

Press Release

24 April 2019

Manager of



**Suntec REIT 1Q 19 Distributable Income and Distribution Per Unit
Higher Year-on-Year**

Singapore, 24 April 2019 – ARA Trust Management (Suntec) Limited, the manager of Suntec Real Estate Investment Trust ("Suntec REIT", and the "Manager"), is pleased to announce a distributable income of S\$65.4 million for the period 1 January to 31 March 2019 ("1Q 19") which was 0.8% higher compared to the quarter ended 31 March 2018 ("1Q 18"). This included a capital distribution of S\$6.5 million which was the same amount as 1Q 18. The distribution per unit ("DPU") of 2.434 cents for 1Q 19 was 0.04% higher than 1Q 18 DPU of 2.433 cents.

Mr. Chong Kee Hiong, Chief Executive Officer of the Manager, said, "We are pleased to have recorded a higher distributable income for the first quarter of 2019. The improved results were mainly driven by the continued strong performance of Suntec City, better performance and additional 25% interest in Southgate Complex. This was partially offset by higher financing costs and a weaker Australian dollar."

On 17 April 2019, the Manager announced that the office component of 9 Penang Road had been 100% pre-leased to UBS which will occupy all eight floors of office space amounting to 381,000 sq ft. Fit-out work is expected to commence soon after TOP, with target occupation in the second half of 2020. Development works is on track and scheduled to complete in the fourth quarter of 2019.

Mr. Chong said, "With the office component leased to UBS, unitholders will enjoy revenue from the fully leased office space soon after TOP as compared to varied rental commencement by multi-tenancy leases. Its lease tenure will also provide stability of income stream with a potential for growth."

As at 31 March 2019, the overall committed occupancy for the Singapore office portfolio stood at 98.6%. The performance of the Singapore office portfolio is expected to improve further in 2019 given the limited supply coming on-stream.

For Australia, the overall committed occupancy for the office portfolio improved to 99.8% as at 31 March 2019 driven by higher occupancy in Southgate Complex.

Construction works for Olderfleet, 477 Collins in Melbourne is on schedule to complete in mid 2020. Including the heads of agreement signed, the pre-committed occupancy for the development had increased to 89% to-date.

In 2019, the occupancy and rental levels for the Australian assets are expected to remain high given the strong demand and limited supply.

On Suntec City's retail performance, Mr. Chong said, "We are pleased to report that revenue had increased 5.5% driven by increase in occupancy and positive rental reversion. The key operation indicators remained robust with footfall and tenants' sales growing 3.3% and 1.3% year-on-year respectively. Looking ahead, the mall is poised to continue to perform well, notwithstanding the continuing challenges in the retail sector."

Mr. Chong added, "In view of the higher interest rate environment, we will continue with our prudent capital management strategy, improve underlying performance of our assets and source for accretive acquisitions to enhance unitholders value."

Summary of Suntec REIT's 1Q 19 Results

	1Q 19 (S\$'000)	1Q 18 (S\$'000)	% Change
Gross revenue	89,677	90,719	-1.1
Net property income	58,198	62,988	-7.6
Income contribution from JVs	24,020	22,721	5.7
Distributable income	65,353	64,814	0.8
- from operations	58,853	58,314	0.9
- from capital	6,500	6,500	0.0
Distribution per unit	2.434¢	2.433¢	0.0
- from operations	2.192¢	2.189¢	0.1
- from capital	0.242¢	0.244¢	-0.8

For 1Q 19, Suntec REIT's gross revenue of S\$89.7 million was a slight decline of 1.1% year-on-year. This was mainly due to lower convention revenue from Suntec Singapore and lower revenue from 177 Pacific Highway due to the weakened Australian dollar. This was partially offset by an increase in retail and office revenue from Suntec City.

Total distributable income for the quarter of S\$65.4 million was S\$0.5 million or 0.8% higher year-on-year. This includes a capital distribution of S\$6.5 million which was the same amount as 1Q 18. The DPU for the quarter was 2.434 cents per unit, slightly higher than 1Q FY18 DPU of 2.433 cents per unit.

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ABOUT SUNTEC REIT

Listed on 9 December 2004, Suntec REIT holds properties in Suntec City, Singapore's largest integrated commercial development (including one of Singapore's largest shopping Mall), a 60.8% interest in Suntec Singapore Convention & Exhibition Centre, a one-third interest in One Raffles Quay, a one-third interest in Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall, and a 30.0% interest in 9 Penang Road which is under construction. Suntec REIT holds a 100% interest in a commercial building located at 177 Pacific Highway, Sydney, a 50.0% interest in Southgate Complex, Melbourne, and a 50.0% interest in a commercial building under development which is located at Olderfleet 477 Collins Street, Melbourne, Australia. Its aim is to invest in income-producing real estate which is primarily used for office and/or retail purposes. Suntec REIT is managed by an external manager, ARA Trust Management (Suntec) Limited. For more details, please visit www.suntecreit.com.

ABOUT ARA TRUST MANAGEMENT (SUNTEC) LIMITED

Suntec REIT is managed by ARA Trust Management (Suntec) Limited, a wholly-owned subsidiary of ARA Asset Management Limited ("ARA"). ARA is premier global integrated real assets fund manager. As at 31 December 2018, the Gross Assets Managed by ARA Group and its Associates is approximately \$80.1 billion¹ across over 100 cities in 23 countries.

Driven by a vision to be the best-in-class real assets fund management company, ARA Group and its Associates' businesses include:

- (a) **REITs** – ARA is one of the largest REIT managers in Asia Pacific. The Group directly manages Fortune REIT, dual-listed in Singapore and Hong Kong; Suntec REIT and Cache Logistics Trust, listed in Singapore; and Hui Xian REIT and Prosperity REIT, listed in Hong Kong. It also indirectly manages REITs in Japan, Australia, Singapore and Malaysia through its associate companies.
- (b) **Private real estate funds** – The Group manages private funds providing investment opportunities in diverse real estate sectors and geographies that cater to different investor risk appetites.
- (c) **Country desks** – ARA operates country desks in China, Korea, Japan, Malaysia, Australia, Europe and the United States. The country desks employ a strong understanding of each local market to facilitate the flow of inbound and outbound capital and cross-country collaborations. ARA has an expanded presence in Japan via its strategic stake in Kenedix, Inc. and in Europe via its strategic stake in Cromwell Property Group.
- (d) **Infrastructure** – ARA Infrastructure was established in 2018 to cater to strong investor demand for global infrastructure investment.
- (e) **Real estate management services** – As part of the Group's investor-operator philosophy, its dedicated property management teams actively work the ground to manage its assets globally.

ARA's multi-platform, multi-product global fund management strategy, combined with its dedicated teams with in-depth local knowledge, enables the Group to offer enduring value to investors. Built on a foundation of strong corporate governance and business integrity, ARA counts some of the world's largest pension funds, sovereign wealth funds, financial institutions, endowments and family offices as its investors.

¹ Includes assets under management by ARA Asset Management Limited and the Group of companies ("ARA Group") and its Associates and Joint Ventures as at 31 December 2018.

IMPORTANT NOTICE

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

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Suntec REIT is not necessarily indicative of the future performance of Suntec REIT.

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