\$27.7 million (which is equivalent to approximately 9.4 per cent. of the net proceeds

1 Please refer to the announcement titled "Acquisition of an interest in Southgate Complex, Melbourne", released on SGXNET by the Manager on 5 August 2016. Please also refer to the announcement titled "Use of Proceeds from the Convertible Bonds" where it was announced that the net proceeds from the Issue utilised for this acquisition is marginally higher (being S\$162.9 million (55.0%) compared to S\$161.0 million (54.4%) disclosed in the Offering Circular due to fluctuations in the Singapore dollar and Australian dollar exchange rate.

2 Please refer to the announcement titled "Exercise of Put Option by Vendor in relation to 50% interest in Southgate Complex, Melbourne", released on SGXNET by the Manager on 27 February 2018.

of the Issue and which was originally intended to be applied to partially refinance existing debt and/or capital expenditure purposes) to partially finance the Tranche B Acquisition (the “**Re-allocation**”).

The Manager is of the view that the Re-allocation is in the best interests of Suntec REIT and its unitholders and is also a better allocation of the proceeds to reduce the borrowing costs of Suntec REIT.

After the Re-allocation, the remaining net proceeds amounting to S\$27.7 million (which is equivalent to approximately 9.4 per cent. of the net proceeds of the Issue), have been fully utilised to partially finance the Tranche B Acquisition.

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

31 May 2018

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 50.0% 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 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").

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 five listed REITs, namely Fortune REIT dual-listed in Singapore and Hong Kong, Suntec REIT and Cache Logistics Trust listed in Singapore and Hui Xian REIT and Prosperity REIT listed in Hong Kong. The Group also manages six privately-held REITs in South Korea;
- (b) **Private real estate funds** – The Group manages nine 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 21 cities in eight countries. It manages over 90 properties measuring 57 million square feet in Asia Pacific, with approximately S\$40 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.