

Press Release

23 October 2019

Manager of



Suntec REIT Delivers 3Q 19 Distributable Income of S\$66.2 million

Distributable income and DPU from operations 5.7% and 0.8% higher year-on-year

Singapore, 23 October 2019 – Suntec REIT delivers a distributable income of S\$66.2 million for the period 1 July to 30 September 2019 ("3Q 19") which was a slight decline of 0.4% compared to the quarter ended 30 September 2018 ("3Q 18") due to lower capital distribution. Distributable income from operations of S\$59.7 million was 5.7% higher than 3Q 18. The distribution per unit ("DPU") of 2.365 cents for 3Q 19 was 5.1% lower than 3Q 18 DPU of 2.491 cents mainly due to the enlarged unit base.

For the period 1 January to 30 September 2019 ("YTD Sep 19"), the distributable income of S\$196.7 million was a marginal 0.3% lower year-on-year. This comprises distributable income from operations of S\$177.2 million which was 3.7% higher year-on-year ("y-o-y") and capital distribution of S\$19.5 million which was 26.4% lower than YTD Sep 18. The DPU of 7.160 cents for YTD Sep 19 was 3.2% lower mainly due to the enlarged unit base.

Mr. Chong Kee Hiong, Chief Executive Officer of the Manager, said, "We are pleased to have recorded a higher distributable income from operations for the third quarter of 2019. The improved results were mainly driven by the continued strong performance of Suntec City, higher contribution from MBFC Properties, better performance of Southgate Complex and contribution from 55 Currie Street which was acquired in September. This was partially offset by higher financing costs."

As at 30 September 2019, the overall committed occupancy for the Singapore office portfolio stood at 99.0%. The Singapore office portfolio, in particular, Suntec City Office which had achieved six consecutive quarters of positive rent reversions will continue to perform well.

9 Penang Road is on track to complete by 4Q 2019. The office component has been 100% pre-leased to UBS with target occupation in the second half of 2020. The retail component will be predominantly F&B and negotiations are in progress.

For Australia, the overall committed occupancy for the office portfolio was 97.8% as at 30 September 2019. Through proactive asset management to improve occupancy and rent, the assets in Australia continues to enhance Suntec REIT's income stability and provide growth through the long lease tenures with annual rental escalations. Suntec REIT's Australia office portfolio will continue to perform well, supported by healthy occupancy and steady demand.

Olderfleet, 477 Collins Street in Melbourne, Australia, reached a key milestone with the topping out of the building structure on 31 July 2019. Tenants fit-out works is currently in progress and practical completion is expected by mid 2020. Including the heads of agreement signed, the pre-committed occupancy for the development had increased to 92%.

On Suntec City's retail performance, Mr. Chong said, "We are pleased to report that we have achieved nine consecutive quarters of positive rent reversions which underpinned the 4.6% increase in revenue for the quarter. The key operation indicators remained positive with footfall and tenants' sales growing 3.8% and 0.8%¹ year-on-year respectively. The mall is expected to continue to perform well, notwithstanding the continuing challenges in the retail sector."

Mr. Chong added, "To enhance unitholders' value, we will continue to improve the underlying performance of our assets, source for accretive acquisitions and continue our prudent capital management strategy."

¹ Excluding SuperPark, tenant sales per sq ft increased 3.6% y-o-y.

Summary of Suntec REIT's 3Q 19 & YTD SEP 19 Results

	3Q 19 (S\$'000)	3Q 18 (S\$'000)	% Change	YTD SEP 19 (S\$'000)	YTD SEP 18 (S\$'000)	% Change
Gross revenue	91,939	88,811	3.5%	270,012	270,051	0.0%
Net property income	58,357	56,544	3.2%	172,918	180,251	-4.1%
Income contribution from JVs	26,487	23,159	14.4%	76,236	68,496	11.3%
Distributable income	66,236	66,529	-0.4%	196,744	197,352	-0.3%
- from operations	59,736	56,529	5.7%	177,244	170,852	3.7%
- from capital	6,500	10,000	-35.0%	19,500	26,500	-26.4%
Distribution per unit	2.365¢	2.491¢	-5.1%	7.160	7.398¢	-3.2%
- from operations	2.133¢	2.117¢	0.8%	6.454	6.405¢	0.8%
- from capital	0.232¢	0.374¢	-38.0%	0.706	0.993¢	-28.9%

For 3Q 19, Suntec REIT's gross revenue of S\$91.9 million improved 3.5% year-on-year. This was mainly due to an increase in retail and office revenue from Suntec City which was partially offset by lower revenue from Suntec Convention.

For YTD Sep 19, Suntec REIT attained gross revenue of S\$270.0 million which was in line with YTD Sep 18, mainly due to higher revenue from Suntec City Retail and Office, offset by lower revenue from Suntec Convention and 177 Pacific Highway as a result of the weakened Australia dollar.

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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, a 50.0% interest in a commercial building under development which is located at Olderfleet 477 Collins Street, Melbourne and a 100% interest in a commercial building located at 55 Currie Street, Adelaide, 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 a premier global integrated real assets fund manager. As at 30 June 2019, Gross Assets Managed by ARA Group and its Associates is more than S\$83 billion² 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 Suntec REIT, Cache Logistics Trust and ARA US Hospitality Trust, listed in Singapore; and Fortune REIT, 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.

For more information, please visit <http://www.ara-group.com>.

² Includes assets under management by ARA Asset Management Limited and the Group of companies ("ARA Group") and its Associates as at 30 June 2019

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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