

Press Release

22 January 2020

Manager of



Suntec REIT's Distributable Income and DPU from operations

3.9% and 0.5% higher for FY 2019

Singapore, 22 January 2020 – Suntec REIT delivers for the financial year ended 2019 ("FY 19"), distributable income from operations of S\$236.7 million, 3.9% higher year-on-year ("y-o-y"). Including capital distribution of S\$26.0 million which was 33.3% lower than the financial year ended 2018 ("FY 18"), the total distributable income was S\$262.7 million, 1.5% lower y-o-y. The distribution per unit ("DPU") from operations was 8.570 cents, 0.5% higher y-o-y. Total DPU of 9.507 cents for FY 19 was 4.8% lower mainly due to the enlarged unit base and lower capital distribution.

For the period 1 October to 31 December 2019 ("4Q 19"), distributable income from operations of S\$59.5 million was 4.4% higher than the quarter ended 31 December 2018 ("4Q 18"). Including the capital distribution of \$6.5 million, total distributable income of \$66.0 million was 5.0% lower compared to 4Q 18. Total DPU of 2.347 cents for 4Q 19 was 9.4% lower than 4Q 18 mainly due to the enlarged unit base and lower capital distribution.

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 fourth quarter and entire 2019. The improved results were mainly driven by the contribution of 55 Currie Street which we acquired in September 2019, the continued strong performance of Suntec City and better performance of Southgate Complex."

As at 31 December 2019, the overall committed occupancy for the Singapore office portfolio stood at 99.1%. In particular, Suntec City Office attained 100% committed occupancy and achieved seven consecutive quarters of positive rent reversions. Suntec REIT's Singapore office portfolio will continue to perform well driven by the positive rent reversions from the previous quarters.

The overall committed occupancy for the Australia office portfolio was 97.8% as at 31 December 2019. Suntec REIT's Australia office portfolio constituting approximately 18.0% of Suntec REIT's Net Property Income and Income Contribution from JVs in 4Q 19, will continue to perform well as it is underpinned by strong occupancy and long lease tenures with minimal lease expiry in 2020.

Practical completion for Olderfleet, 477 Collins Street in Melbourne, Australia, is on schedule to be completed by mid-2020. Including the heads of agreement signed, the pre-committed occupancy for the development had increased to 95.6%.

On Suntec City's retail performance, Mr. Chong said, "We are pleased to report that we have achieved ten consecutive quarters of positive rent reversions which underpinned the 2.3% increase in revenue for the quarter. Committed occupancy for the mall increased to 99.6% as at 31 December 2019 and the key operation indicators remained positive with footfall and tenants' sales growing 3.9% and 0.7%¹ year-on-year respectively. The mall is expected to continue to perform well driven by the high footfall, improved tenant mix including new-to-market brands and positive rent reversions from previous quarters."

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 3.2% y-o-y.

Summary of Suntec REIT's 4Q 19 & FY 19 Results

	4Q 19 (S\$'000)	4Q 18 (S\$'000)	% Change	FY 19 (S\$'000)	FY 18 (S\$'000)	% Change
Gross revenue	96,718	93,453	3.5%	366,730	363,504	0.9%
Net property income	63,269	60,726	4.2%	236,187	240,977	-2.0%
Income contribution from JVs	22,358	22,717	-1.6%	98,594	91,213	8.1%
Distributable income	65,986	69,459	-5.0%	262,730	266,811	-1.5%
- from operations	59,486	56,959	4.4%	236,730	227,811	3.9%
- from capital	6,500	12,500	-48.0%	26,000	39,000	-33.3%
Distribution per unit	2.347¢	2.590¢	-9.4%	9.507¢	9.988¢	-4.8%
- from operations	2.116¢	2.124¢	-0.4%	8.570¢	8.529¢	0.5%
- from capital	0.231¢	0.466¢	-50.4%	0.937¢	1.459¢	-35.8%

For 4Q 19, Suntec REIT's gross revenue of S\$96.7 million improved 3.5% year-on-year. This was mainly due to the contribution of 55 Currie Street as well as an increase in retail and office revenue from Suntec City which was partially offset by lower revenue from Suntec Convention.

For FY 19, Suntec REIT attained gross revenue of S\$366.7 million which was 0.9% higher than FY 18, mainly due to higher revenue from Suntec City Retail and Office, contribution of 55 Currie Street which was 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. 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

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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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