



Trust Management (Suntec) Limited

## Press Release

15 November 2013

Manager of



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## Suntec REIT acquires Landmark Office Tower to be developed in North Sydney Central Business District

*Maiden overseas acquisition to have positive impact on distributable income*

**Singapore, 15 November 2013** – ARA Trust Management (Suntec) Limited, the manager of Suntec Real Estate Investment Trust (“Suntec REIT”, and the “Manager”), is pleased to announce that HSBC Institutional Trust Services (Singapore) Limited, as trustee of Suntec REIT, has entered into agreements to acquire a 100% interest in 177-199 Pacific Highway (the “Property”) (the “Transaction”), a freehold land and property to be developed for a consideration of A\$413.19 million.

The Property is a 31-storey A grade state-of-the-art commercial tower which is targeted for completion in early 2016. With an approximate net lettable area (“NLA”) of 423,915 sq ft, the Property is located in one of the most prominent sites in North Sydney Central Business District at the junction of Pacific Highway and Berry Street. The Property’s prime location enables it to enjoy direct access to a number of major surrounding roadways and is well served by public transport. The Property is a 5-minute walk from North Sydney station.

The Property is 100% pre-committed with the Leighton Group, one of Australia’s largest building, contracting and property development group taking a head lease of 76% of the net lettable area. The average weighted average lease expiry of Leighton Holdings’ lease (“WALE”) is approximately 10 years. The Property will be home to Leighton Holdings’ corporate headquarters. Leighton Holdings will also provide a rental guarantee for four years for any vacant space on completion.

Commenting on Suntec REIT’s first cross border acquisition outside Singapore, Mr. Yeo See Kiat, Chief Executive Officer of the Manager, said, “When completed, 177 Pacific Highway will be the most iconic building in North Sydney. It is a strategic fit with Suntec REIT’s portfolio of high quality commercial assets in Singapore and is in line with our growth strategy to expand our footprint in Asia Pacific and enhance Suntec REIT’s income and geographical diversification.”

Mr Yeo added, “The transaction will improve earnings and boost distribution income to unitholders as there will be coupon payments of 6.32% per annum payable to Suntec REIT during the construction.

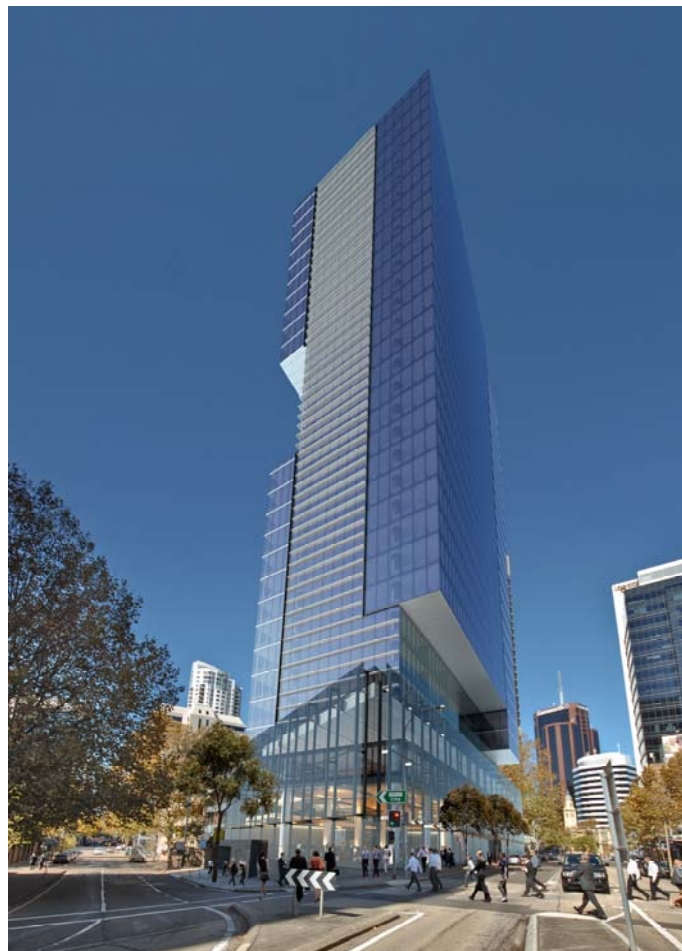
In addition, unitholders will enjoy income certainty and stability through the long lease terms with annual rental escalations.”

“The acquisition would further enable us to deliver stable and sustainable returns to Suntec REIT unitholders.”

Mr Hamish Tyrwhitt, Chief Executive Officer of Leighton Holdings, said, “The project was keenly sought by buyers domestically and internationally. The sale to Suntec REIT is testament to the building’s design and is in line with our strategy to align with key investors.”

Designed by award winning architecture firm Bates Smart, the brand new asset will feature state of the art design elements and will set a new benchmark for office buildings in North Sydney. The Property boasts a number of environmentally sustainable features and will be a 5-star NABERS Energy rating and a 5-star Green Star as built rating.

The Transaction will be fully funded by a S\$500 million 5-year unsecured loan facility provided by Commonwealth Bank of Australia, DBS Bank and Standard Chartered Bank. Standard Chartered Bank acted as the financial advisor to the Transaction.



*Artist's Impression: 177-199 Pacific Highway*

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## **ABOUT SUNTEC REIT**

Listed on 9 December 2004, Suntec REIT holds properties in Suntec City, Singapore's largest integrated commercial development (including one of Singapore's largest shopping mall), Park Mall, a one-third interest in One Raffles Quay, a one-third interest in Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall, and a 60.8% interest in Suntec Singapore Convention & Exhibition Centre. Its aim is to invest in income-producing real estate which is primarily used for retail and/or office purposes. Suntec REIT is managed by an external manager, ARA Trust Management (Suntec) Limited. For more details, please visit [www.suntecreit.com](http://www.suntecreit.com).

## **ABOUT ARA TRUST MANAGEMENT (SUNTEC) LIMITED**

ARA Trust Management (Suntec) Limited, part of the ARA Asset Management Limited group ("ARA"), is the manager of Suntec REIT. ARA, a real estate fund management company, is an affiliate of the Cheung Kong Group, and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited. ARA's business segments comprise REIT management, private real estate fund management, and specialist equity fund management and corporate finance advisory services. For more details, please visit [www.ara-asia.com](http://www.ara-asia.com).

## **ABOUT LEIGHTON PROPERTIES**

Leighton Properties is one of Australia's leading property development companies with over 40 years of experience in commercial, retail, residential and urban projects. With a development pipeline of over \$6.5 billion and offices in Brisbane, Sydney, Melbourne and Perth, Leighton Properties is a 100 per cent owned subsidiary of Leighton Holdings, one of the world's leading international contractors.

Leighton Properties is Australia's only investment grade pure developer of A Grade office buildings and urban and residential precincts.

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## **IMPORTANT NOTICE**

The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, ARA Trust Management (Suntec) Limited (as the manager of Suntec REIT) (the "Manager") or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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

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