



SUNTEC REAL ESTATE INVESTMENT TRUST
(Constituted in the Republic of Singapore pursuant to
a trust deed dated 1 November 2004 (as amended))

Managed by

ARA TRUST MANAGEMENT (SUNTEC) LIMITED
(Company Registration No. 200410976R)
(As Manager of Suntec Real Estate Investment Trust ("Suntec REIT"))

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the holders of units of Suntec Real Estate Investment Trust ("**Suntec REIT**", and the holders of units of Suntec REIT, "**Unitholders**") will be convened and held at Level 4, Hall 406, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on **Thursday, 20 April 2023 at 2.30 p.m. (Singapore Time)** to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Report of HSBC Institutional Trust Services (Singapore) Limited, as trustee of Suntec REIT (the "**Trustee**"), the Statement by ARA Trust Management (Suntec) Limited, as manager of Suntec REIT (the "**Manager**"), and the Audited Financial Statements of Suntec REIT for the financial year ended 31 December 2022 and the Auditors' Report thereon.

(Ordinary Resolution 1)

2. To appoint Ernst & Young LLP ("**EY**") as the External Auditors of Suntec REIT to hold office until the conclusion of the next AGM of Suntec REIT in place of the retiring External Auditors, KPMG LLP ("**KPMG**"), and to authorise the Manager to fix their remuneration.

(Ordinary Resolution 2)

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions, with or without any modifications:

3. GENERAL MANDATE FOR THE ISSUE OF NEW UNITS AND/OR CONVERTIBLE SECURITIES

That authority be and is hereby given to the Manager to

- (a) (i) issue new units in Suntec REIT ("**Units**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may, in its absolute discretion deem fit; and

- (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Ordinary Resolution was in force (notwithstanding that the authority conferred by this Ordinary Resolution may have ceased to be in force at the time such Units are issued),

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provided that:

- (A) the aggregate number of Units to be issued pursuant to this Ordinary Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution) shall not exceed fifty percent (50.0%) of the total number of issued Units (as calculated in accordance with sub-paragraph (C) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution) shall not exceed twenty percent (20.0%) of the total number of issued Units (as calculated in accordance with sub-paragraph (C) below);
- (B) the Units to be issued other than on a pro rata basis to Unitholders shall only be issued as payment of asset management fees (including acquisition fee and divestment fee) in accordance with Suntec REIT's trust deed dated 1 November 2004 (as amended from time to time);
- (C) subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (the "SGX-ST") for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (A) above, the total number of issued Units shall be based on the total number of issued Units at the time of the passing of this Ordinary Resolution, after adjusting for:
 - (i) any new Units arising from the conversion or exercise of any convertible securities or Unit options or vesting of Unit awards which were issued and are outstanding or subsisting as at the time of the passing of this Ordinary Resolution; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of Units;
- (D) in exercising the authority conferred by this Ordinary Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the trust deed constituting Suntec REIT (as amended) (the "Trust Deed") for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (E) unless revoked or varied by the Unitholders in a general meeting, the authority conferred by this Ordinary Resolution shall continue being in force until (i) the conclusion of the next AGM of Suntec REIT or (ii) the date by which the next AGM of Suntec REIT is required by applicable laws and regulations or the Trust Deed to be held, whichever is earlier;
- (F) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Ordinary Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (G) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of Suntec REIT to give effect to the authority conferred by this Ordinary Resolution.

(Ordinary Resolution 3)

4. GENERAL MANDATE FOR UNIT BUY-BACK

That:

- (a) the exercise of all the powers of the Manager to repurchase issued Units for and on behalf of Suntec REIT not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Manager from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market repurchase(s) on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted; and/or

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- (ii) off-market repurchase(s) (which are not market repurchase(s)) in accordance with any equal access scheme(s) as may be determined or formulated by the Manager as it considers fit in accordance with the Trust Deed,

and otherwise in accordance with all applicable laws and regulations including the rules of the SGX-ST or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, be and is hereby authorised and approved generally and unconditionally (the “**Unit Buy-Back Mandate**”);

- (b) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred on the Manager pursuant to the Unit Buy-Back Mandate may be exercised by the Manager at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earliest of:

- (i) the date on which the next annual general meeting of Suntec REIT is held;
- (ii) the date by which the next annual general meeting of Suntec REIT is required by applicable laws and regulations or the Trust Deed to be held; or
- (iii) the date on which repurchase(s) of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated;

- (c) in this Ordinary Resolution:

“**Average Closing Price**” means the average of the closing market prices of the Units over the last five Market Days, on which transactions in the Units were recorded, immediately preceding the date of the market repurchase or, as the case may be, the Date of the Making of the Offer pursuant to the off-market repurchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and the date of the market repurchase or, as the case may be, the Date of the Making of the Offer pursuant to the off-market repurchase;

“**Date of the Making of the Offer**” means the date on which the Manager makes an offer for an off-market repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an off-market repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the off-market repurchase;

“**Market Day**” means a day on which the SGX-ST is open for trading in securities;

“**Maximum Limit**” means that number of Units representing 2.5% of the total number of issued Units as at the date of the passing of this Ordinary Resolution; and

“**Maximum Price**” in relation to a Unit to be repurchased, means the repurchase price (excluding brokerage, stamp duty, commission, applicable goods and services tax and other related expenses) which shall not exceed 105.0% of the Average Closing Price of the Units for both a market repurchase and an off-market repurchase; and

- (d) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interests of Suntec REIT to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

(Ordinary Resolution 4)

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5. PROPOSED THIRD PARTY FEE SUPPLEMENT TO THE TRUST DEED

That:

- (a) approval be and is hereby given to amend the Trust Deed in the manner set out in the appendix to this Notice of AGM dated 29 March 2023 in relation to the proposed Third Party Fee Supplement to the Trust Deed (the “**Third Party Fee Supplement**” and the appendix in relation to the Third Party Fee Supplement, the “**Third Party Fee Supplement Appendix**”); and
- (b) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including, executing, as the case may be, all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of Suntec REIT to give effect to the Third Party Fee Supplement and/or this Resolution.

(Extraordinary Resolution 5)

6. OTHER BUSINESS

To transact such other business as may be transacted at an AGM.

BY ORDER OF THE BOARD

ARA Trust Management (Suntec) Limited
as manager of Suntec REIT

Low Mei Mei, Maureen
Chiang Wai Ming
Company Secretaries

Singapore
29 March 2023

Notes

1. Arrangements for conduct of the AGM

The AGM is being convened, and will be held in a **wholly physical format** at Level 4, Hall 406, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 20 April 2023 at 2.30 p.m. (Singapore Time), pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. There will be **no option to participate virtually**.

Printed copies of this Notice of AGM dated 29 March 2023 (“**Notice of AGM**”) will not be sent to Unitholders. Instead, the Notice of AGM will be sent to Unitholders by electronic means via publication on Suntec REIT’s website at the URL <https://suntecreit.listedcompany.com/newsroom.html> and will also be made available on the SGX-ST’s website at the URL <https://www.sgx.com/securities/company-announcements>.

Arrangements relating to:

- (i) attending the AGM by Unitholders, including CPF and SRS investors, and (where applicable) duly appointed proxies);
- (ii) submitting questions to the Chairman of the AGM by Unitholders, including CPF and SRS investors, in advance of, or at, the AGM, and addressing of substantial and relevant questions in advance of, or at, the AGM; and

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- (iii) voting at the AGM by Unitholders, including CPF and SRS investors, or (where applicable) duly appointed proxy(ies),

are set out below. Any reference to a time of day is made by reference to Singapore time.

- 2. Unitholders, including CPF and SRS investors, and (where applicable) duly appointed proxy(ies) will be able to attend the AGM in person. They will first need to register personally at the registration counter(s) outside the AGM venue on the day of the event, and should bring along their NRIC/passport to enable the Manager to verify their identity for entry to, and (where applicable) be provided with a handheld device for electronic voting at, the physical meeting.

Registration will commence at **1.30 p.m. on Thursday, 20 April 2023**. Unitholders are advised not to attend the AGM if they are feeling unwell.

- 3. Questions and answers

Unitholders, including CPF and SRS investors, can submit questions in advance of, or at, the AGM.

Submission of questions in advance of the AGM

Unitholders, including CPF and SRS investors, can submit to the Chairman of the AGM substantial and relevant questions related to the resolutions to be tabled for approval at the AGM in advance of the AGM. Such questions must be received by the Manager no later than **2.30 p.m. on Tuesday, 18 April 2023**, and can be submitted in the following manner:

- (i) by post to the office of the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632;
- (ii) via email to the Manager at SRS.TeamD@boardroomlimited.com.

Unitholders, including CPF and SRS investors, who submit questions via email or by post must provide the following information:

- (1) the Unitholder's full name;
- (2) the Unitholder's address; and
- (3) the manner in which the Unitholder holds Units (e.g., via CDP, scrip, CPF or SRS).

Ask questions at the AGM

Unitholders, including CPF and SRS investors, and, where applicable, their duly appointed proxy(ies) can also ask the Chairman of the AGM substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.

Addressing questions

The Manager's Chairman, Ms Chew Gek Khim, and Chief Executive Officer, Mr Chong Kee Hiong will conduct the proceedings of the AGM and will address the substantial and relevant questions raised during the AGM which are related to the resolutions to be tabled for approval at the AGM.

The Manager will endeavour to address all substantial and relevant questions (which are related to the resolutions to be tabled for approval at the AGM) received from Unitholders in advance of the AGM, prior to or during the AGM. The Manager will publish the responses to those questions on Suntec REIT's website and on SGXNET prior to the AGM. Where substantially similar questions are received, the Manager will consolidate such questions and consequently not all questions may be individually addressed.

The Manager will publish the minutes of the AGM on Suntec REIT's website and on SGXNET, and the minutes will include the responses to the substantial and relevant questions received from Unitholders which are addressed during the AGM.

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4. Vote in person, or appoint proxy(ies) to vote, at the AGM

Unitholders can vote at the AGM themselves or through their duly appointed proxy(ies).

Voting at the AGM

Upon their registration at the AGM venue, Unitholders, including CPF and SRS investors, and (where applicable) duly appointed proxy(ies), will be provided with a handheld device for electronic voting at the physical meeting.

Appointment of proxy(ies)

A Unitholder who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below. A proxy need not be a Unitholder.

A Unitholder who is not a relevant intermediary (as defined below) is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such Unitholder's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the unitholding concerned to be represented by each proxy must be specified in the instrument appointing a proxy(ies).

A Unitholder who is a relevant intermediary is entitled to appoint more than one proxy to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different Unit or Units held by such Unitholder. Where such Unitholder's instrument appointing a proxy(ies) appoints more than one proxy, the number of Units held in relation to which each proxy has been appointed must be specified in the instrument appointing a proxy(ies).

A Unitholder who wishes to submit an instrument of proxy must do so in the following manner:

- (a) if submitted by post, by completing and signing the Proxy Form, before lodging it at the office of the Unit Registrar at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
- (b) if submitted electronically, by completing and signing the Proxy Form, before attaching and sending a clear scanned PDF copy of it to the Unit Registrar at SRS.TeamD@boardroomlimited.com,

in each case, by **2.30 p.m. on Tuesday, 18 April 2023**, being 48 hours before the time fixed for the AGM.

Where an instrument appointing a proxy(ies) is executed by an attorney under a power of attorney or other authority on behalf of the appointor, or by a corporation under its common seal, such instrument appointing a proxy(ies) may only be submitted by post or via email using the Proxy Form.

The Proxy Form can be downloaded from Suntec REIT's website at the URL <https://suntecreit.listedcompany.com/agm-egm.html> and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of the Proxy Form will also be sent to Unitholders.

Completion and submission of an instrument appointing a proxy(ies) by a Unitholder will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM shall be deemed to be revoked if the Unitholder attends the AGM in person, and in such event, the Manager reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.

CPF and SRS investors who wish to exercise their voting rights at the AGM can refer to paragraph 5 below, for more information.

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5. Persons who hold Units through relevant intermediaries

Persons who hold Units through relevant intermediaries, other than CPF and SRS investors, and who wish to participate in the AGM by:

- (a) attending the AGM in person;
- (b) submitting questions to the Chairman of the AGM in advance of, or at, the AGM; and/or
- (c) voting at the AGM (i) themselves; or (ii) by appointing the Chairman of the AGM as proxy to vote on their behalf,

should contact the relevant intermediary through which they hold such Units as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

CPF and SRS investors:

- (A) may attend, speak and vote at the AGM if they are appointed as proxy(ies) by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators as soon as practicable if they have any queries regarding their appointment as proxy(ies); or
- (B) (as an alternative to (A) above) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **5.00 p.m. on Tuesday, 11 April 2023**. For avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the AGM) to vote live at the AGM on their behalf.

“relevant intermediary” means:

- (i) a banking corporation licensed under the Banking Act 1970, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds Units in that capacity;
- (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001, and who holds Units in that capacity; or
- (iii) the Central Provident Fund Board (“**CPF Board**”) established by the Central Provident Fund Act 1953, in respect of Units purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those Units in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

6. Other information

- (a) The Annual Report, the Third Party Fee Supplement Appendix and the appendix to this Notice of AGM dated 29 March 2023 (in relation to the proposed renewal of the unit buy-back mandate) (the “**Unit Buy-Back Appendix**”, and together with the Third Party Fee Supplement Appendix, the “**Appendices**”) may be accessed at Suntec REIT’s website as follows:
 - (i) the Annual Report may be accessed at the URL <https://suntecreit.listedcompany.com/ar.html> by clicking on the link for “Annual Report 2022”; and
 - (ii) the Appendices to this Notice of AGM dated 29 March 2023 may be accessed at the URL <https://suntecreit.listedcompany.com/agm-egm.html> by clicking on the link for “Notice of AGM and Appendices” under 2023 AGM Announcements.

Printed copies of the Proxy Form and the request form will be sent to Unitholders.

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Requests for a physical copy of the Annual Report should be made by submitting the request form, in the following manner: (a) if submitted by post, be lodged at the office of the Manager at 5 Temasek Boulevard, #12-01, Suntec Tower 5, Singapore 038985; or (b) if submitted electronically, be submitted via email to the Unit Registrar at SRS.TeamD@boardroomlimited.com. in either case, by no later than **5.00 p.m. on Tuesday, 11 April 2023**.

- (b) The Manager may be required to change the arrangements for the AGM at short notice. Unitholders should check Suntec REIT's website at the URL <https://suntecreit.listedcompany.com/newsroom.html> for the latest updates on the status of the AGM.

PERSONAL DATA PRIVACY:

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, and/or (b) submitting any question to the Chairman of the AGM in advance of the AGM in accordance with this Notice, a Unitholder (i) consents to the collection, use and disclosure of the Unitholder's personal data by the Manager (or its agents or service providers) for the following purposes (collectively, "**Purposes**"); (ii) warrants that where the Unitholder discloses the personal data of the Unitholder's proxy(ies) and/or representative(s) to the Manager (or its agents or service providers), the Unitholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Manager (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees to provide the Manager with written evidence of such prior consent upon reasonable request:

- (1) the processing, administration and analysis by the Manager and the Trustee (or their agents) of instruments appointing a proxy(ies) for the AGM (including any adjournment thereof);
- (2) the processing of the pre-registration for purposes of verifying the status of Unitholders, granting access to Unitholders (or their appointed proxy(ies)) to the AGM and providing them with any technical assistance where necessary;
- (3) the addressing of relevant and substantial questions received from Unitholders in advance of the AGM and, if necessary, the following up with the relevant Unitholders in relation to such questions;
- (4) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
- (5) in order for the Manager and the Trustee (or their agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

Explanatory Notes:

1) Ordinary Resolution 2 to be passed:

Ordinary Resolution 2 above, if passed, will approve the appointment of EY as External Auditors of Suntec REIT in place of the retiring External Auditors, KPMG, and authorise the Manager to fix their remuneration.

KPMG has served as External Auditors of Suntec REIT for 18 consecutive audits since the constitution of Suntec REIT in 2004 and was last re-appointed at the annual general meeting on 20 April 2022 to hold office until the conclusion of the AGM of Suntec REIT scheduled on 20 April 2023. As part of ongoing good corporate governance practices, the Directors opined that it would be timely to effect a change of External Auditors with effect from the current financial year ending 31 December 2023.

Following the completion of the acquisition of ARA Asset Management Limited, the ultimate shareholder of the Manager, by ESR Group Limited (formerly known as ESR Cayman Limited) ("**ESR**"), the Board is of the view that a change in External Auditors to EY, being the auditor for the ESR Group, will provide better risk governance, cost efficiencies and also benefit from fresh perspectives and views from another professional audit firm.

There will be no change in the scope of the audit to be undertaken by EY.

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The Audit and Risk Committee of the Manager (“**Audit and Risk Committee**”) has reviewed and deliberated on the proposed change of the External Auditors and is satisfied that the appointment of EY as the External Auditors of Suntec REIT and its significant associated companies and subsidiaries would not compromise the standard and effectiveness of the audit of Suntec REIT, and has recommended that EY be appointed in place of the retiring External Auditors, after taking into consideration the audit quality indicators listed in the Audit Quality Indicators Disclosure Framework issued by the Accounting and Corporate Regulatory Authority (“**ACRA**”) in assessing the suitability of EY and the requirements of Rule 712(1), Rule 712(2) and Rule 715 of the Listing Manual of the SGX-ST. For the purpose of Rule 715 of the Listing Manual of the SGX-ST, a subsidiary or associated company is considered significant if its net tangible assets represent 20% or more of the issuer’s consolidated net tangible assets, or its pre-tax profits account for 20% or more of the issuer’s consolidated pre-tax profits.

The Directors have taken into account the Audit and Risk Committee’s recommendation, and considered factors such as the adequacy of the resources and experience of EY and the audit partner-in-charge to be assigned to the audit, EY’s audit engagements, the size and complexity of Suntec REIT and its subsidiaries, and the number and experience of EY’s supervisory and professional staff to be assigned to the audit, and are satisfied that EY will be able to meet the audit requirements of Suntec REIT. Accordingly, the Directors recommend the appointment of EY as the External Auditors of Suntec REIT in place of the retiring External Auditors, KPMG.

EY, registered with the Accounting and Corporate Regulatory Authority, is one of the largest professional service firms in Singapore, and is among the Big Four accounting firms in Singapore. EY has more than 134 years of experience providing Assurance, Tax, Strategy & Transactions and Consulting services to the Singapore and global markets and employs more than 350,000 people globally, including more than 3,700 people in Singapore. EY has relevant industry experience with audit clients in the Singapore real estate investment trust industry which Suntec REIT is in. More information about EY, its values and its services can be found on EY’s website at <http://www.ey.com>.

The EY team will be led by Ms Low Yen Mei who has more than 25 years of audit experience in listed and multinational companies. Ms Low is a Partner of the Real Estate, Hospitality and Construction practice in EY and has been involved in the audit of various REITs in Singapore. Ms Low is a practicing member of ISCA and is a public accountant registered with the Accounting and Corporate Regulatory Authority of Singapore. Ms Low was inspected by ACRA’s Practice Monitoring Program in 2016 and passed.

The appointment of EY will be effective upon obtaining the approval of Unitholders at the AGM for the proposed change of External Auditors. If approved, EY will hold office until the conclusion of the next AGM of Suntec REIT.

In view of the above, KPMG will retire and not seek re-appointment as External Auditors of Suntec REIT at the AGM, being the end of their current term. The Directors wish to express their appreciation for the past services rendered by KPMG.

In accordance with the requirements of Rule 1203(5) of the Listing Manual of the SGX-ST:

- (a) the outgoing External Auditors, KPMG, has confirmed that they are not aware of any professional reasons why the new External Auditors, EY, should not accept appointment as auditors of Suntec REIT;
- (b) the Manager confirms that there were no disagreements with the outgoing External Auditors, KPMG, on accounting treatments during the financial year ended 31 December 2022;
- (c) the Manager confirms that, other than as set out above, it is not aware of any circumstances connected with the proposed change of the External Auditors that should be brought to the attention of Unitholders;
- (d) the specific reasons for the proposed change of the External Auditors are disclosed in the Notice of AGM. The proposed change of the External Auditors is not due to (a) the resignation of KPMG as External Auditors of Suntec REIT, (b) KPMG declining to stand for re-appointment or (c) the dismissal of KPMG as External Auditors of Suntec REIT; and
- (e) the Manager confirms that Rule 712(1), Rule 712(2)(a) and Rule 715 of the Listing Manual of the SGX-ST are complied with in relation to the appointment of EY.

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2) Ordinary Resolution 3 to be passed:

Ordinary Resolution 3 above, if passed, will empower the Manager to issue Units, to make or grant Instruments and to issue Units pursuant to such Instruments from the date of the AGM until (i) the conclusion of the next AGM of Suntec REIT or (ii) the date by which the next AGM of Suntec REIT is required by the applicable laws and regulations or the Trust Deed to be held, whichever is earlier, unless such authority is revoked or varied by the Unitholders in a general meeting. The aggregate number of Units which the Manager may issue (including Units to be issued pursuant to Instruments) under this Ordinary Resolution shall not exceed fifty percent (50.0%) of the total number of issued Units with a sub-limit of twenty percent (20.0%) for issues other than on a pro rata basis to Unitholders.

The Units to be issued other than on a pro rata basis shall only be issued as payment of asset management fees (including acquisition fee and divestment fee) in accordance with Suntec REIT's trust deed dated 1 November 2024 (as amended from time to time).

For the purpose of determining the aggregate number of Units that may be issued, the total number of issued Units will be based on the total number of issued Units at the time Ordinary Resolution 3 is passed, after adjusting for (i) new Units arising from the conversion or exercise of any convertible securities or Unit options or vesting of Unit awards which were issued and are outstanding or subsisting at the time this Ordinary Resolution is passed and (ii) any subsequent bonus issue, consolidation or subdivision of Units.

Fund raising by issuance of new Units may be required in instances of property acquisitions or debt repayments. In any event, if the approval of Unitholders is required under the Listing Manual of the SGX-ST and the Trust Deed or any applicable laws and regulations in such instances, the Manager will then obtain the approval of Unitholders accordingly.

3) Ordinary Resolution 4 to be passed:

Ordinary Resolution 4, if passed, will empower the Manager from the date of the AGM of Suntec REIT until (i) the date on which the next annual general meeting of Suntec REIT is held, (ii) the date by which the next annual general meeting of Suntec REIT is required by applicable laws and regulations or the Trust Deed to be held, or (iii) the date on which the repurchases of Units pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated, whichever is the earliest, to exercise all the powers to repurchase issued Units for and on behalf of Suntec REIT not exceeding in aggregate 2.5% of the total number of Units as at the date of the passing of this Ordinary Resolution, whether by way of market repurchase(s) or off-market repurchase(s), on the terms of the Unit Buy-Back Mandate set out in the Unit Buy-Back Appendix, unless such authority is revoked or varied by the Unitholders in a general meeting.

4) Extraordinary Resolution 5 to be passed:

Extraordinary Resolution 5, if passed, will approve the Third Party Fee Supplement which is set out in the Third Party Fee Supplement Appendix. The Third Party Fee Supplement is intended to amend the Trust Deed to provide for the payment of fees and charges to third party agents and brokers in connection with the acquisition or divestment of any assets of Suntec REIT out of all the assets of Suntec REIT for the time being held or deemed to be held upon the trusts of the Trust Deed, and not out of the acquisition or divestment fee received by the Manager. Please see the Third Party Fee Supplement Appendix for further details.

**APPENDIX 1
APPENDIX TO THE NOTICE OF AGM
DATED 29 MARCH 2023**

Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Appendix.

If you are in any doubt as to the contents herein or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold all your units in Suntec REIT, please forward this Appendix to the purchaser or bank or stockbroker or agent through whom the sale was effected for onward transmission to the purchaser.



SUNTEC REAL ESTATE INVESTMENT TRUST

(Constituted in the Republic of Singapore pursuant to
a trust deed dated 1 November 2004 (as amended))

MANAGED BY

ARA TRUST MANAGEMENT (SUNTEC) LIMITED

**APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING
DATED 29 MARCH 2023**

IN RELATION TO

THE PROPOSED RENEWAL OF THE UNIT BUY-BACK MANDATE

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APPENDIX 1

1 INTRODUCTION

1.1 Summary

We refer to the proposed Ordinary Resolution 4 of the notice dated 29 March 2023 convening the annual general meeting of Suntec Real Estate Investment Trust (“**Suntec REIT**”), to be convened and held at Level 4, Hall 406, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 20 April 2023 at 2.30 p.m. (Singapore Time) (the “**AGM**”).

Ordinary Resolution 4 relates to the proposed renewal of the unit buy-back mandate of ARA Trust Management (Suntec) Limited, as manager of Suntec REIT (the “**Manager**”). The Manager’s existing mandate to exercise its powers to procure the repurchases of units in Suntec REIT (“**Units**”) for and on behalf of Suntec REIT without the prior specific approval of the holders of Units (“**Unitholders**”) in a general meeting was approved by Unitholders at the annual general meeting of Suntec REIT that was held on 20 April 2022, and such mandate expires on 20 April 2023, being the date of the AGM. In this regard, the Manager seeks approval from Unitholders at the AGM in relation to the renewal of the mandate to exercise its powers to procure the repurchases of Units without the prior specific approval of Unitholders in a general meeting (the “**Unit Buy-Back Mandate**”).

1.2 This Appendix

The purpose of this Appendix is to provide Unitholders with information relating to the above proposal which will be tabled at the AGM.

1.3 Advice to Unitholders

Unitholders should note that by voting in favour of Ordinary Resolution 4 relating to the proposed Unit Buy-Back Mandate, they will be giving the Manager the mandate to procure the repurchases of Units on the terms and conditions set out in paragraph 2 of this Appendix and in accordance with all applicable laws and regulations, including but not limited to the provisions of the trust deed dated 1 November 2004 constituting Suntec REIT, as amended (the “**Trust Deed**”) and the Listing Manual of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”, and the Listing Manual of the SGX-ST, the “**Listing Manual**”).

(See “The Proposed Renewal of the Unit Buy-Back Mandate” in paragraph 2 of this Appendix for further details.)

1.4 Singapore Exchange Securities Trading Limited

The SGX-ST assumes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Appendix.

1.5 Legal Adviser for the Unit Buy-Back Mandate

The Manager has engaged Allen & Gledhill LLP as its legal adviser in relation to the Unit Buy-Back Mandate.

2 THE PROPOSED RENEWAL OF THE UNIT BUY-BACK MANDATE

2.1 Rationale for the Unit Buy-Back Mandate

The approval of the renewal of the Unit Buy-Back Mandate authorising the Manager to repurchase Units for and on behalf of Suntec REIT would give the Manager the flexibility to undertake repurchases of Units (“**Unit Buy-Back**”) of up to the 2.5% limit described in paragraph 2.2.1 of this Appendix at any time, during the period when the Unit Buy-Back Mandate is in force.

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The rationale for seeking the Unit Buy-Back Mandate is as follows:

- (i) the Unit Buy-Back Mandate would be a flexible and cost-effective capital management tool to enhance return on equity for Unitholders and/or the net asset value (“NAV”) per Unit; and
- (ii) the Unit Buy-Back Mandate, when exercised at appropriate times, would help mitigate short-term market volatility, off-set the effects of short-term speculative trading of the Units and bolster market confidence in the Units.

While the Unit Buy-Back Mandate would authorise Unit Buy-Backs of up to the said 2.5% limit during the period when the Unit Buy-Back Mandate is in force, Unitholders should note that Unit Buy-Backs may not necessarily be carried out to the entire 2.5% limit as authorised by Unitholders.

Repurchases of Units will be made only when the Manager considers it to be in the best interests of Suntec REIT and the Unitholders.

Rule 723 of the Listing Manual requires Suntec REIT to ensure that at least 10.0% of its Units are at all times held by the public (the “Public Float”). As at 1 March 2023, being the latest practicable date prior to the issuance of this Appendix (the “Latest Practicable Date”), the Public Float is approximately 66.5%, and accordingly, the Manager is of the view that the orderly trading and the listing status of the Units on the SGX-ST is not likely to be affected by the Unitholders’ approval of the Unit Buy-Back Mandate and the repurchases of Units thereunder.

2.2 Authority and Limits on the Unit Buy-Back Mandate

The authority conferred on the Manager and the limits placed on the repurchases of Units by the Manager under the Unit Buy-Back Mandate are set out below:

2.2.1 Maximum Limit

The total number of Units which may be repurchased pursuant to the Unit Buy-Back Mandate is limited to that number of Units representing not more than 2.5% of the total number of issued Units as at the date of the AGM¹.

FOR ILLUSTRATIVE PURPOSES ONLY: On the basis of 2,886,680,660 Units in issue as at the Latest Practicable Date, and assuming that no further Units are issued on or prior to the AGM at which the Unit Buy-Back Mandate is approved, not more than 72,167,016 Units (representing 2.5% of the issued Units) may be repurchased by the Manager pursuant to the Unit Buy-Back Mandate during the Mandate Duration (as defined herein).

2.2.2 Duration of Authority

Unless revoked or varied by Unitholders in a general meeting, the Unit Buy-Back Mandate, if approved by Unitholders, will be in force from the period commencing from the date on which the AGM is held and the Unit Buy-Back Mandate is approved and expiring on the earliest of the following dates:

- (i) the date on which the next annual general meeting of Suntec REIT is held;
- (ii) the date by which the next annual general meeting of Suntec REIT is required by applicable laws and regulations or the provisions of the Trust Deed to be held; or

¹ Pursuant to the Listing Manual, a unit buy-back shall not exceed 10.0% of the total number of issued units excluding treasury units and subsidiary holdings in each class as at the date of the resolution passed by unitholders for the unit buy-back. For the avoidance of doubt, Suntec REIT does not hold any treasury units and there are no subsidiary holdings as none of the subsidiaries of Suntec REIT hold any Units. There is also only one class of units in Suntec REIT.

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- (iii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated,

(the “**Mandate Duration**”).

Under the Trust Deed and the prevailing laws and regulations of Singapore, subject to any waiver by the relevant regulatory authorities, Suntec REIT is required to convene an annual general meeting of Unitholders once every calendar year and not more than 15 months after the holding of the last preceding annual general meeting.

The authority conferred on the Manager under the Unit Buy-Back Mandate to repurchase Units may be renewed at the next annual general meeting of Unitholders. When seeking the approval of Unitholders for any subsequent Unit Buy-Back Mandate, the Manager shall disclose details of each Unit Buy-Back made during the Mandate Duration in respect of the Unit Buy-Back mandate immediately preceding such Unit Buy-Back Mandate being sought, including the total number of Units repurchased, the repurchase price per Unit or the highest and lowest prices paid for such repurchases of Units, where relevant, and the total consideration paid for such repurchases.

2.2.3 Manner of Repurchase

Repurchases of Units may be made by way of:

- (i) market repurchase(s) (“**Market Repurchases**”); and/or
- (ii) off-market repurchase(s) (“**Off-Market Repurchases**”).

Market Repurchases refer to repurchases of Units by the Manager effected on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, through one or more duly licensed stockbrokers appointed by the Manager for the purpose.

Off-Market Repurchases refer to repurchases of Units by the Manager (which are not Market Repurchases) made under an equal access scheme or schemes for the repurchase of Units from Unitholders in accordance with the Trust Deed. In this regard, an Off-Market Repurchase must satisfy all the following conditions:

- (i) offers for the repurchase or acquisition of Units shall be made to every person who holds Units to repurchase or acquire the same percentage of their Units;
- (ii) all of the above-mentioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (a) differences in consideration attributable to the fact that offers may relate to Units with different accrued distribution entitlements;
 - (b) differences in consideration attributable to the fact that the offers may relate to Units with different amounts remaining unpaid; and
 - (c) differences in the offers introduced solely to ensure that each Unitholder is left with a whole number of Units.

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Additionally, the Listing Manual provides that, in making an Off-Market Repurchase, the Manager must issue an offer document to all Unitholders which must contain, *inter alia*:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Unit repurchases;
- (iv) the consequences, if any, of Unit repurchases by the Manager that will arise under the Singapore Code on Take-overs and Mergers (“**Code**”) or other applicable takeover rules;
- (v) whether the Unit repurchases, if made, could affect the listing of the Units on the SGX-ST;
- (vi) details of any Unit repurchases made by the Manager in the previous 12 months (whether Market Repurchases or Off-Market Repurchases in accordance with an equal access scheme), giving the total number of Units repurchased, the repurchase price per Unit or the highest and lowest prices paid for the repurchases, where relevant, and the total consideration paid for the repurchases; and
- (vii) whether the Units repurchased by the Manager will be cancelled or kept as treasury Units.

2.2.4 Repurchase Price

The Manager has the discretion to determine the repurchase price for a repurchase of Units under a unit buy-back mandate, subject to such repurchase price not exceeding 105.0% of the Average Closing Price (as defined herein) of the Units for both a Market Repurchase and an Off-Market Repurchase (the “**Maximum Price**”), excluding Related Expenses (as defined herein).

For the purposes of this paragraph 2.2.4:

“**Average Closing Price**” means the average of the closing market prices of the Units over the last five Market Days (as defined herein), on which transactions in the Units were recorded, immediately preceding the date of the Market Repurchase or, as the case may be, the Date of the Making of the Offer pursuant to the Off-Market Repurchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and the date of the Market Repurchase(s) or, as the case may be, the Date of the Making of the Offer pursuant to the Off-Market Repurchase(s); and

“**Date of the Making of the Offer**” means the date on which the Manager makes an offer for an Off-Market Repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an Off-Market Repurchase calculated on the foregoing basis) for each Unit and the relevant terms of the equal access scheme for effecting the Off-Market Repurchase.

2.3 Status of Repurchased Units

Under the Trust Deed, a Unit repurchased by way of a Unit Buy-Back shall be deemed cancelled immediately on repurchase (and all rights and privileges attached to such Unit will expire on such cancellation).

2.4 Reporting Requirements

Rule 886 of the Listing Manual specifies that an issuer shall notify the SGX-ST of all repurchases or acquisitions of its Units not later than 9.00 a.m.:

- (i) in the case of a Market Repurchase, on the Market Day following the day on which the Market Repurchase was made; or
- (ii) in the case of an Off-Market Repurchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Repurchase.

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The notification of any such repurchases of Units to the SGX-ST (in the form of an announcement on the SGXNet) shall be in such form and shall include such details as the SGX-ST may prescribe.

The Manager shall make arrangements with the appointed stockbrokers and/or custodians to ensure that they provide the Manager in a timely fashion the necessary information which will enable the Manager to make the notifications to the SGX-ST.

2.5 Sources of Funds

The Manager may only apply funds for the repurchase of Units as provided in the Trust Deed and in accordance with the applicable laws and regulations in Singapore. The Manager may not repurchase Units for a consideration other than in cash.

The Manager intends to utilise Suntec REIT's internal sources of funds, external borrowings or a combination of both to finance the Manager's repurchase of Units on behalf of Suntec REIT pursuant to the Unit Buy-Back Mandate, subject always to the requirements of the applicable laws and/or regulations in force at the relevant time.

2.6 Financial Effects

It is not possible for the Manager to calculate realistically or quantify the impact of repurchases of Units that may be made pursuant to the Unit Buy-Back Mandate on the NAV per Unit and distribution per Unit ("DPU") as the resultant effect would depend on, among others, the aggregate number of Units repurchased and the repurchase prices paid for such Units.

Suntec REIT's total number of issued Units will be diminished by the total number of Units repurchased by way of a Unit Buy-Back as such Units will be cancelled.

The Manager will only exercise the Unit Buy-Back Mandate when it considers it to be in the best interests of Suntec REIT and the Unitholders. The Manager will consider factors such as the working capital requirements, availability of financial resources, the investment and growth strategies of Suntec REIT and the prevailing market conditions before repurchasing Units under the Unit Buy-Back Mandate. The Manager will exercise the Unit Buy-Back Mandate with a view to enhancing the DPU and/or the NAV per Unit. The Manager does not intend to exercise the Unit Buy-Back Mandate to such an extent as would have a material adverse effect on the financial position of Suntec REIT.

FOR ILLUSTRATIVE PURPOSES ONLY: The financial effects of a Unit Buy-Back on Suntec REIT are based on the assumptions set out below:

- (i) 72,167,016 Units (representing 2.5% of the issued Units as at the Latest Practicable Date) are repurchased by the Manager pursuant to the Unit Buy-Back Mandate on 1 January 2022;
- (ii) 2,886,680,660 Units are in issue as at the Latest Practicable Date (assuming no further Units are issued on or prior to the AGM at which the Unit Buy-Back Mandate is approved);
- (iii) Units are repurchased:
 - (a) in the case of Market Repurchases by the Manager at the Maximum Price of S\$1.478 per Unit (being the price equivalent to 105.0% of the Average Closing Price of the Units immediately preceding the Latest Practicable Date), and accordingly, the maximum amount of funds required for the repurchase of 72,167,016 Units, representing 2.5% of the issued Units as at the Latest Practicable Date (excluding Related Expenses) is approximately S\$106,663,000; and
 - (b) in the case of Off-Market Repurchases by the Manager at the Maximum Price of S\$1.478 per Unit (being 105.0% of the Average Closing Price of the Units immediately preceding the Latest Practicable Date), and accordingly, the amount of funds required for the repurchase of 72,167,016 Units, representing 2.5% of the issued Units as at the Latest Practicable Date (excluding Related Expenses) is approximately S\$106,663,000;

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- (iv) the Unit Buy-Back Mandate has been effective since 1 January 2022;
- (v) all Units repurchased under the Unit Buy-Back Mandate are cancelled;
- (vi) the repurchases of Units are funded solely by internal sources of funds of Suntec REIT; and
- (vii) there are no changes to the distribution policy to Unitholders.

Based on the assumptions set out above, the financial effects of the repurchase of 72,167,016 Units (representing 2.5% of the issued Units as at the Latest Practicable Date) by the Manager pursuant to the Unit Buy-Back Mandate by way of (A) Market Repurchases and (B) Off-Market Repurchases, are set out below based on the audited consolidated financial statements of Suntec REIT and its subsidiaries (the “**Suntec REIT Group**”) for the financial year ended 31 December 2022 (“**FY 2022**”), and the audited consolidated financial statements of the Suntec REIT Group for FY 2022, the (“**FY 2022 Audited Financial Statements**”):

FY 2022 Audited Financial Statements	Pro forma financial effects of Unit repurchases on the FY 2022 Audited Financial Statements		
		Market Repurchases	Off-Market Repurchases
Net Assets (S\$ million)	6,584.1	6,478.0	6,478.0
Current Assets (S\$ million)	297.6	191.0	191.0
Current Liabilities (S\$ million)	807.6	807.6	807.6
Number of issued Units (as at the Latest Practicable Date) (million)	2,886.7	2,814.5	2,814.5
<u>Financial Ratios</u>			
Adjusted NAV per Unit (excluding outstanding distributable income) (S\$)	2.099	2.117	2.117
Distribution per Unit (cents)	8.884	9.093	9.093
Aggregate Leverage (%)	42.4	42.8	42.8

Unitholders should note that the financial effects set out in the table above are based on the FY 2022 Audited Financial Statements and are presented strictly for illustrative purposes only. The results of the Suntec REIT Group for FY 2022 may not be representative of future performance. Although the Unit Buy-Back Mandate would authorise the Manager to repurchase up to 2.5% of the total number of issued Units, the Manager may not necessarily repurchase or be able to repurchase the entire 2.5% of the total number of issued Units at any time while the Unit Buy-Back Mandate is in force.

2.7 Taxation

Unitholders who are in doubt as to their respective tax positions or the tax implications of Unit repurchases by the Manager, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.8 Units Repurchased by the Manager

As at the Latest Practicable Date, the Manager has not repurchased any Units under the existing Unit Buy-Back mandate immediately preceding the AGM.

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2.9 Black-Out Periods

The Manager will not repurchase any Units for and on behalf of Suntec REIT at any time after a material price sensitive development has occurred or has been the subject of a decision until such time the price sensitive information has been publicly announced. In addition, the Manager will not repurchase Units for and on behalf of Suntec REIT during the period commencing two weeks prior to the quarterly release of investor slides (in relation to the first and third quarters) and one month before the date of announcement of the Suntec REIT Group's half-year and full year financial statements.

2.10 Take-over Implications

The circumstances under which Unitholders and persons acting in concert with them will incur an obligation to make a mandatory take-over offer under Rule 14 of the Code after a repurchase of Units by the Manager are set out in Appendix 2 of the Code. The take-over implications which may arise from any repurchase by the Manager of Units by way of a Unit Buy-Back are set out below.

2.10.1 Obligation to make a Take-over Offer

If, as a result of any repurchase by the Manager of the Units, the proportionate interest in the voting rights of a Unitholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Code. Consequently, a Unitholder or a group of Unitholders acting in concert could obtain or consolidate effective control of Suntec REIT and become obliged to make a mandatory take-over offer under Rule 14 of the Code.

2.10.2 Persons Acting in Concert

Applying the Code to Suntec REIT, to the extent possible, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of Units (or otherwise), to obtain or consolidate effective control of Suntec REIT.

Unless the contrary is established, the following persons, among others, will be presumed to be acting in concert, namely:

- (i) the following companies:
 - (a) a company ("**(A)**");
 - (b) the parent company of (A) ("**(B)**");
 - (c) the subsidiaries of (A) (each, "**(C)**");
 - (d) the fellow subsidiaries of (A) (each, "**(D)**");
 - (e) the associated companies of any of (A), (B), (C), or (D) (each, "**(E)**");
 - (f) companies whose associated companies include any of (A), (B), (C), (D) or (E); and
 - (g) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights; and
- (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

For this purpose, a company is an "**associated company**" (as defined in the Code) of another company if the second company owns or controls at least 20.0% but not more than 50.0% of the voting rights of the first-mentioned company.

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2.10.3 Effect of Rule 14 and Appendix 2 of the Code

In general terms, the effect of Rule 14 and Appendix 2 of the Code is that, unless exempted¹, Unitholders and/or persons acting in concert with them will incur an obligation to make a mandatory take-over offer under Rule 14 of the Code if, as a result of the Manager repurchasing Units by way of a Unit Buy-Back, the voting rights of such Unitholders and/or their concert parties would increase to 30.0% or more, or in the event that such Unitholders and/or their concert parties hold between 30.0% and 50.0% of the voting rights in Suntec REIT, if the voting rights of such Unitholders and/or their concert parties would increase by more than 1.0% in any period of six months.

Under Appendix 2 of the Code, a Unitholder not acting in concert with the directors of the Manager (“**Directors**”) will not be required to make a mandatory take-over offer under Rule 14 of the Code if, as a result of the Manager repurchasing Units by way of a Unit Buy-Back, the voting rights of such Unitholder would increase to 30.0% or more, or, if such Unitholder holds between 30.0% and 50.0% of the voting rights in Suntec REIT, the voting rights of such Unitholder would increase by more than 1.0% in any period of six months. Such Unitholder need not abstain from voting in respect of Ordinary Resolution 4 relating to the renewal of the Unit Buy-Back Mandate.

Based on the interests of the Substantial Unitholders² in Units recorded in the Register of Substantial Unitholders as at the Latest Practicable Date, none of the Substantial Unitholders would become obliged to make a take-over offer for Suntec REIT under Rule 14 of the Code as a result of any repurchase of Units by the Manager pursuant to the Unit Buy-Back Mandate of the maximum limit of 2.5% of its issued Units as at the Latest Practicable Date.

Important:

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all the implications that may arise, under the Code. Unitholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a mandatory take-over offer would arise by reason of any Unit repurchases by the Manager.

2.11 Unitholders’ Approval

In view of the foregoing, the Manager is seeking the approval of Unitholders under Ordinary Resolution 4 relating to the renewal of the Unit Buy-Back Mandate.

Important:

Unitholders should note that by voting in favour of Ordinary Resolution 4 relating to the renewal of the Unit Buy-Back Mandate, they will be authorising the Manager to procure the repurchase of Units on the terms and conditions set out in paragraph 2 of this Appendix and in accordance with the provisions of the Trust Deed and all applicable laws and regulations including, but not limited to, the Listing Manual.

¹ Unitholders and/or persons acting in concert with them will be exempt from the requirement to make a mandatory take-over offer under Rule 14 of the Code upon the satisfaction of the conditions set out in paragraph 3(a) of Appendix 2 of the Code.

² “**Substantial Unitholder**” means a person with an interest in Units constituting not less than 5.0% of the total number of Units in issue.

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3 INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

3.1 Interests of Directors

As at the Latest Practicable Date, certain Directors collectively hold an aggregate direct and indirect interest in 4,000,000 Units. Based on the Register of Directors' Unitholdings maintained by the Manager, the direct and deemed interests and voting rights of the Directors as at the Latest Practicable Date are as follows:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	% ⁽¹⁾
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾		
Ms Chew Gek Khim	—	—	—	—	—	—
Mr Lim Hwee Chiang, John	3,000,000	0.104	1,000,000 ⁽²⁾	0.035	4,000,000	0.139
Mr Yap Chee Meng	—	—	—	—	—	—
Mr Chan Pee Teck, Peter	—	—	—	—	—	—
Mrs Yu-Foo Yee Shoon	—	—	—	—	—	—
Mr Lock Wai Han	—	—	—	—	—	—
Mr Jeffrey David Perlman	—	—	—	—	—	—
Mr Chong Kee Hiong	—	—	—	—	—	—

Notes:

- (1) The percentage is based on 2,886,680,660 Units in issue as at the Latest Practicable Date.
- (2) Mr Lim Hwee Chiang, John is deemed to have an interest in 1,000,000 Units held by Citibank Nominees Singapore Pte. Ltd. (as nominee of JL Philanthropy Ltd). The beneficiary of JL Philanthropy Ltd is JL Charitable Settlement and Mr Lim is the settlor of JL Charitable Settlement.

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3.2 Interests of Substantial Unitholders

Based on the Register of Substantial Unitholders, the direct and deemed interests and voting rights of the Substantial Unitholders of Suntec REIT as at the Latest Practicable Date are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total No. of Units held	% ⁽¹⁾
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾		
ESR Group Limited (formerly known as ESR Cayman Limited) ⁽²⁾	—	—	260,541,467	9.03	260,541,467	9.03
ARA Asset Management Limited ⁽³⁾	—	—	260,541,467	9.03	260,541,467	9.03
ARA RE Investment Group (Singapore) Pte. Ltd. ⁽⁴⁾	—	—	259,542,887	8.99	259,542,887	8.99
ARA Real Estate Investors 22 Pte. Ltd.	188,141,706	6.52	—	—	188,141,706	6.52
Tang Gordon @ Tang Yigang @ Tang Gordon ⁽⁵⁾	224,180,227	7.77	—	—	224,180,227	7.77
Celine Tang @ Chen Huaidan @ Celine Tang ⁽⁵⁾	231,412,894	8.02	—	—	231,412,894	8.02
Yang Chanzhen @ Janet Yeo ⁽⁶⁾⁽⁷⁾	198,363,400	6.87	57,095,100	1.98	255,458,500	8.85
Tang Jialin ⁽⁶⁾⁽⁸⁾	201,508,300	6.98	57,095,100	1.98	259,603,400	8.96

Notes:

- (1) The percentage is based on 2,886,680,660 Units in issue as at the Latest Practicable Date.
- (2) ESR Group Limited (formerly known as ESR Cayman Limited) (“**ESR**”) holds 100 per cent. of the issued and paid-up share capital of ARA Asset Management Limited (“**ARA**”). Accordingly, ESR is deemed to have an interest in the Units that ARA has a deemed interest in.
- (3) ARA is the sole shareholder of the Manager and ARA RE Investment Group (Singapore) Pte. Ltd. (“**ARA RIGS**”). Accordingly, ARA is deemed to have an interest in the Units held by the Manager and Units that ARA RIGS has a deemed interest in.
- (4) ARA Real Estate Investors 22 Pte Ltd (“**ARA 22**”) is a wholly owned subsidiary of ARA RIGS. Accordingly, ARA RIGS is deemed to have an interest in the Units held by ARA 22.
- (5) Mr Tang Gordon @ Tang Yigang @ Tang Gordon is the spouse of Madam Celine Tang @ Chen Huaidan @ Celine Tang. Mr Tang Gordon together with his spouse, Madam Celine Tang holds 34,615,200 Units in their joint account.
- (6) Mr Tang Jialin and Madam Yang Chanzhen @ Janet Yeo are entitled to exercise or control the exercise of not less than 20 per cent. of the voting rights of Senz Holdings Limited (“**Senz**”). They are therefore deemed interested in the Units held by Senz.
- (7) Madam Yang Chanzhen @ Janet Yeo holds 193,185,600 Units in the joint accounts with Mr Tang Jialin, and solely holds 5,177,800 Units.
- (8) Mr Tang Jialin holds 201,508,300 Units in the joint accounts with Madam Yang Chanzhen.

APPENDIX 1

4 DIRECTORS' RECOMMENDATION

Having considered the relevant factors, including the rationale for the proposed renewal of the Unit Buy-Back Mandate as set out in paragraph 2 of this Appendix, the Directors recommend that Unitholders vote at the AGM in favour of Ordinary Resolution 4 relating to the renewal of the Unit Buy-Back Mandate.

5 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Unit Buy-Back Mandate, Suntec REIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

6 DOCUMENT ON DISPLAY

The Trust Deed will be available for inspection during normal business hours at the registered office of the Manager at 5 Temasek Boulevard #12-01, Suntec Tower Five, Singapore 038985 for so long as Suntec REIT is in existence.

IMPORTANT NOTICE

This Appendix does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of Suntec REIT in Singapore or any other jurisdictions. 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.

Unitholders 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 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 indicative of the future performance of Suntec REIT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

This Appendix may contain forward-looking statements that involve assumptions, 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 developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, 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. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

GLOSSARY

%	:	Per centum or percentage
AGM	:	The annual general meeting of Unitholders, to be convened and held at Level 4, Hall 406, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 20 April 2023 at 2.30 p.m. (Singapore Time)
Appendix	:	This Appendix to Unitholders dated 29 March 2023
Average Closing Price	:	The average of the closing market prices of the Units over the last five Market Days, on which transactions in Units were recorded, immediately preceding the date of the Market Repurchase or, as the case may be, the Date of the Making of the Offer pursuant to the Off-Market Repurchase, and deemed to be adjusted for any corporate action that occurs during the relevant five Market Days and the date of the Market Repurchase(s) or, as the case may be, the Date of the Making of the Offer pursuant to the Off-Market Repurchase(s)
CDP	:	The Central Depository (Pte) Limited
Code	:	The Singapore Code on Take-overs and Mergers
Date of the Making of the Offer	:	The date on which the Manager makes an offer for an Off-Market Repurchase, stating therein the repurchase price (which shall not be more than the Maximum Price for an Off-Market Repurchase) for each Unit and the relevant terms of the equal access scheme for effecting the Off-Market Repurchase
Directors	:	Directors of the Manager
DPU	:	Distribution per Unit
FY 2022	:	The financial year ended 31 December 2022
FY 2022 Audited Financial Statements	:	The audited consolidated financial statements of the Suntec REIT Group for FY 2022
Latest Practicable Date	:	1 March 2023, being the latest practicable date prior to the issuance of this Appendix
Listing Manual	:	The Listing Manual of the SGX-ST
Manager	:	ARA Trust Management (Suntec) Limited, in its capacity as manager of Suntec REIT
Mandate Duration	:	Unless revoked or varied by Unitholders in a general meeting, the period commencing from the date on which the AGM is held and the Unit Buy-Back Mandate is approved and expiring on the earliest of the following dates: (i) the date on which the next annual general meeting of Suntec REIT is held; (ii) the date by which the next annual general meeting of Suntec REIT is required by applicable laws and regulations or the provisions of the Trust Deed to be held; or (iii) the date on which the repurchases of Units by the Manager pursuant to the Unit Buy-Back Mandate are carried out to the full extent mandated

GLOSSARY

Market Day	:	A day on which the SGX-ST is open for trading in securities
Market Repurchases	:	Repurchases of Units by the Manager effected on the SGX-ST and/or, as the case may be, such other stock exchange for the time being on which the Units may be listed and quoted, through one or more duly licensed stockbrokers appointed by the Manager for the purpose
Maximum Price	:	Means 105.0% of the Average Closing Price of the Units for both a Market Repurchase and an Off-Market Repurchase
NAV	:	Net asset value
Off-Market Repurchases	:	Repurchases of Units by the Manager (which are not Market Repurchases) made under an equal access scheme or schemes for the repurchase of Units from Unitholders in accordance with the Trust Deed
Ordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
Public Float	:	Refers to the percentage of Units held by the public
Related Expenses	:	Brokerage, stamp duty, commission, applicable goods and services tax and other related expenses
S\$ and cents	:	Singapore dollars and cents
SGX-ST	:	Singapore Exchange Securities Trading Limited
Substantial Unitholder	:	A person with an interest in Units constituting not less than 5.0% of the total number of Units in issue
Suntec REIT	:	Suntec Real Estate Investment Trust
Suntec REIT Group	:	Suntec REIT and its subsidiaries
Trust Deed	:	The trust deed dated 1 November 2004 constituting Suntec REIT, as amended, varied or supplemented from time to time
Unit	:	A unit representing an undivided interest in Suntec REIT
Unit Buy-Back	:	The repurchase of Units pursuant to the Unit Buy-Back Mandate
Unit Buy-Back Mandate	:	The proposed unit buy-back mandate to be given to the Manager by way of an Ordinary Resolution in a general meeting, to exercise its powers to procure the repurchases of Units for and on behalf of Suntec REIT without the prior specific approval of Unitholders at a general meeting
Unitholders	:	The registered holders for the time being of a Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term “ Unitholder ” shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units

GLOSSARY

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Unless otherwise stated in this Appendix figures and percentages are rounded off where applicable.

APPENDIX 2 APPENDIX TO THE NOTICE OF AGM DATED 29 MARCH 2023

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

Singapore Exchange Securities Trading Limited (the “SGX-ST”) assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Appendix. If you are in any doubt as to the contents herein or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your units in Suntec Real Estate Investment Trust (“Suntec REIT” and units in Suntec REIT, “Units”), you should immediately forward this Appendix, together with the Notice of Annual General Meeting and the accompanying Proxy Form, to the purchaser or transferee or bank or stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.



SUNTEC REAL ESTATE INVESTMENT TRUST

(Constituted in the Republic of Singapore pursuant to
a trust deed dated 1 November 2004 (as amended))

MANAGED BY

ARA TRUST MANAGEMENT (SUNTEC) LIMITED

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING DATED 29 MARCH 2023

IN RELATION TO

THE THIRD PARTY FEE SUPPLEMENT TO THE TRUST DEED

**Independent Financial Adviser to the Independent Directors and the Audit and Risk
Committee of ARA Trust Management (Suntec) Limited (as manager of Suntec REIT) and
HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec REIT)**

Deloitte & Touche Corporate Finance Pte Ltd
(Company Registration No: 200200144N)
(Incorporated in the Republic of Singapore)

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CORPORATE INFORMATION

Directors of ARA Trust Management (Suntec) Limited (the manager of Suntec REIT) (the “Manager”)	: Ms Chew Gek Khim (Chairman & Non-Executive Director) Mr Lim Hwee Chiang, John (Non-Executive Director) Mr Yap Chee Meng (Lead Independent, Non-Executive Director) Mr Chan Pee Teck, Peter (Independent Non-Executive Director) Mrs Yu-Foo Yee Shoon (Independent Non-Executive Director) Mr Lock Wai Han (Independent Non-Executive Director) Mr Jeffrey David Perlman (Non-Executive Director) Mr Chong Kee Hiong (Chief Executive Officer and Executive Director)
Registered Office of the Manager	: 5 Temasek Boulevard #12-01 Suntec Tower Five Singapore 038985
Trustee of Suntec REIT (the “Trustee”)	: HSBC Institutional Trust Services (Singapore) Limited 10 Marina Boulevard Marina Bay Financial Centre Tower 2, #48-01 Singapore 018983
Legal Adviser to the Manager	: Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Adviser to the Trustee	: Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Independent Financial Adviser to the independent directors of the Manager (“Independent Directors”), the Audit and Risk Committee of the Manager and the Trustee (the “Independent Financial Adviser”)	: Deloitte & Touche Corporate Finance Pte Ltd 6 Shenton Way #33-00, OUE Downtown Singapore 068809
Unit Registrar and Unit Transfer Office	: Boardroom Corporate & Advisory Services Pte. Ltd. 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632

APPENDIX 2

Suntec Real Estate Investment Trust

(Constituted in the Republic of Singapore pursuant to a trust deed dated 1 November 2004 (as amended))

Directors of the Manager

Ms Chew Gek Khim (Chairman & Non-Executive Director)
Mr Lim Hwee Chiang, John (Non-Executive Director)
Mr Yap Chee Meng (Lead Independent, Non-Executive Director)
Mr Chan Pee Teck, Peter (Independent Non-Executive Director)
Mrs Yu-Foo Yee Shoon (Independent Non-Executive Director)
Mr Lock Wai Han (Independent Non-Executive Director)
Mr Jeffrey David Perlman (Non-Executive Director)
Mr Chong Kee Hiong (Chief Executive Officer and Executive Director)

Registered Office

5 Temasek Boulevard
#12-01 Suntec Tower Five
Singapore 038985

29 March 2023

To: Unitholders of Suntec REIT

Dear Sir/Madam

1. SUMMARY OF APPROVAL SOUGHT

We refer to the proposed Extraordinary Resolution 5 of the notice dated 29 March 2023 convening the annual general meeting of Suntec Real Estate Investment Trust ("**Suntec REIT**"), to be convened and held at Level 4, Hall 406, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593 on Thursday, 20 April 2023 at 2.30 p.m. (Singapore Time) ("**AGM**").

The purpose of this Appendix is to provide unitholders of Suntec REIT ("**Unitholders**") with information relating to the proposed Third Party Fee Supplement to the Trust Deed (each as defined herein) which will be tabled at the AGM.

Extraordinary Resolution 5 relates to the proposed amendment to the trust deed constituting Suntec REIT dated 1 November 2004 (as amended) (the "**Trust Deed**") for the purpose of allowing the payment of fees and charges to third party agents and brokers in connection with the acquisition or divestment of any assets of Suntec REIT out of the Deposited Property¹, and not out of the acquisition or divestment fee received by the Manager (the "**Third Party Fee Supplement**").

2. THE PROPOSED THIRD PARTY FEE SUPPLEMENT TO THE TRUST DEED

2.1 The Property Third Party Fee Supplement

Clause 15.2.4 of the Trust Deed currently provides that any payment to third party agents or brokers in connection with the acquisition or divestment of any assets of Suntec REIT shall be paid by the Manager to such persons out of the acquisition or divestment fee received by the Manager, and not additionally out of Suntec REIT or the assets of the relevant special purpose vehicle.

The Manager proposes to amend Clause 15.2.4 of the Trust Deed as set out in **Annex A** of this Appendix (and the accompanying amendments in the Trust Deed to this effect) to allow the payment of fees and charges to third party agents and brokers in connection with the acquisition and divestment of properties out of the Deposited Property of Suntec REIT or the assets of the relevant special purpose vehicle, and not out of the acquisition or divestment fee received by the Manager. To this end, the Manager is seeking Unitholders' approval under Clause 28.2 of the Trust Deed to supplement the Trust Deed with the Third Party Fee Supplement.

(See **Annex A** of this Appendix for the proposed form of the Third Party Fee Supplement.)

¹ "**Deposited Property**" means all the assets of Suntec REIT for the time being held or deemed to be held upon the trusts of the Trust Deed.

APPENDIX 2

2.2 Rationale and Purpose

The rationale for the Third Party Fee Supplement is as follows:

2.2.1 Alignment with Market Practices for REITs

The Manager believes that the Third Party Fee Supplement will provide flexibility for the Manager in carrying out its duties for the benefit of Suntec REIT and its Unitholders. The proposed amendments to the Trust Deed in the Third Party Fee Supplement are to allow the payment of fees and charges to third party agents and brokers in connection with the acquisition and divestment of properties out of the Deposited Property of Suntec REIT or the assets of the relevant special purpose vehicle, which is in line with the current general market practice for other real estate investment trusts that are listed in Singapore. Such third party agents and brokers help to introduce potential buyers (where Suntec REIT is the seller) or bring deals to Suntec REIT (where Suntec REIT is a potential buyer).

2.2.2 Ensure Suntec REIT is able to be more effective and competitive in its acquisition and divestment strategy

At present, such commissions, fees and charges would have to be paid by the Manager out of the acquisition or divestment fee received by the Manager, and in instances where the fees and charges are greater than the acquisition or divestment fee (as the case may be) to be received by the Manager, it would not be commercially feasible for the Manager to engage such third party agents and brokers out-of-pocket. In general, the commission rates for property agents and brokers in Singapore for commercial properties ranges from 0.5% to 3.0% of the sale price, subject to transaction size, class of asset, market condition and commercial negotiation. In order to complement the Manager's acquisition and divestment strategy and to ensure effective and efficient portfolio management of its assets, the role of third party agents and brokers is of importance and necessity due to their wide network of contacts and deep industry knowledge in the relevant markets. This offers the Manager a wider range of good acquisition and divestment opportunities for the benefit of Suntec REIT and its Unitholders. Further, the appointment of third party agents and brokers in the case of divestments would help to create greater demand for the asset(s) being divested, which would help to create price tension and a more competitive sale, in turn optimising the pricing or other terms of sale for the benefit of Suntec REIT and its Unitholders. Such appointments would also enhance the ability of the Manager to effectively optimise or rebalance Suntec REIT's portfolio and obtain a better price on the asset(s) being acquired or divested, as the case may be.

2.2.3 Acquisition and Divestment is for the benefit of Unitholders

As every acquisition and divestment of an investment is executed by the Manager for the sole purpose of managing Suntec REIT's assets for the benefit of the Unitholders, it is justified that the fees and charges of third party agents and brokers for property acquisitions and divestments be borne by Suntec REIT. Accordingly, the Manager proposes the amendments to the Trust Deed to allow the payment of fees and charges to third party agents and brokers out of the Deposited Property of Suntec REIT or the assets of the relevant special purpose vehicle.

2.2.4 Impact on DPU, NAV and Aggregate Leverage

It should be noted that the payment of third party fees and charges, if any, will increase the transaction costs of acquisitions and divestments. The payment of third party fees and charges, if any (i) will not have any impact on the distribution per Unit ("DPU"), (ii) will not have any impact on the net asset value ("NAV") per Unit in a divestment (depending on whether the divestment results in a net gain or loss) and (iii) may impact on the aggregate leverage of Suntec REIT depending on whether such cost is funded by equity or debt and whether in the case of a divestment the proceeds are used to repay debt. It should be noted that the Third Party Fee Supplement does not change the total quantum of fees paid to the Manager, but rather the third party fees and charges are paid out of the Deposited Property of Suntec REIT or the assets of the relevant special purpose vehicle instead of the fees paid to the Manager.

APPENDIX 2

2.3 Opinion of the Independent Financial Adviser

The Manager has appointed the Independent Financial Adviser to advise the Independent Directors in relation to the proposed Third Party Fee Supplement.

Having considered the factors and the assumptions set out in the letter from the Independent Financial Adviser to the Independent Directors, containing its advice in full (“**IFA Letter**”), and subject to the qualifications set out therein, the Independent Financial Adviser is of the opinion that the Third Party Fee Supplement is based on normal commercial terms and is not prejudicial to the interests of Suntec REIT and its minority Unitholders.

A copy of the IFA Letter, is set out in **Annex B** of this Appendix and Unitholders are advised to read the IFA Letter in its entirety carefully.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL UNITHOLDERS

3.1 Interests of Directors

Certain of the directors of the Manager (“**Directors**”) hold shares in ESR Group Limited, which is listed in Hong Kong, and which indirectly wholly owns the Manager but none of them hold more than 5% of the shares in ESR Group Limited.

As at 1 March 2023, being the latest practicable date prior to the issuance of this Appendix (the “**Latest Practicable Date**”), certain Directors collectively hold an aggregate direct and indirect interest in 4,000,000 Units. Based on the Register of Directors’ Unitholdings maintained by the Manager, the direct and deemed interests and voting rights of the Directors as at the Latest Practicable Date are as follows:

Name of Directors	Direct Interest		Deemed Interest		Total No. of Units held	%(⁽¹⁾)
	No. of Units	%(⁽¹⁾)	No. of Units	%(⁽¹⁾)		
Ms Chew Gek Khim	—	—	—	—	—	—
Mr Lim Hwee Chiang, John	3,000,000	0.104	1,000,000 ⁽²⁾	0.035	4,000,000	0.139
Mr Yap Chee Meng	—	—	—	—	—	—
Mr Chan Pee Teck, Peter	—	—	—	—	—	—
Mrs Yu-Foo Yee Shoon	—	—	—	—	—	—
Mr Lock Wai Han	—	—	—	—	—	—
Mr Jeffrey David Perlman	—	—	—	—	—	—
Mr Chong Kee Hiong	—	—	—	—	—	—

Note:

- (1) The percentage is based on 2,886,680,660 Units in issue as at the Latest Practicable Date.
- (2) Mr Lim Hwee Chiang, John is deemed to have an interest in 1,000,000 Units held by Citibank Nominees Singapore Pte. Ltd. (as nominee of JL Philanthropy Ltd). The beneficiary of JL Philanthropy Ltd is JL Charitable Settlement and Mr Lim is the settlor of JL Charitable Settlement.

APPENDIX 2

3.2 Interests of Substantial Unitholders

Based on the Register of Substantial Unitholders, the direct and deemed interests and voting rights of the Substantial Unitholders of Suntec REIT as at the Latest Practicable Date are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total No. of Units held	% ⁽¹⁾
	No. of Units	% ⁽¹⁾	No. of Units	% ⁽¹⁾		
ESR Group Limited (formerly known as ESR Cayman Limited) ⁽²⁾	—	—	260,541,467	9.03	260,541,467	9.03
ARA Asset Management Limited ⁽³⁾	—	—	260,541,467	9.03	260,541,467	9.03
ARA RE Investment Group (Singapore) Pte. Ltd. ⁽⁴⁾	—	—	259,542,887	8.99	259,542,887	8.99
ARA Real Estate Investors 22 Pte. Ltd.	188,141,706	6.52	—	—	188,141,706	6.52
Tang Gordon @ Tang Yigang @ Tang Gordon ⁽⁵⁾	224,180,227	7.77	—	—	224,180,227	7.77
Celine Tang @ Chen Huaidan @ Celine Tang ⁽⁵⁾	231,412,894	8.02	—	—	231,412,894	8.02
Yang Chanzhen @ Janet Yeo ⁽⁶⁾⁽⁷⁾	198,363,400	6.87	57,095,100	1.98	255,458,500	8.85
Tang Jialin ⁽⁶⁾⁽⁸⁾	201,508,300	6.98	57,095,100	1.98	259,603,400	8.99

Notes:

- (1) The percentage is based on 2,886,680,660 Units in issue as at the Latest Practicable Date.
- (2) ESR Group Limited (formerly known as ESR Cayman Limited) (“**ESR**”) holds 100 per cent. of the issued and paid-up share capital of ARA Asset Management Limited (“**ARA**”). Accordingly, ESR is deemed to have an interest in the Units that ARA has a deemed interest in.
- (3) ARA is the sole shareholder of the Manager and ARA RE Investment Group (Singapore) Pte. Ltd. (“**ARA RIGS**”). Accordingly, ARA is deemed to have an interest in the Units held by the Manager and Units that ARA RIGS has a deemed interest in.
- (4) ARA Real Estate Investors 22 Pte Ltd (“**ARA 22**”) is a wholly owned subsidiary of ARA RIGS. Accordingly, ARA RIGS is deemed to have an interest in the Units held by ARA 22.
- (5) Mr Tang Gordon @ Tang Yigang @ Tang Gordon is the spouse of Madam Celine Tang @ Chen Huaidan @ Celine Tang. Mr Tang Gordon together with his spouse, Madam Celine Tang holds 34,615,200 Units in their joint account.
- (6) Mr Tang Jialin and Madam Yang Chanzhen @ Janet Yeo are entitled to exercise or control the exercise of not less than 20 per cent. of the voting rights of Senz Holdings Limited (“**Senz**”). They are therefore deemed interested in the Units held by Senz.
- (7) Madam Yang Chanzhen @ Janet Yeo holds 193,185,600 Units in the joint accounts with Mr Tang Jialin, and solely holds 5,177,800 Units.
- (8) Mr Tang Jialin holds 201,508,300 Units in the joint accounts with Madam Yang Chanzhen.

APPENDIX 2

4. DIRECTORS' RECOMMENDATION

Having considered the relevant factors, including the rationale for the proposed Third Party Fee Supplement as set out in paragraph 2.2 above and the opinion of the Independent Financial Advisor as set out in paragraph 2.3 above, the Independent Directors recommend that Unitholders vote at the AGM in favour of Extraordinary Resolution 5 relating to the proposed Third Party Fee Supplement to the Trust Deed.

5. ABSTENTIONS FROM VOTING

Rule 748(5) of the Listing Manual of the SGX-ST (the "**Listing Manual**") prohibits the Trustee, the Manager or any of their connected persons and any of the Directors from voting their Units at, or being part of a quorum for, any meeting to approve any matter in which they have a material interest. Accordingly, the Manager and its associates will abstain from voting on Extraordinary Resolution 5 at the AGM. Further, the Manager will not and will procure that its associates will not, accept appointments as proxies unless specific instructions as to voting are given.

In the interest of good corporate governance, Ms Chew Gek Khim, Mr Lim Hwee Chiang, John, Mr Jeffrey David Perlman and Mr Chong Kee Hiong, being non-independent Directors will also abstain from voting on Extraordinary Resolution 5 at the AGM in respect of Units (if any) held by them and will not accept appointments as proxies unless specific instructions as to voting are given.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed Third Party Fee Supplement to the Trust Deed, Suntec REIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

7. DOCUMENT AVAILABLE FOR INSPECTION

The Trust Deed will be available for inspection during normal business hours at the registered office of the Manager at 5 Temasek Boulevard, #12-01, Suntec Tower Five, Singapore 038985 for so long as Suntec REIT is in existence.

Yours faithfully

ARA Trust Management (Suntec) Limited

(as manager of Suntec Real Estate Investment Trust)

(Company Registration No. 200410976R)

Chong Kee Hiong

Chief Executive Officer and Executive Director

APPENDIX 2

IMPORTANT NOTICE

This Appendix does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for any securities of Suntec REIT in Singapore or any other jurisdictions. 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.

Unitholders 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 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 indicative of the future performance of Suntec REIT. Similarly, the past performance of the Manager is not indicative of the future performance of the Manager.

This Appendix may contain forward-looking statements that involve assumptions, 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 developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, 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. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.

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%	: Per centum or percentage
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Appendix	: This Appendix to Unitholders dated 29 March 2023
CDP	: The Central Depository (Pte) Limited
Deposited Property	: All the assets of Suntec REIT for the time being held or deemed to be held upon the trusts of the Trust Deed
Directors	: Directors of the Manager
DPU	: Distribution per Unit
Extraordinary Resolution	: A resolution proposed and passed as such by a majority being greater than 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
IFA Letter	: The letter from the Independent Financial Adviser to the Independent Directors, containing its advice in full
Independent Directors	: The independent Directors, namely Mr Yap Chee Meng, Mr Chan Pee Teck, Peter, Mrs Yu-Foo Yee Shoon and Mr Lock Wai Han
Independent Financial Adviser	: Deloitte & Touche Corporate Finance Pte Ltd
Latest Practicable Date	: 1 March 2023, being the latest practicable date prior to the issuance of this Appendix
Listing Manual	: Listing Manual of the SGX-ST
Manager	: ARA Trust Management (Suntec) Limited, in its capacity as manager of Suntec REIT
NAV	: Net asset value
SGX-ST	: Singapore Exchange Securities Trading Limited
Suntec REIT	: Suntec Real Estate Investment Trust
Third Party Fee Supplement	: The proposed amendment to the Trust Deed for the purpose of allowing the payment of fees and charges to third party agents and brokers in connection with the acquisition or divestment of any assets of Suntec REIT out of the Deposited Property, and not out of the acquisition or divestment fee received by the Manager
Trust Deed	: The trust deed dated 1 November 2004 constituting Suntec REIT, as amended, varied or supplemented from time to time
Trustee	: HSBC Institutional Trust Services (Singapore) Limited, in its capacity as trustee of Suntec REIT
Unit	: A unit representing an undivided interest in Suntec REIT

GLOSSARY

Unitholders : The registered holders for the time being of a Unit, including person(s) so registered as joint holders, except where the registered holder is CDP, the term “Unitholder” shall, in relation to Units registered in the name of CDP, mean, where the context requires, the Depositor whose Securities Account with CDP is credited with Units

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act 2001.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding. Unless otherwise stated in this Appendix figures and percentages are rounded off where applicable.

ANNEX A

THE PROPOSED THIRD PARTY FEE SUPPLEMENT TO THE TRUST DEED

The proposed form of the Third Party Fee Supplement is as follows:

- that Clause 15.2.4 of the Trust Deed be amended to reflect the addition as indicated by the underlined text and deletion as indicated by the deleted text below:

“15.2.4 Any payment to third party agents or brokers in connection with the acquisition or divestment of any Authorised Investment for the Trust shall be paid by the Manager to such persons out of the Deposited Property or the assets of the relevant Special Purpose Vehicle, and not out of the Acquisition Fee or the Divestment Fee received by the Manager, and ~~not additionally out of the Trust or the assets of the relevant Special Purpose Vehicle.~~”; and

- that Clause 4.3.21 of the Trust Deed be amended to reflect the addition as indicated by the underlined text and deletion as indicated by the deleted text below:

“4.3.21 all costs and disbursements incurred in connection with (a) the negotiation for and acquisition or divestment of any Investment, whether or not the acquisition or divestment is completed, and (b) any Dealings with any Investment (which for the avoidance of doubt, is separate from the fees payable to the Manager or the Trustee as described in Clauses 4.3.16 and 15), including selling commissions and advisory fees payable to real estate agents, property managers, asset managers or advisers, notwithstanding that such real estate agents, property managers, asset managers or advisers may be the Manager or any Related Party of the Manager and such other fees, costs and expenses referred to in Clause 10.13;”.

ANNEX B

INDEPENDENT FINANCIAL ADVISER'S LETTER

DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD
(Incorporated in the Republic of Singapore)
Company Registration Number: 200200144N

29 March 2023

The Independent Directors,
The Audit and Risk Committee,
ARA Trust Management (Suntec) Limited
as Manager for Suntec Real Estate Investment Trust
5 Temasek Boulevard
#12-01 Suntec Tower Five
Singapore 038985

HSBC Institutional Trust Services (Singapore) Limited
in its capacity as trustee for Suntec Real Estate Investment Trust
10 Marina Boulevard
Marina Bay Financial Centre Tower 2, #48-01
Singapore 018983

Dear Sirs,

THE PROPOSED THIRD PARTY FEE SUPPLEMENT TO THE TRUST DEED CONSTITUTING SUNTEC REAL ESTATE INVESTMENT TRUST ("SUNTEC REIT", AND THE TRUST DEED CONSTITUTING SUNTEC REIT, THE "TRUST DEED")

For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the Appendix to the Notice of Annual General Meeting dated 29 March 2023 (the "Circular") to the unitholders of Suntec REIT ("Unitholders").

1. INTRODUCTION

In relation to the proposed amendment to the Trust Deed constituting Suntec REIT, ARA Trust Management (Suntec) Limited (the "**Manager**") is seeking the approval from Unitholders for the amendment to the Trust Deed, to allow the payment of fees and charges to third party agents and brokers in connection with the acquisition and divestment of any assets of Suntec REIT out of the Deposited Property¹ of Suntec REIT or the assets of the relevant special purpose vehicle, and not out of the acquisition or divestment fee received by the Manager (the "**Third Party Fee Supplement**") (as set out in paragraph 2 of the Circular).

The Third Party Fee Supplement is an "interested person transaction" under Chapter 9 of the Listing Manual. Accordingly, the Third Party Fee Supplement will be subject to the approval by the Unitholders.

For the purpose of Rule 921(4) of the Listing Manual, we, Deloitte & Touche Corporate Finance Pte Ltd ("**DTCF**") have been appointed by the Manager and the Trustee of Suntec REIT to advise the Independent Directors and the Audit and Risk Committees of the Manager and the Trustee, as to whether the Third Party Fee Supplement (i) is on normal commercial terms; (ii) is not prejudicial to the interests of Suntec REIT and its minority Unitholders; (iii) and whether the Independent Directors should recommend the Unitholders to vote in favour of or against the resolution in respect of the Third Party Fee Supplement.

This IFA letter sets out our evaluation and opinion.

¹ "**Deposited Property**" means all the assets of Suntec REIT for the time being held or deemed to be held upon the trusts of the Trust Deed.

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2. TERMS OF REFERENCE

Our responsibility is to provide our opinion as to whether each of the Third Party Fee Supplement (i) is on normal commercial terms; (ii) is not prejudicial to the interests of Suntec REIT and its minority Unitholders; (iii) and whether the Independent Directors should recommend the Unitholders to vote in favour of or against the resolution in respect of the Third Party Fee Supplement.

We were neither a party to the negotiations entered into in relation to the Third Party Fee Supplement nor were we involved in the deliberations leading up to the decision on the part of the Directors to enter into the proposed fee supplement.

We do not, by this letter or otherwise, advise or form any judgement on the strategic, commercial, financial merits or risks of the Third Party Fee Supplement. All such evaluations, advice, judgements or comments remain the sole responsibility of the Directors and their advisers. We have however, drawn upon such evaluations, judgements and comments as we deem necessary and appropriate in arriving at our opinion.

The scope of our appointment does not require us to express, and nor do we express, a view on the future growth prospects, earnings potential or value of Suntec REIT. We do not express any view as to the price at which Suntec REIT may trade nor on the future value, financial performance or condition of Suntec REIT as a result of the implementation of the Third Party Fee Supplement.

It is also not within our terms of reference to compare the merits the Third Party Fee Supplement to any alternative transactions that were or may have been available to Suntec REIT. Such comparison and consideration remain the responsibility of the Directors and their advisers.

We have relied upon the assurances of the Directors who have accepted full responsibility for the accuracy and completeness of the information provided to us. The Directors have confirmed to us that to the best of their knowledge, information and belief, all material information available to them in connection with the Third Party Fee Supplement have been disclosed to us and that such information constitutes full and true disclosure of all material information relating to such transactions and that there is no other information the omission of which would cause any of the information disclosed to us or relied on by us in making our recommendation to be inaccurate, incomplete, untrue or misleading in any material respect. We have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular have been reasonably made after due and careful enquiry. Accordingly, no representation or warranty (whether express or implied) is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information. We have nonetheless made reasonable enquiries and used our judgement in assessing such information and have found no reason to doubt the accuracy or reliability of such information.

We have not made any independent evaluation or appraisal of the assets and liabilities (including, without limitation, the real properties) of Suntec REIT.

Our views are based on market, economic, industry, monetary and other conditions (where applicable) prevailing on and our analysis of the information made available to us as at 1 March 2023 (the “**Latest Practicable Date**”). We assume no responsibility to update, revise or reaffirm our opinion, factors or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or factors or assumptions contained herein. Unitholders should take note of any announcements relevant to their considerations of the Third Party Fee Supplement which may be released by the Manager and Trustee after the Latest Practicable Date.

The Manager and the Trustee have been separately advised by their own legal adviser(s) in the preparation of the Circular other than this IFA Letter. We have had no role or involvement and have not provided any advice whatsoever in the preparation, review and verification of the Circular other than this IFA Letter. Accordingly, we take no responsibility for, and express no views, whether express or implied, on the contents of the Circular except as for this IFA Letter.

Our opinion in relation to the Third Party Fee Supplement as set out under Section 5 of this letter should be considered in the context of the entirety of our advice.

ANNEX B

We have not had regard to the general or specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Unitholder. As Unitholders will have different investment objectives, we advise the Independent Directors to recommend that any Unitholder who may require specific advice in relation to his or her specific investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

3. DESCRIPTION OF COMPARABLE REITS

For the purpose of undertaking comparisons of the Third Party Fee Supplement to the market practice, we have considered diversified REITs which are listed on SGX-ST and have a portfolio of both office and retail assets in similar geographies to Suntec REIT (“**Comparable Diversified REITs**”).

We have also expanded the list to include other selected SGX-ST listed REITs consisting of pure-play offices or pure-play retail assets in similar geographies to Suntec REIT.

We set out in the table below a brief description of the Comparable Diversified REITs and other selected office and retail REITs that is listed on the SGX-ST.

Name of REIT	Description
Suntec Real Estate Investment Trust (“ Suntec REIT ”) Listed in Dec 2004	Suntec REIT is one of the leading real estate investment trusts in Singapore, owning income-producing real estate that is primarily used for office and/or retail purposes. It owns properties in Singapore and key Australian cities of Sydney, Melbourne and Adelaide as well as in London, United Kingdom.
Comparable Diversified REITs (Office and Retail)	
CapitaLand Integrated Commercial Trust (“ CICT ”) Listed in July 2002	CICT is the first and largest real estate investment trust listed on Singapore Exchange Securities Trading Limited. CICT owns and invests in quality income-producing assets primarily used for commercial (including retail and/or office) purpose, located predominantly in Singapore. As the largest proxy for Singapore commercial real estate, CICT’s portfolio comprises 26 properties across Singapore and Frankfurt, Germany.
Lendlease Global Commercial REIT (“ LREIT ”) Listed in October 2019	LREIT is a Singapore-domiciled real estate investment trust established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of stabilised income-producing real estate assets located globally, which are used primarily for retail and/or office purposes, as well as real estate-related assets in connection with the foregoing. LREIT’s portfolio comprises of 5 properties across Singapore and Milan, Italy.
OUE Commercial Real Estate Investment Trust (“ OUE C-REIT ”) Listed in January 2014	OUE C-REIT is one of the largest diversified Singapore REITs. OUE C-REIT invests in income-producing real estate used primarily for commercial purposes (including real estate used primarily for office and/or retail purposes) in financial and business hubs, hospitality and/or hospitality-related purposes, as well as real estate-related assets. OUE C-REIT’s portfolio comprises of 7 properties across the commercial and hospitality segments in Singapore and Shanghai.
Other selected office REIT	
Keppel REIT Listed in April 2006	Keppel REIT is one of Asia’s leading real estate investment trusts with a portfolio of Grade A commercial assets in key business districts pan-Asia. Keppel REIT’s objective is to generate stable income and long-term sustainable growth for unitholders by owning and investing in a portfolio of quality income-producing commercial real estate and real estate-related assets in Singapore and pan-Asia. Keppel REIT’s portfolio comprises of 12 properties in Singapore, the key Australian cities of Sydney, Melbourne and Perth, Seoul, South Korea as well as Tokyo, Japan.

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Name of REIT	Description
Other selected retail REITs	
Frasers Centrepoint Trust (“FCT”) <p>Listed in July 2006</p>	FCT is a leading developer-sponsored retail real estate investment trust and one of the largest suburban retail mall owners in Singapore. FCT’s current property portfolio comprises 9 retail malls and an office building located in the suburban regions of Singapore, near homes and within minutes to transportation amenities.
Paragon REIT <p>Listed in July 2013</p>	Paragon REIT is a Singapore-based real estate investment trust established principally to invest, directly or indirectly, in a portfolio of income-producing real estate which is used primarily for retail purposes in Asia Pacific, as well as real estate-related assets. Paragon REIT’s portfolio comprises 5 quality and well-located commercial properties in Singapore and Australia.
Starhill Global REIT <p>Listed in September 2005</p>	Starhill Global REIT is a Singapore-based real estate investment trust investing primarily in real estate used for retail and office purposes, both in Singapore and overseas. Starhill Global REIT’s portfolio consists of 10 properties across Singapore, Australia, Malaysia, China and Japan.

Source: Latest annual reports from the respective REITs

4. DETAILS OF THE THIRD PARTY FEE SUPPLEMENT TO THE SUNTEC REIT TRUST DEED

4.1 Principal Terms of the Third Party Fee Supplement to the Suntec REIT Trust Deed

The Trust Deed currently provides that any payment to third party agents or brokers in connection with the acquisition or divestment of any assets of Suntec REIT shall be paid by the Manager to such persons out of the acquisition or divestment fee received by the Manager, and not additionally out of Suntec REIT or the assets of the relevant special purpose vehicle.

The Manager proposes to amend the Trust Deed to allow the payment of fees and charges to third party agents and brokers in connection with the acquisition and divestment of properties out of the Deposited Property of Suntec REIT or the assets of the relevant special purpose vehicle, and not out of the acquisition or divestment fee received by the Manager. To this end, the Manager is seeking Unitholders’ approval to supplement the Trust Deed with the Third Party Fee Supplement.

Summary of Changes	Current	Proposed
Third Party Fee Supplement to the Suntec REIT Trust Deed		
Bearing party for fees and charges of third party agents and brokers in connection with the acquisition or divestment of any assets of Suntec REIT	The Manager	Deposited Property of Suntec REIT

4.2 Evaluation of the Third Party Fee Supplement to the Suntec REIT Trust Deed

In reaching our recommendation in respect of the Third Party Fee Supplement to the Suntec REIT Trust Deed, we have given due consideration to the following factors:

- (i) Rationale for the Third Party Fee Supplement;
- (ii) Comparison of the bearing party for payment of fees and charges to third party agents and brokers in connection with an acquisition or divestment with Comparable Diversified REITs and other selected office or retail REITs that are listed on the SGX-ST;

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- (iii) Comparison of the acquisition and divestment fee of Comparable Diversified REITs and other selected office or retail REITs that are listed on the SGX-ST; and
- (iv) Comparison of the management fee structures of Comparable Diversified REITs and other selected office or retail REITs that are listed on the SGX-ST.

4.2.1 Rationale for the Third Party Fee Supplement to the Suntec REIT Trust Deed

The section below is reproduced from paragraph 2.2 of the Circular.

Alignment with Market Practices for REITs

The Manager believes that the Third Party Fee Supplement will provide flexibility for the Manager in carrying out its duties for the benefit of Suntec REIT and its Unitholders. The proposed amendments to the Trust Deed in the Third Party Fee Supplement are to allow the payment of fees and charges to third party agents and brokers in connection with the acquisition and divestment of properties out of the Deposited Property of Suntec REIT or the assets of the relevant special purpose vehicle, which is in line with the current general market practice for other real estate investment trusts that are listed in Singapore. Such third party agents and brokers help to introduce potential buyers (where Suntec REIT is the seller) or bring deals to Suntec REIT (where Suntec REIT is a potential buyer).

Ensure Suntec REIT is able to be more effective and competitive in its acquisition and divestment strategy

At present, such commissions, fees and charges would have to be paid by the Manager out of the acquisition or divestment fee received by the Manager, and in instances where the fees and charges are greater than the acquisition or divestment fee (as the case may be) to be received by the Manager, it would not be commercially feasible for the Manager to engage such third party agents and brokers out-of-pocket. In general, the commission rates for property agents and brokers in Singapore for commercial properties ranges from 0.5% to 3.0% of the sale price, subject to transaction size, class of asset, market condition and commercial negotiation. In order to complement the Manager's acquisition and divestment strategy and to ensure effective and efficient portfolio management of its assets, the role of third party agents and brokers is of importance and necessity due to their wide network of contacts and deep industry knowledge in the relevant markets. This offers the Manager a wider range of good acquisition and divestment opportunities for the benefit of Suntec REIT and its Unitholders. Further, the appointment of third party agents and brokers in the case of divestments would help to create greater demand for the asset(s) being divested, which would help to create price tension and a more competitive sale, in turn optimising the pricing or other terms of sale for the benefit of Suntec REIT and its Unitholders. Such appointments would also enhance the ability of the Manager to effectively optimise or rebalance Suntec REIT's portfolio and obtain a better price on the asset(s) being acquired or divested, as the case may be.

Acquisition and Divestment is for the benefit of Unitholders

As every acquisition and divestment of an investment is executed by the Manager for the sole purpose of managing Suntec REIT's assets for the benefit of the Unitholders, it is justified that the fees and charges of third party agents and brokers for property acquisitions and divestments be borne by Suntec REIT. Accordingly, the Manager proposes the amendments to the Trust Deed to allow the payment of fees and charges to third party agents and brokers out of the Deposited Property of Suntec REIT or the assets of the relevant special purpose vehicle.

Impact on DPU, NAV and Aggregate Leverage

It should be noted that the payment of third party fees and charges, if any, will increase the transaction costs of acquisitions and divestments. The payment of third party fees and charges, if any (i) will not have any impact on the distribution per Unit ("DPU"), (ii) will not have any impact on the net asset value ("NAV") per Unit in a divestment (depending on whether the divestment results in a net gain or loss) and (iii) may impact on the aggregate leverage of Suntec REIT depending on whether such cost is funded by equity or debt and whether in the case of a divestment the proceeds are used to repay debt. It should be noted that the Third Party Fee Supplement does not change the total quantum of fees paid to the Manager, but rather the third party fees and charges are paid out of the Deposited Property of Suntec REIT or the assets of the relevant special purpose vehicle instead of the fees paid to the Manager.

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4.2.2 Comparison of the bearing party for payment of fees and charges to third party agents and brokers in connection with acquisitions or divestments with Comparable Diversified REITs and other selected office or retail REITs that are listed on the SGX-ST

We have considered publicly available information for Comparable Diversified REITs and other selected office or retail REITs that are listed in Singapore.

We present in the table below, information on bearing party for paying commissions to third party agents and brokers of Comparable Diversified REITs and other selected office or retail REITs listed in Singapore. The list is presented in the table below is for illustration purpose only and is by no means exhaustive.

REIT	Arrangement for payment of fees and charges to third party agents and brokers in connection with acquisitions and divestments	Fee bearing party
Comparable Diversified REITs (Office and Retail)		
CICT	Any brokerage, commission, stamp duty, legal and other costs and valuation fees incurred in and expenses relating to the acquisition or disposal or attempted acquisition or disposal of or otherwise in relation to investments shall be borne by the deposited property.	REIT
LREIT	Any payment to third party agents or brokers in connection with the acquisition of any assets of LREIT shall be paid to such persons out of the deposited property of LREIT or the assets of the relevant SPV, and not out of the acquisition fee received or to be received by the manager.	REIT
OUE C-REIT	Any payment to third party agents or brokers in connection with the acquisition of any assets of OUE C-REIT shall be paid by the manager to such persons out of the deposited property of OUE C-REIT or the assets of the relevant SPV, and not out of the acquisition fee received or to be received by the manager.	REIT
Other selected office REIT		
Keppel REIT	All costs and duties and charges, including any fees payable to real estate agents or brokers in connection with any acquisition or divestment of authorised investments shall be payable out of the deposited property by way of direct payment or reimbursement to the manager or the trustee.	REIT

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REIT	Arrangement for payment of fees and charges to third party agents and brokers in connection with acquisitions and divestments	Fee bearing party
Other selected retail REITs		
FCT	Any payment to third party real estate agents or brokers in connection with the acquisition or divestment of any real estate of FCT shall be paid by the manager to such persons out of the acquisition fee or the divestment fee received by the manager, and not additionally out of the deposited property of FCT.	Manager
Paragon REIT	Any payment to third party agents or brokers in connection with the acquisition of any assets of Paragon REIT shall be paid by the manager to such persons out of the deposited property of Paragon REIT or the assets of the relevant SPV, and not out of the acquisition fee received or to be received by the manager.	REIT
Starhill Global REIT	<p>For any acquisition or transaction made in Singapore, any payment to third party agents or brokers in connection with the acquisition of any real estate in Singapore for Starhill Global REIT shall be borne by the manager, and not additionally out of Starhill Global REIT. For any acquisition or transaction made outside of Singapore for Starhill Global REIT, if any such payment is made to third party agents or brokers, such payment shall be paid out of the deposited property, provided that the manager shall charge an acquisition fee of 0.6% instead of 1.0%.</p> <p>For any divestment or transaction made in Singapore, any payment to third party agents or brokers in connection with the divestment of any one of the assets forming a part of the deposited property in Singapore for Starhill Global REIT shall be borne by the manager, and not additionally out of Starhill Global REIT. For any divestment or transaction made outside Singapore for Starhill Global REIT, if any such payment is made to third party agents or brokers, such payment shall be paid out of the deposited property, provided that the manager shall charge a divestment fee of 0.5% of the sale price.</p>	Manager/REIT
Suntec REIT		
Suntec REIT (under the Third Party Fee Supplement)	Any payment to third party agents or brokers in connection with the acquisition or divestment of any Authorised Investment for the Trust shall be paid by the Manager to such persons out of the Deposited Property or the assets of the relevant special purpose vehicle, and not out of the acquisition fee or the divestment fee received by the Manager.	REIT

Based on table above, we note the following:

- (i) The fees and charges to third party agents and brokers in connection with acquisitions and divestments are borne by the REIT in the case of CICT, LREIT, OUE C-REIT, Keppel REIT and Paragon REIT, which is the same arrangement as the Third Party Fee Supplement;
- (ii) For FCT, such fees are borne by the manager; and
- (iii) For Starhill Global REIT, there is a different treatment between transactions made in Singapore and outside of Singapore. In respect of transactions made in Singapore, such fees are borne by the manager. In respect of transactions made outside Singapore, it is borne by the REIT and the manager receives a reduced acquisition fee of 0.6%. The divestment fee remains unchanged at 0.5% receivable by the manager in respect of divestments outside of Singapore.

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4.2.3 Comparison of the acquisition and divestment fee of Comparable Diversified REITs and other selected office or retail REITs that are listed on the SGX-ST

We have considered publicly available information for Comparable Diversified REITs and other selected office or retail REITs that are listed in Singapore.

We present in the table below, information on the acquisition and divestment fee of Comparable Diversified REITs and other selected office or retail REITs listed in Singapore. The list is presented in the table below is for illustration purpose only and is by no means exhaustive.

REIT	Acquisition and divestment fee
Comparable Diversified REITs (Office and Retail)	
CICT	<ul style="list-style-type: none"> • an acquisition fee of 1.0% of the purchase price for all acquisitions of properties or investments • a divestment fee of 0.5% of the sale price for all disposals of properties or investments
LREIT	<ul style="list-style-type: none"> • an acquisition fee at the rate of 1.0% for acquisitions of each of the acquisition price of any real estate purchased • a divestment fee at the rate of 0.5% of the sale price of any real estate sold or divested
OUE C-REIT	<ul style="list-style-type: none"> • an acquisition fee of 0.75% of the acquisition price of an investment property for acquisitions from related parties and 1.0% of the acquisition price for all other cases • a divestment fee of 0.5% of the sale price of an investment property on all future disposals of properties
Other selected office REIT	
Keppel REIT	<ul style="list-style-type: none"> • an acquisition fee at the rate of 1.0% of acquisition price on all acquisitions of properties • a divestment fee of 0.5% of sale price on all disposals of properties
Other selected retail REITs	
FCT	<ul style="list-style-type: none"> • an acquisition fee not exceeding the rate of 1.0% of the acquisition price • a divestment fee not exceeding the rate of 0.5% of the sale price
Paragon REIT	<ul style="list-style-type: none"> • an acquisition fee at 0.75% of the purchase price for acquisition from related parties and 1.0% for all other cases, for all acquisitions of properties or investments • a divestment fee of 0.5% of the sale price for all disposals of properties or investments
Starhill Global REIT	<ul style="list-style-type: none"> • an acquisition fee of 1.0% of the value of the real estate acquired • a divestment fee of 0.5% of the value of the real estate divested

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REIT	Acquisition and divestment fee
Suntec REIT	
Suntec REIT	<ul style="list-style-type: none"> • an acquisition fee at the rate of 1.0% of the acquisition price on all future acquisitions of properties • a divestment fee of 0.5% of the sales price on all future disposals of properties

Based on table above, we note the following:

- (i) The acquisition fee of 1.0% and divestment fee of 0.5% for Suntec REIT is in line with the Comparable Diversified REITs and other selected office or retail REITs listed in Singapore; and
- (ii) For OUE C-REIT and Paragon REIT, the acquisition fee in respect of acquisitions from related parties is lower at 0.75%.

4.2.4 Comparison of the management fee structures of Comparable Diversified REITs and other selected office or retail REITs that are listed on the SGX-ST

To provide a more holistic review of the Third Party Fee Supplement, we have also considered the existing management fee receivable by the Manager and compared it with that of the Comparable Diversified REITs and other selected office or retail REITs that are listed in Singapore as shown in the table below:

REIT	Management Fee Structure
Comparable Diversified REITs (Office and Retail)	
CICT	<ul style="list-style-type: none"> • Base fee of 0.25% per annum of the value of CICT's deposited property • Performance fee of 4.25% per annum of CICT's net property income in the relevant financial year
LREIT	<ul style="list-style-type: none"> • Base fee of 0.3% per annum of the value of LREIT's deposited property • Performance fee of 5.0% per annum of LREIT's net property income
OUE C-REIT	<ul style="list-style-type: none"> • Base fee of 0.3% per annum of the value of OUE C-REIT's deposited property • Performance fee of 25.0% per annum of the difference in OUE C-REIT's DPU in a financial year with the DPU in the preceding full financial year multiplied by the weighted average number of units in issue for such financial year
Other selected office REIT	
Keppel REIT	<ul style="list-style-type: none"> • Base fee of 0.5% per annum of the value of Keppel REIT's deposited property • Performance fee of 3.0% per annum of Keppel REIT's net property income
Other selected retail REITs	
FCT	<ul style="list-style-type: none"> • Base fee of 0.3% per annum of the value of FCT's deposited property • Performance fee of 5.0% per annum of FCT's net property income
Paragon REIT	<ul style="list-style-type: none"> • Base fee of 0.25% per annum of the value of Paragon REIT's deposited property • Performance fee of 5.0% per annum of Paragon REIT's net property income

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REIT	Management Fee Structure
Starhill Global REIT	<ul style="list-style-type: none"> • Base fee of 0.5% per annum of the value of Starhill Global REIT's deposited property • Performance fee based on the amount the accumulated return of the units in any financial year exceeds the accumulated return of a benchmark index, otherwise referred to as outperformance. Performance fee calculated in two tiers: <ul style="list-style-type: none"> o a Tier 1 performance fee equal to 5.0% of the outperformance multiplied by the equity market capitalisation of Starhill Global REIT; and o where the outperformance is in excess of 2.0% per annum, a Tier 2 performance fee equal to 15.0% of the outperformance, multiplied by the equity market capitalisation of Starhill Global REIT
Suntec REIT	
Suntec REIT	<ul style="list-style-type: none"> • Base fee not exceeding 0.3% per annum of the value of the Deposited Property of the Trust or such higher percentage as may be approved by an extraordinary resolution of a meeting of Unitholders; and • Annual performance fee equal to a rate of 4.5% per annum of the net property income of the Trust and any special purpose vehicles for each financial year, or such lower percentage as may be determined by the Manager in its absolute discretion or such higher percentage as may be approved by an extraordinary resolution at a meeting of Unitholders

Based on table above, we note the following:

- (i) All of the Comparable Diversified REITs and other selected office or retail REITs listed in Singapore utilises a base fee component and a performance fee component to calculate management fees;
- (ii) The management fee structures of CICT, LREIT, Keppel REIT, FCT and Paragon REIT are similar to that of Suntec REIT;
- (iii) The base fee for all Comparable Diversified REITs and other selected office or retail REITs listed in Singapore ranges between 0.25% and 0.5% per annum of the value the deposited property, and Suntec REIT's base fee of 0.3% lies at the lower end of the range;
- (iv) With the exception of OUE C-REIT and Starhill Global REIT, the performance fee for the rest of the Comparable Diversified REITs and other selected office or retail REITs listed in Singapore ranges between 3.0% and 5.0% per annum of the net property income, and Suntec REIT's performance fee of 4.5% lies within the range;
- (v) For OUE C-REIT, the performance fee is calculated based on the difference in DPU in the financial year with DPU in the preceding financial year; and
- (vi) For Starhill Global REIT, the performance fee is calculated based on the outperformance against a benchmark index and has a tiered approach that charges higher if the outperformance is in excess of 2.0%.

ANNEX B

5. OUR OPINION

In arriving at our recommendation in respect of the Third Party Fee Supplement, we have taken into account the factors which we consider have a significant bearing on the Third Party Fee Supplement in our assessment:

- (i) Rationale for the Third Party Fee Supplement;
- (ii) The fee bearing party under the Third Party Fee Supplement is Suntec REIT, which is a similar arrangement for 5 out of the 7 Comparable Diversified REITs and other selected office or retail REITs listed in Singapore, whereby fees and charges to third party agents and brokers in connection with acquisitions and divestments are borne by the REIT;
- (iii) The acquisition fee and divestment fee of Suntec REIT is in line with the Comparable Diversified REITs and other selected office or retail REITs listed in Singapore; and
- (iv) The management fee structure of Suntec REIT is similar to 5 out of 7 of the Comparable Diversified REITs and other selected office or retail REITs listed in Singapore and the quantum of the base fee and performance fee are within the respective ranges.

The current Trust Deed provides that any payment to third party agents or brokers in connection with the acquisition or divestment of any assets of Suntec REIT shall be paid by the Manager out of the acquisition or divestment fee received by the Manager. Hence, the net acquisition or divestment fee to be received by the Manager would be reduced by the fees and charges to third party agents or brokers. Pursuant to the Third Party Fee Supplement, which will allow the payment of such fees and charges to be payable out of the Deposited Property of Suntec REIT or the assets of the relevant special purpose vehicle, the full acquisition or divestment fee will be received by the Manager. Having considered (i), (ii) and (iii) above, we note that the Third Party Fee Supplement is on normal commercial terms and not prejudicial to the interests of Suntec REIT and its minority Unitholders. To further provide a more holistic review of the Third Party Fee Supplement, we have also considered (iv) where we note that the existing management fee is in line with Comparable Diversified REITs and other selected office or retail REITs listed in Singapore. We also note that the existing management fee payable to the Manager remains unchanged by the Third Party Fee Supplement.

With the considerations above and subject to the assumptions and qualifications set out herein and taking into account the prevailing conditions as at the Latest Practicable Date, we are of the opinion that the Third Party Fee Supplement is on normal commercial terms and is not prejudicial to the interests of Suntec REIT and its minority Unitholders. **Accordingly, we advise that the Independent Directors and Audit and Risk Committees recommend that the Unitholders vote in favour of the Third Party Fee Supplement.** However, we wish to highlight that **each Unitholder may have different investment objectives and considerations and hence should seek their own professional advice.**

Our recommendations are required under Listing Rule 921(2)(a), as well as addressed to the Independent Directors, the Audit and Risk Committees, the Manager and the Trustee for their benefit, in connection with and for the purposes of their consideration of the Third Party Fee Supplement. Any recommendations made by the Independent Directors and the Audit and Risk Committees in respect of each of the Third Party Fee Supplement shall remain their responsibility.

Our recommendations are governed by the laws of Singapore and are strictly limited to the matters stated herein and do not apply by implication to any other matter.

Yours faithfully

Deloitte & Touche Corporate Finance Pte Ltd

Koh Soon Bee
Executive Director