

SUNTEC REIT – 1Q 2020 UPDATE

Citi Asia-Pacific Property Conference
23 June 2020



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1Q 20 Highlights

Distribution to Unitholders : S\$49.6 million

Distributable Income from Operations:
S\$55.1 million, -6.5% YOY

Distribution Retained
-S\$5.5 million (10%)

Distribution Per Unit to Unitholders: 1.760 cents -27.7% YOY

Capital Management

Issued
S\$200 mil
7-yr MTN

Secured
A\$450 mil Green
Loan Facility

All-in
Financing Cost
2.92% p.a.

Acquisition: A\$295 million

21 Harris Street, Pyrmont, Sydney
acquisition completed on 6 April 2020

Projects Under Development

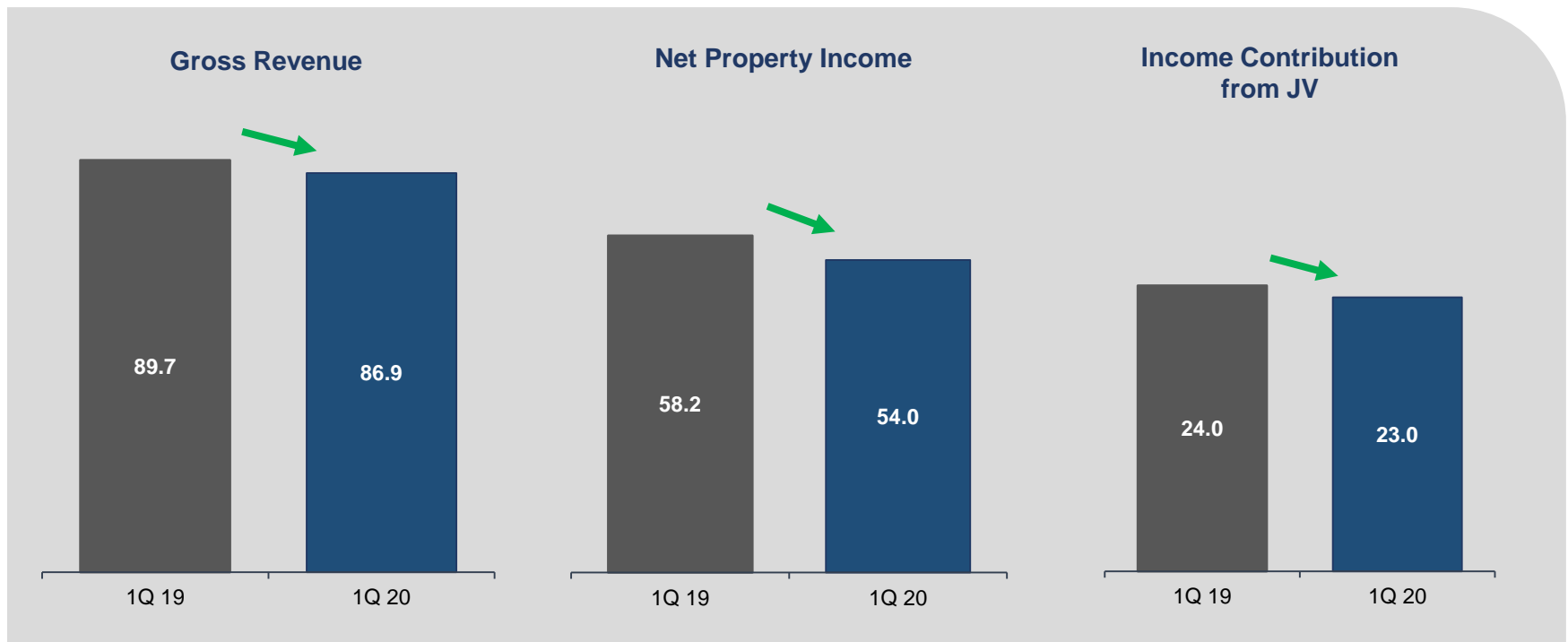
Olderfleet, 477 Collins Street, Melbourne
practical completion in mid 2020



FINANCIAL HIGHLIGHTS



1Q 20 Financial Performance



Gross Revenue

\$86.9
million

-3.1% y-o-y

Net Property Income

\$54.0
million

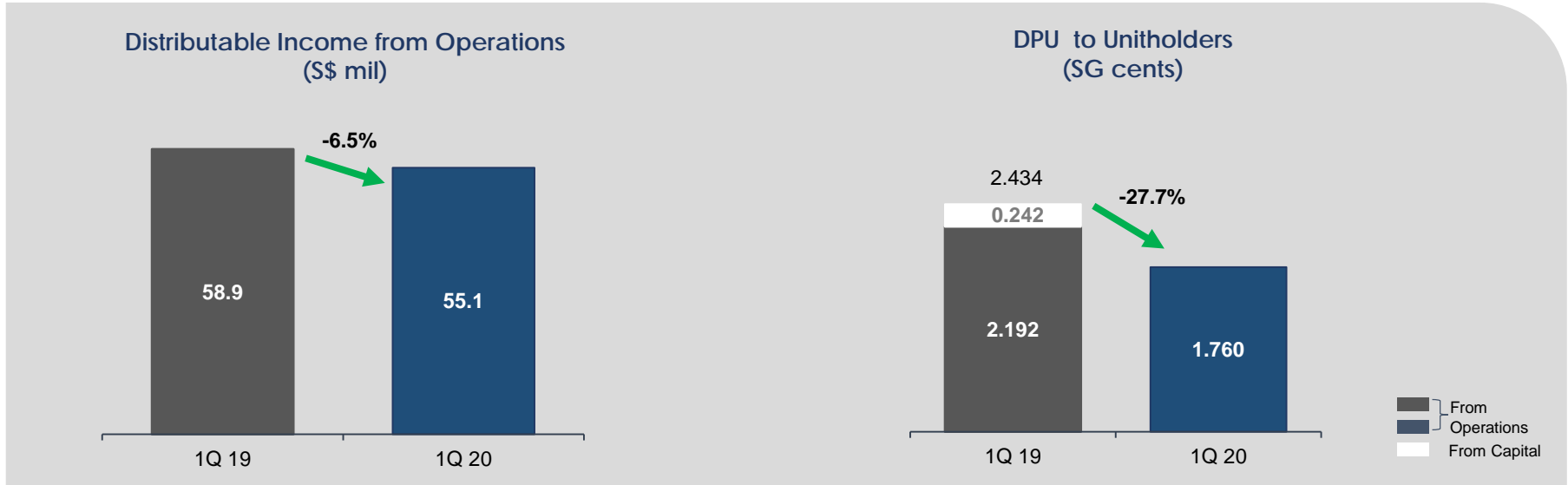
-7.2% y-o-y

Income Contribution from JV

\$23.0
million

-4.2% y-o-y

Distribution Income to Unitholders



Distributable Income from Operations

\$55.1 million, -6.5% y-o-y

- COVID-19 → Absence of dividend contribution from Suntec Singapore due to postponement and cancellation of events
- COVID-19 → Lower A&P income for Suntec City Mall
- Lower occupancy at MBFC Towers 1 & 2
- Weakened AUD

+ **Partially offset by** better performance of Suntec City Office, Suntec City Mall, Southgate Complex and contribution from 55 Currie Street

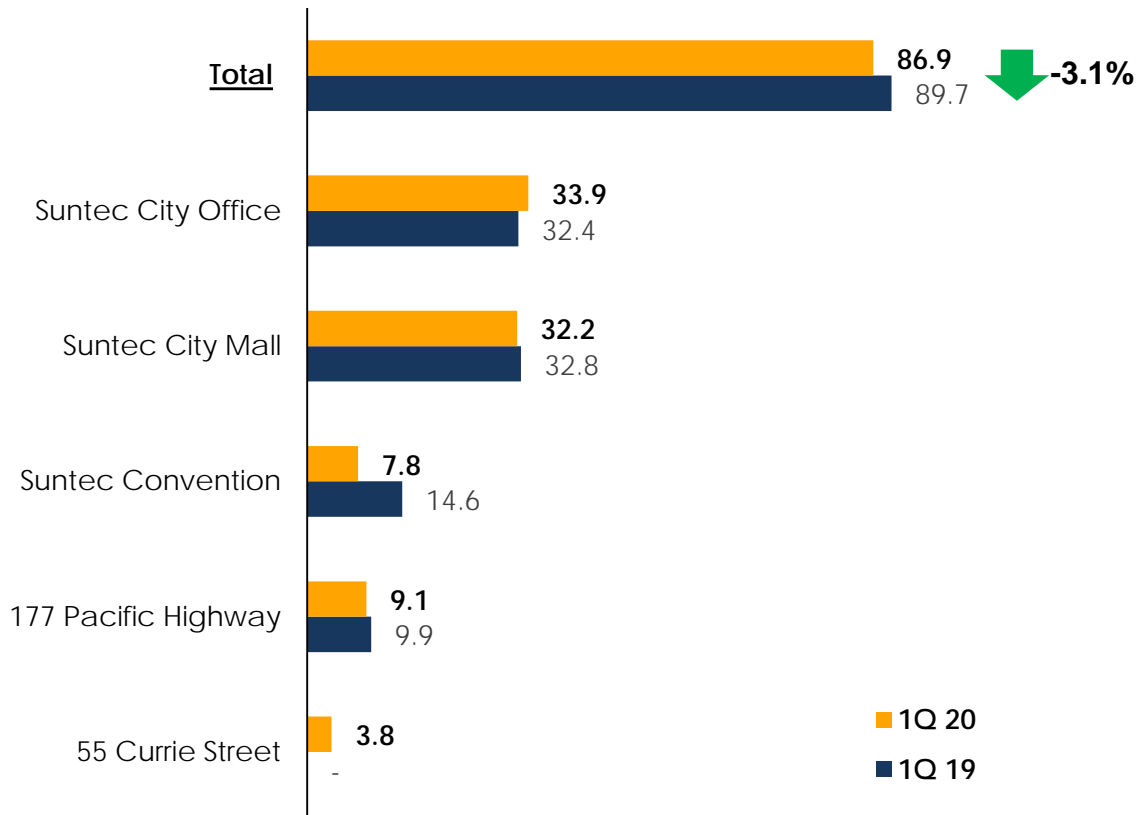
DPU to Unitholders

1.760 cent, -27.7% y-o-y

- Lower distributable income from operations
- Retention of 10% of distribution (\$5.5 mil)
- Absence of capital distribution (\$6.5 mil)
- Enlarged unit base

1Q 20 Gross Revenue decreased 3.1% y-o-y

S\$ mil

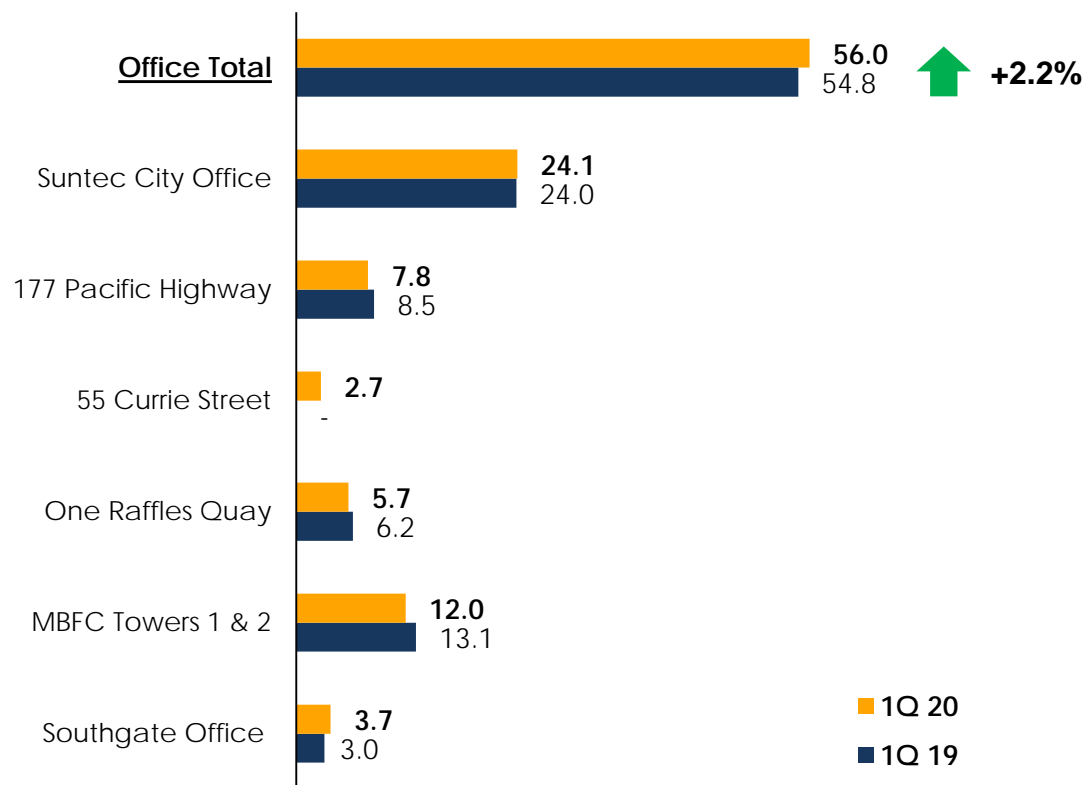


Mainly due to

- + Higher occupancy and rent at Suntec City Office and Mall
- Lower A&P income at Suntec City Mall due to COVID-19
- Lesser events at Suntec Convention due to COVID-19
- + Rent contribution from 55 Currie Street

1Q 20 NPI & JV Income Contribution - Office

S\$ mil

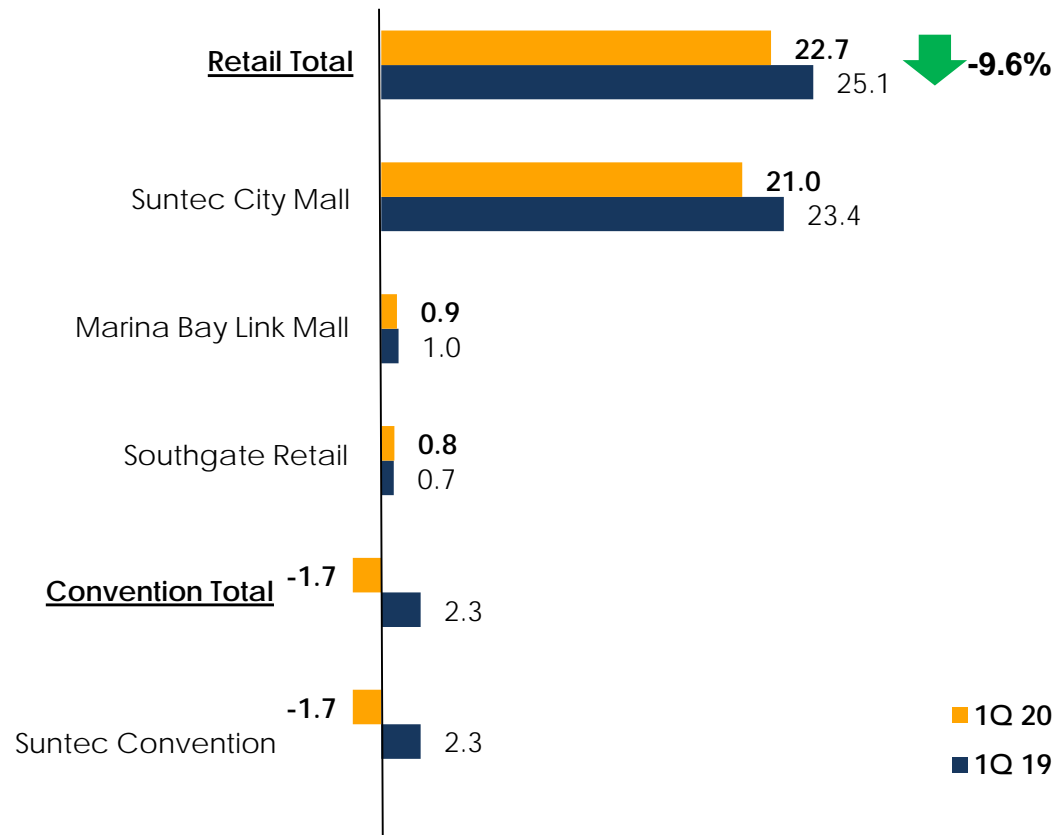


Mainly due to

- + Higher occupancy and rent at Suntec City Office
- Weakened AUD for 177 Pacific Highway
- + Rent contribution from 55 Currie Street
- Stable Revenue offset by higher operating expenses for One Raffles Quay
- Higher rent achieved for MBFC Towers 1 & 2 offset by lower occupancy
- + Stronger performance of Southgate Complex

1Q 20 NPI & JV Income Contribution – Retail & Convention

S\$ mil



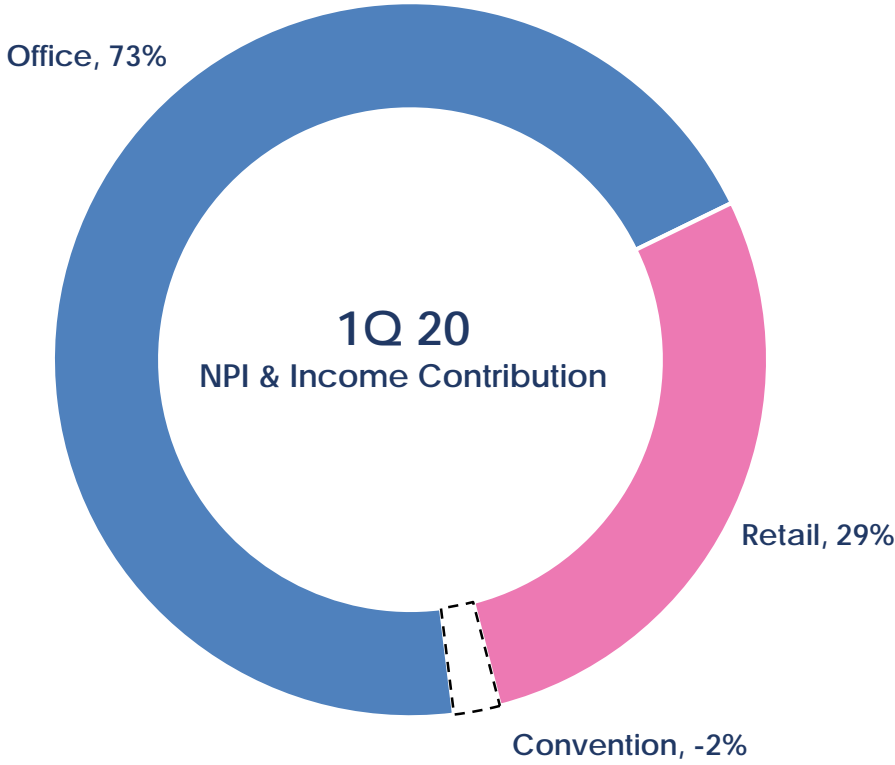
Mainly due to

- Lower A&P income at Suntec City Mall

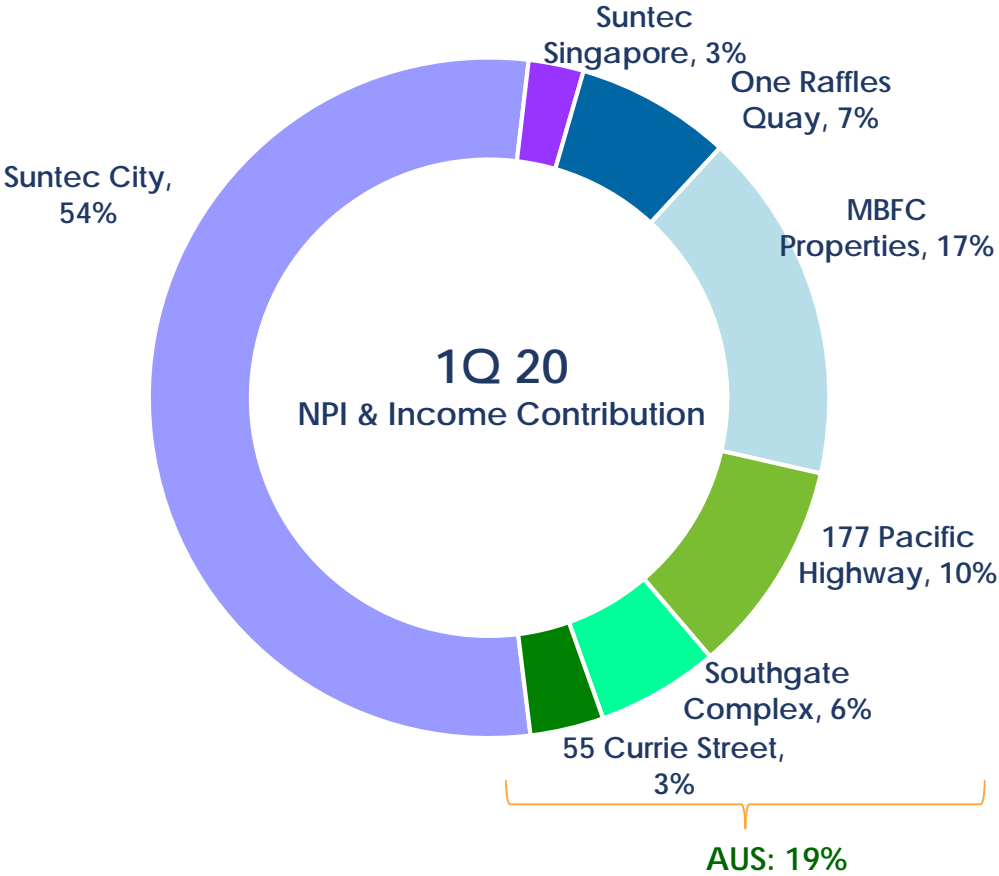
Mainly due to

- Lesser events at Suntec Convention due to COVID-19

Diversified Portfolio across Sector and Geography



Contribution by Segment



Contribution by Asset

Distribution Timetable

Distribution Payment	
Distribution Period	1 January – 31 March 2020
Amount (cents/unit)	1.760

Ex-date	29 April 2020
Record date	30 April 2020
Payment date	28 May 2020

Source: ARATMS



CAPITAL MANAGEMENT

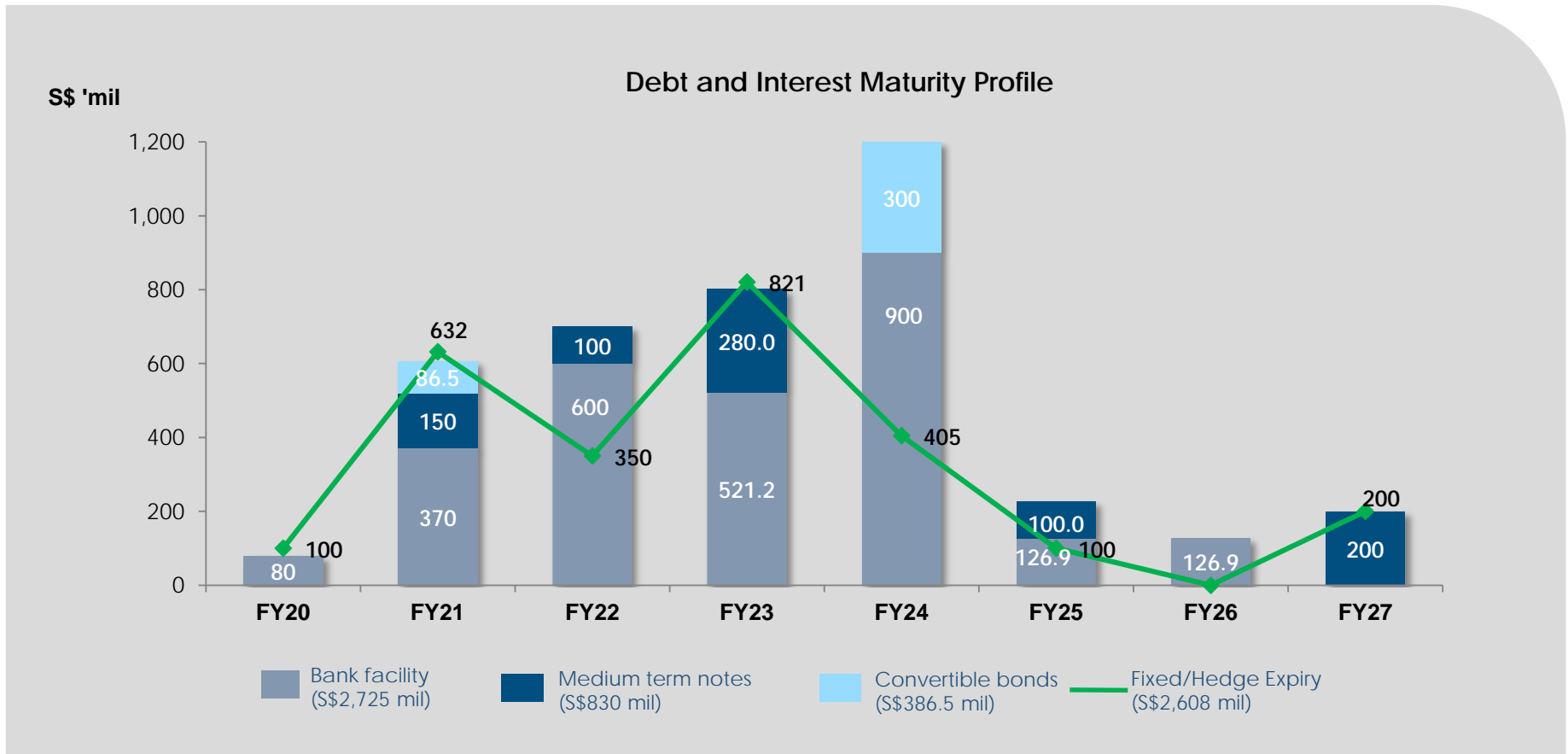
Key Financial Indicators

	As at 31 Mar '20	As at 31 Dec '19
NAV Per Unit	S\$2.057	S\$2.126
Total Debt Outstanding	S\$3,941 mil	S\$3,663 mil
Aggregate Leverage Ratio ¹	39.9%	37.7%
Weighted Average Debt Maturity	3.36 years	3.06 years
All-in Financing Cost	2.92% p.a.	3.05% p.a.
Interest Coverage Ratio	2.7X	2.9X
Weighted average interest maturity	3.08 years	2.54 years
Interest Rate Borrowings (fixed)	65%	75%
% of AUD income hedged for 2020	~20%	~30%

Note:

1. "Aggregate Leverage Ratio" refers to the ratio of total borrowings (inclusive of proportionate share of borrowings of joint ventures) and deferred payments (if any) to the value of the Deposited Property.

Proactive Capital Management

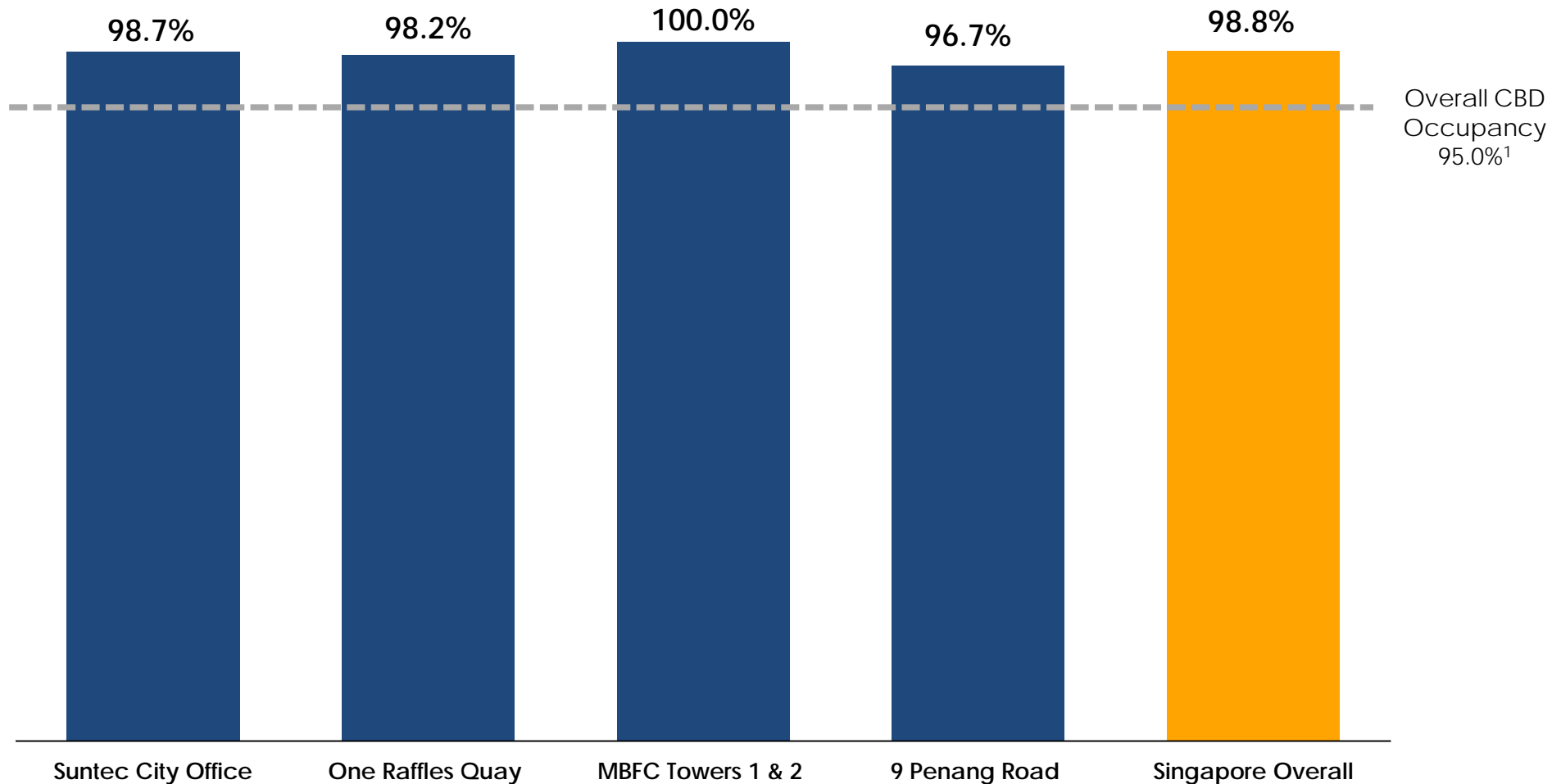


\$80 million Revolving Credit Facility

SG OFFICE PORTFOLIO PERFORMANCE



1Q 20 Singapore Office Committed Occupancy

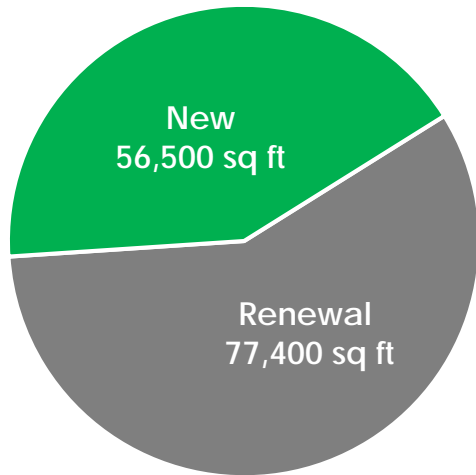


Committed Occupancy Outperformed Market

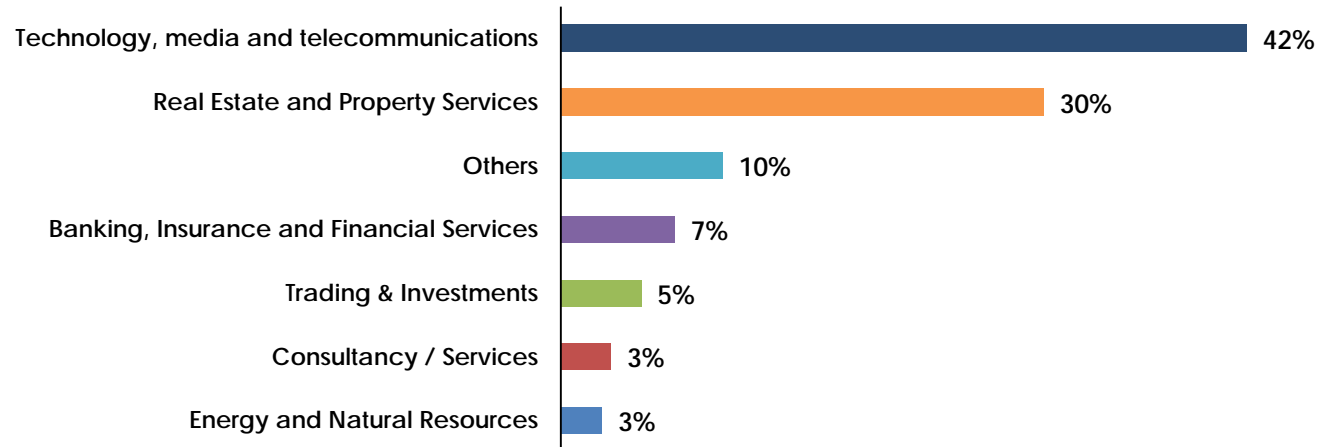
Note:
1. Source: JLL

1Q 20 Singapore Office Leasing Activity

Portfolio Work Done¹ in 1Q 20: 133,900 sq ft
(42% are new leases)



New Tenants by Sector (sq ft)



Leases secured:



The Thrill of Solving



A brand of BASF – We create chemistry



Korea Trade-Investment Promotion Agency

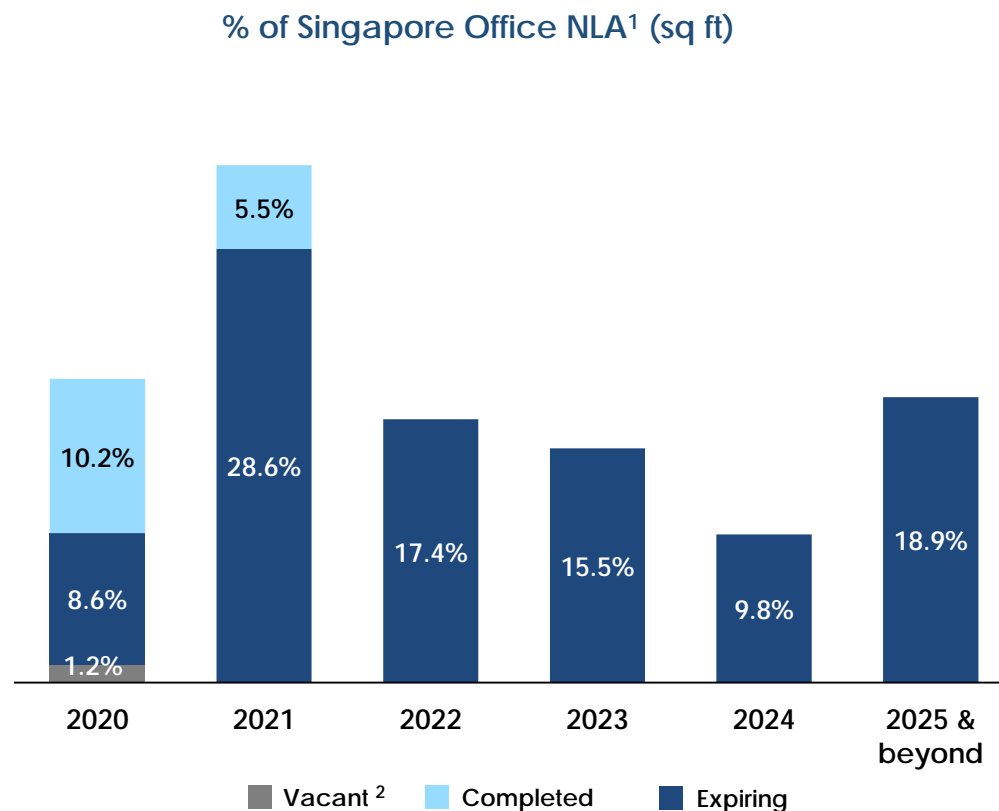


Notes:

- Reflects net lettable area of new leases and renewals committed based on Suntec REIT's interests in Suntec City Office, One Raffles Quay and Marina Bay Financial Centre Office Towers 1 and 2.

1Q 20 Singapore Office Lease Expiry

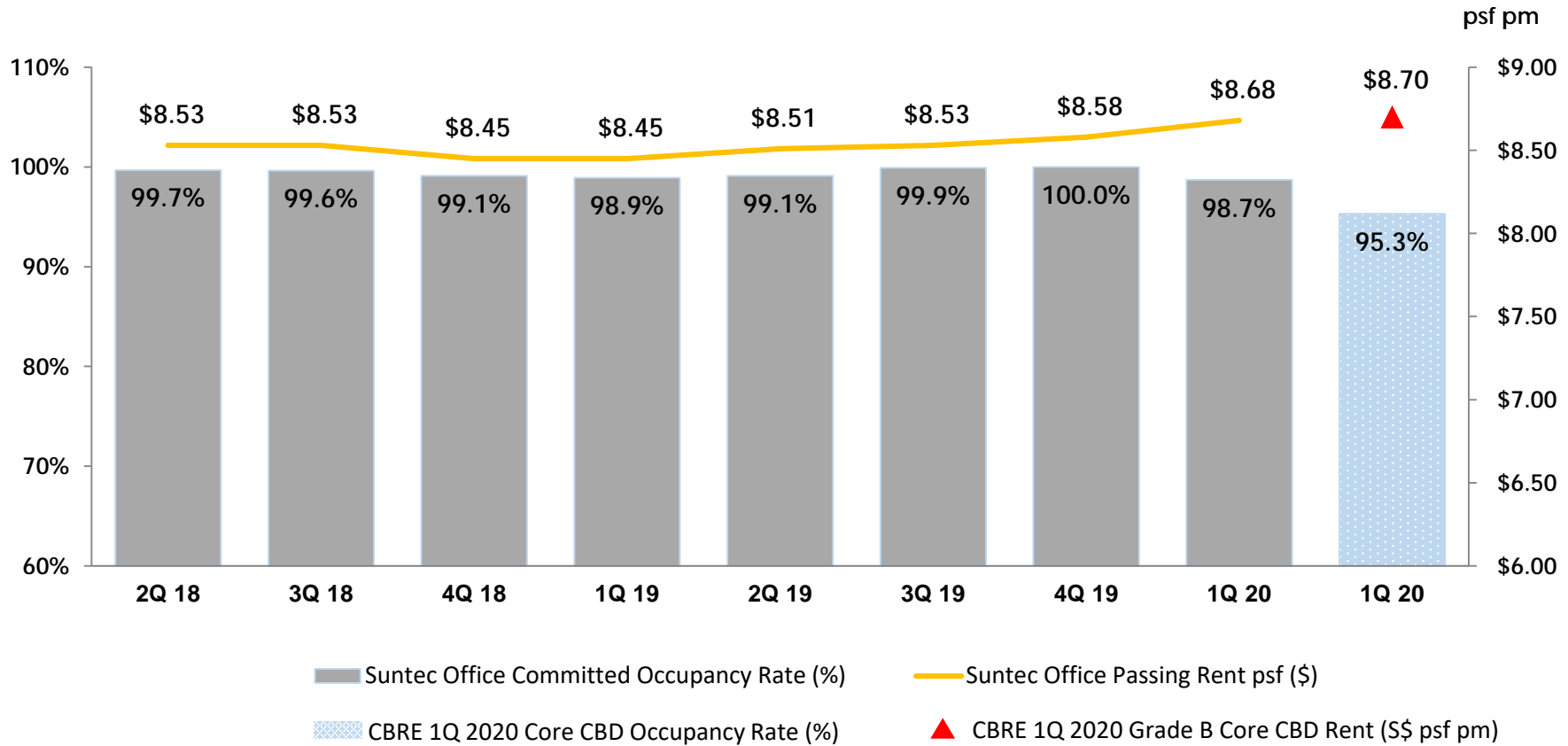
	Net Lettable Area ¹	
	Sq ft	% of Total
FY 2020	211,616	8.6%
FY 2021	698,537	28.6%
FY 2022	424,224	17.4%
FY 2023	377,319	15.5%
FY 2024	238,625	9.8%
FY 2025 & Beyond	460,159	18.9%



Weighted Average Lease Expiry: 3.26 Years

- Note:
- Based on Suntec REIT's interests in Suntec City Office, One Raffles Quay and Marina Bay Financial Centre Office Towers 1 and 2, and 9 Penang Road.
 - 29,194 sq ft of NLA was vacant as at 31 March 2020.

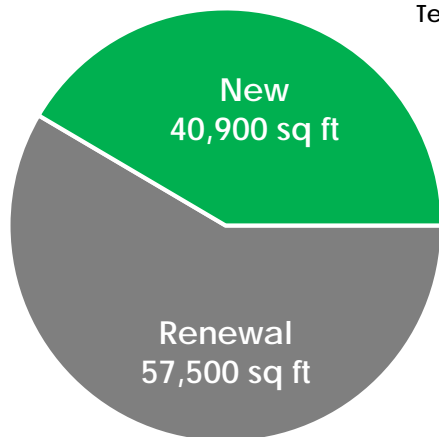
Suntec City Office - Committed Occupancy and Average Gross Rent



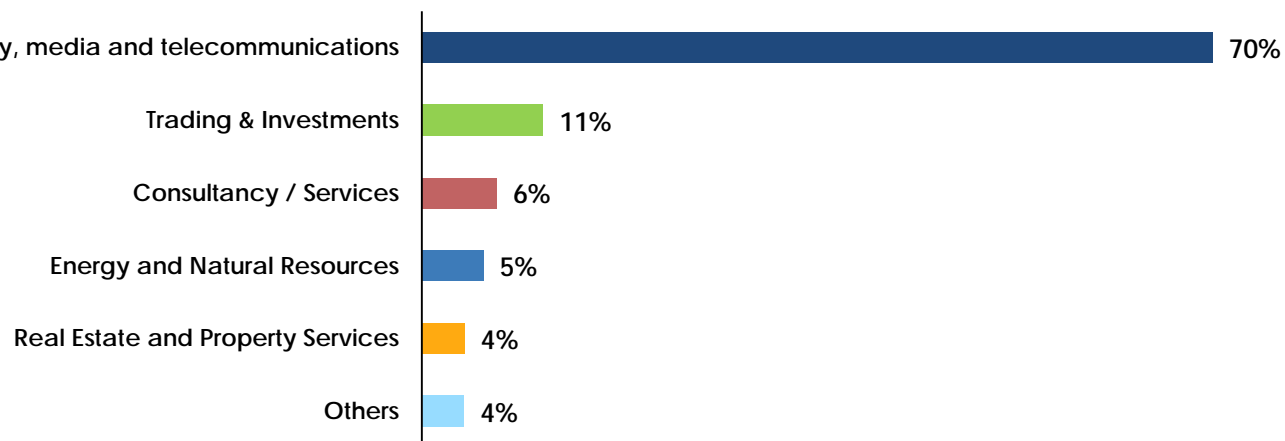
Stronger Committed Occupancy and Average Gross Rent

Suntec City Office - 1Q 20 Leasing Activity

Work Done¹ in 1Q 20: 98,400 sq ft
(42% are new leases)



New Tenants by Sector (sq ft)



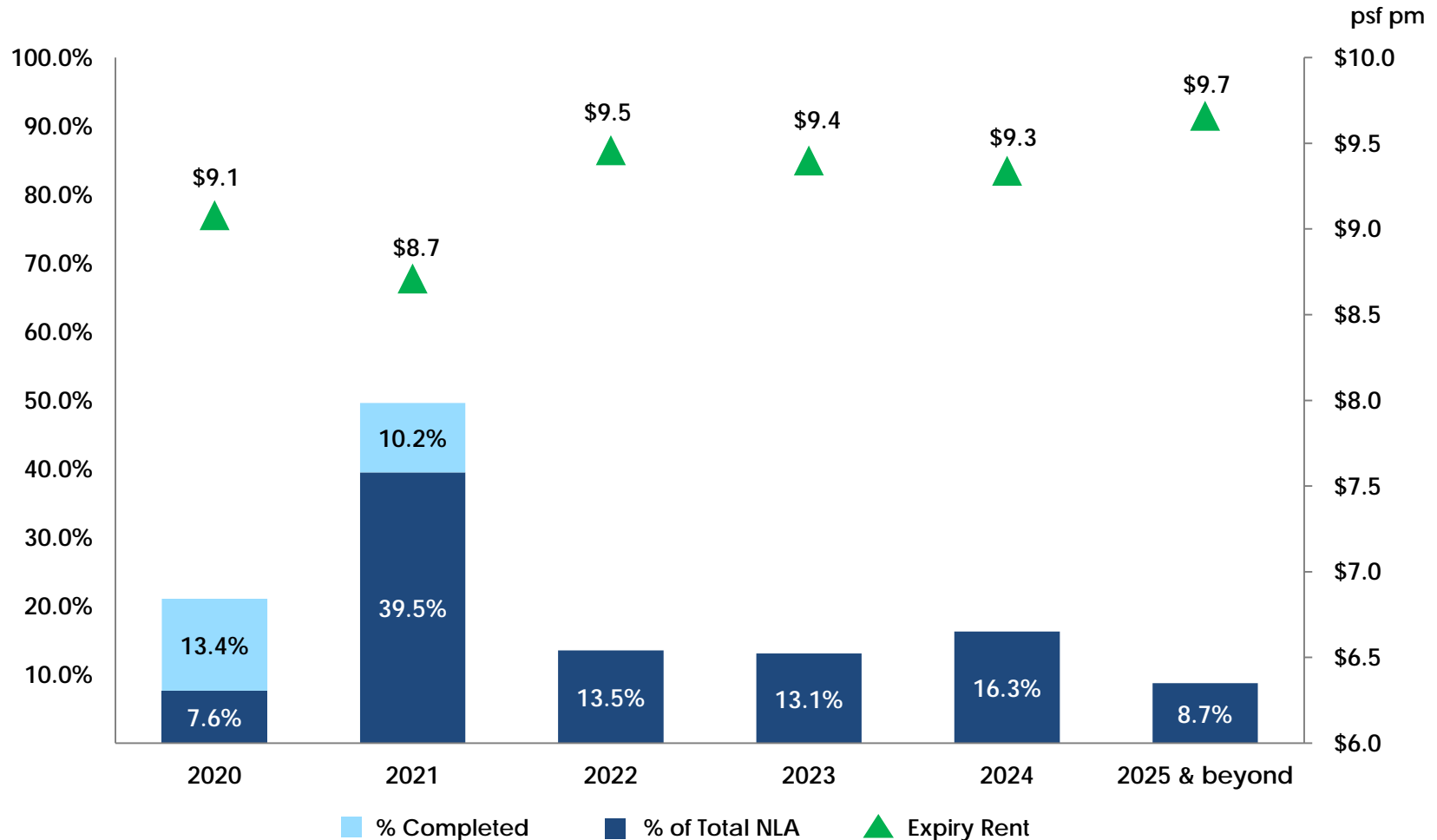
Eight Consecutive Quarters of Positive Rent Reversion

Work Done (Sq ft)	Average Expired Rents (\$ psf pm)	Rent Reversion %	Committed Rents (\$ psf pm)	Rents of Comparable Sub-Markets (\$ psf pm)	
			Range	CBRE ²	Knight Frank ³
98,400	8.69	13.1%	9.50 to 10.80	8.70	9.90 to 10.40

Note:

1. Reflects net lettable area of new leases and renewals committed.
2. Source: CBRE 1Q 2020 Grade B Core CBD Office Rent
3. Source: Knight Frank 4Q 2019 Marina Grade A Office Rent

Suntec City Office - Lease Expiry Profile & Expiry Rent



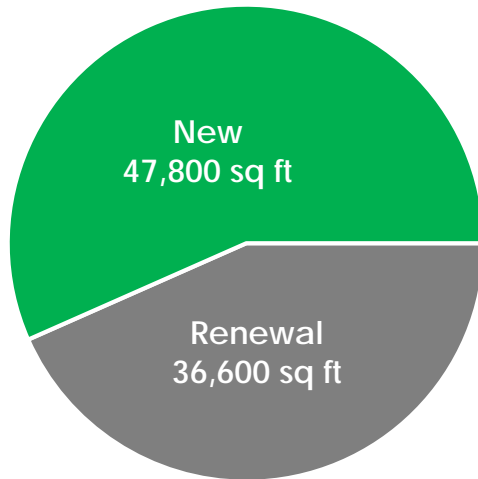
Proactive Management of Lease Expiries



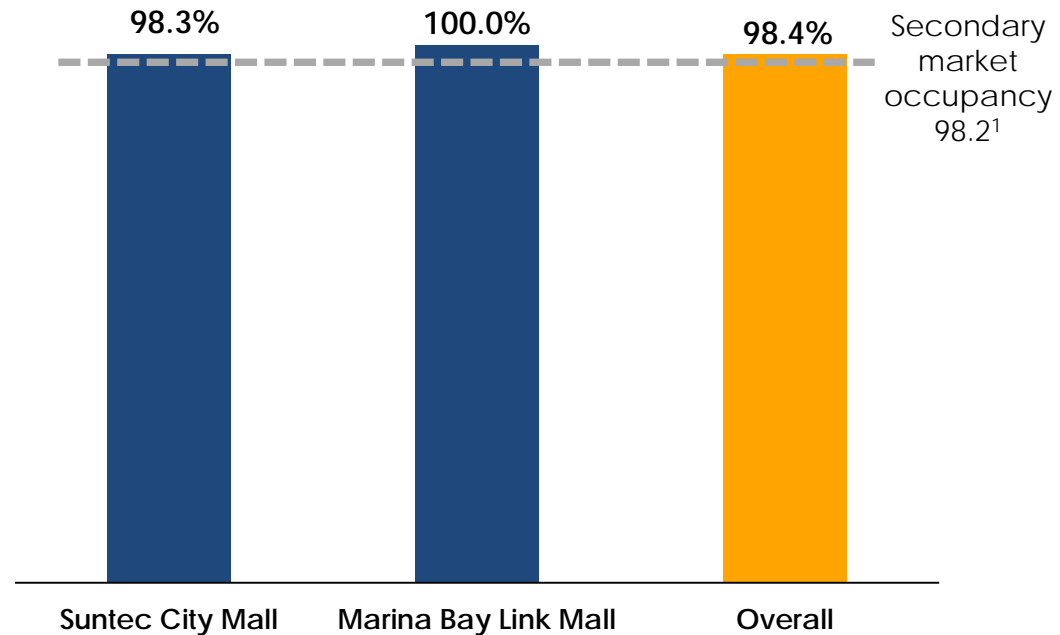
SG RETAIL PORTFOLIO
PERFORMANCE

1Q 20 Singapore Retail Portfolio

Portfolio Work Done² in 1Q 20: 84,400 sq ft
(57% are new leases)



Committed Occupancy



Leases secured:



BreadTalk®



iSTEAKS®
xO diner xO



宝兴
POH HENG

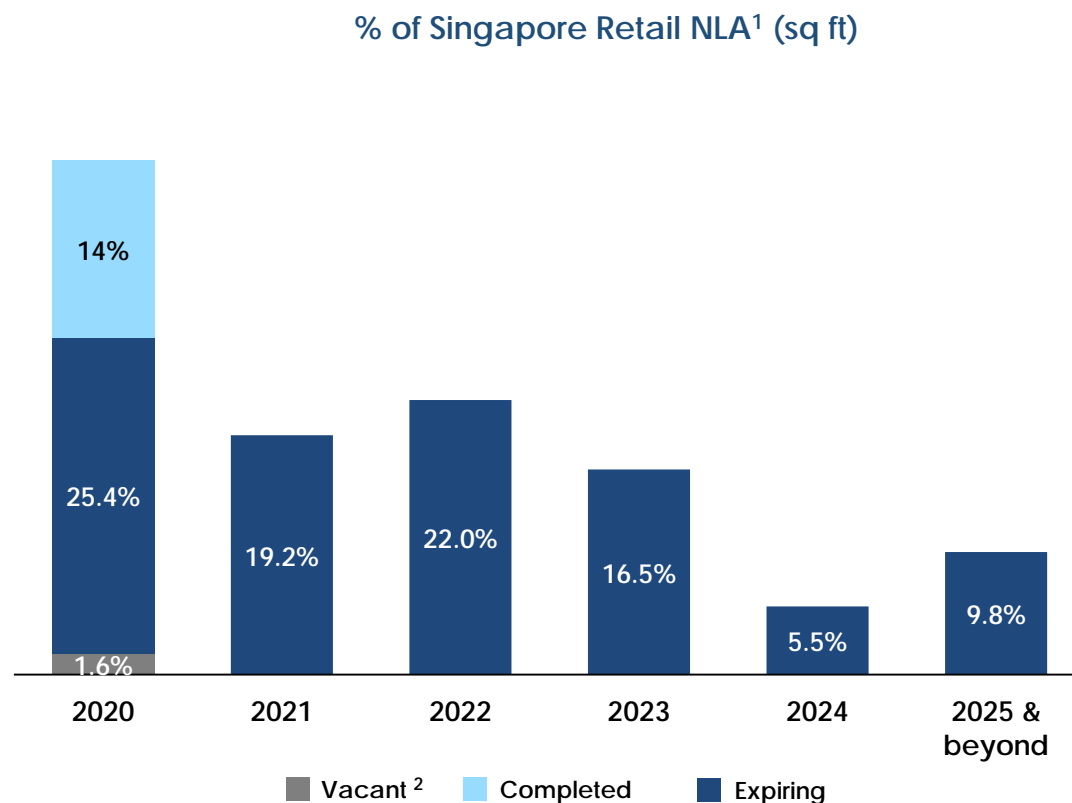
RECOIL

Note:

1. Source: JLL
2. Reflects net lettable area of new leases and renewals committed based on Suntec REIT's interests in Suntec City Mall, Suntec Singapore (Retail) and Marina Bay Link Mall

1Q 20 Singapore Retail Lease Expiry

	Net Lettable Area ¹	
	Sq ft	% of Total
FY 2020	229,413	25.4%
FY 2021	173,458	19.2%
FY 2022	199,045	22.0%
FY 2023	148,627	16.5%
FY 2024	49,365	5.5%
FY 2025 & Beyond	88,785	9.8%



Weighted Average Lease Expiry: 2.66 Years

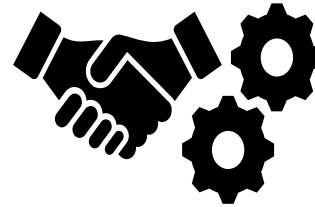
Note:

1. Based on Suntec REIT's interests in Suntec City Mall, Suntec Singapore (Retail) and Marina Bay Link Mall.
2. 14,827 sq ft of NLA was vacant as at 31 March 2020.

Suntec City Mall – Operational Performance



Committed Occupancy
(as at 31 Mar 2020)
98.3%

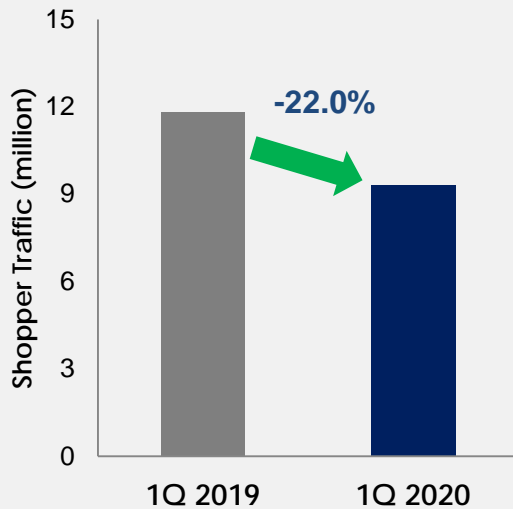


Rent Reversion
(1Q 2020)
+16.1%

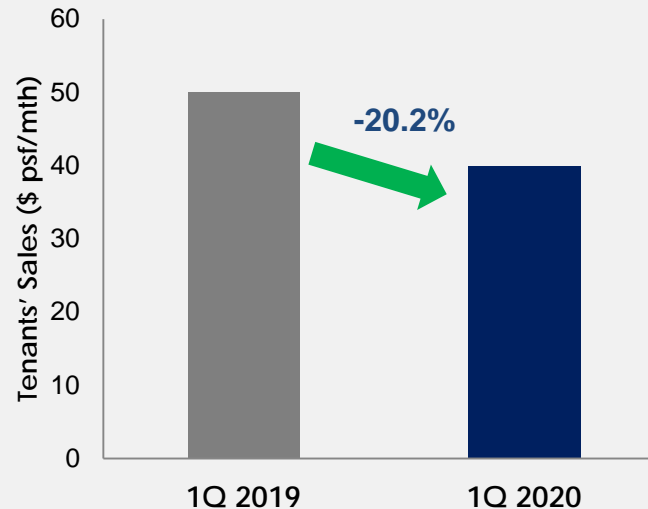


Positive Rent Reversion
11 consecutive quarters

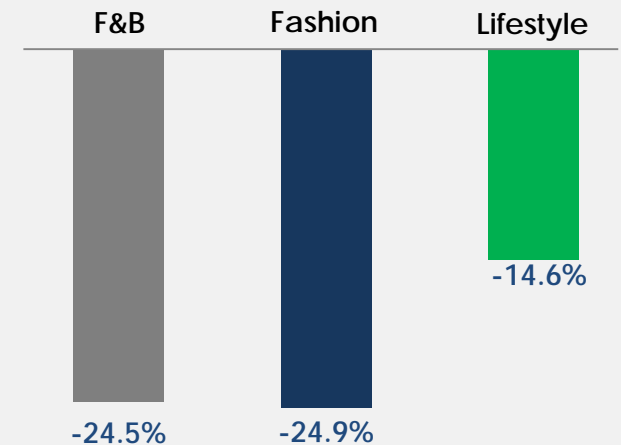
Footfall (1Q 2020)



Tenant Sales (1Q 2020)

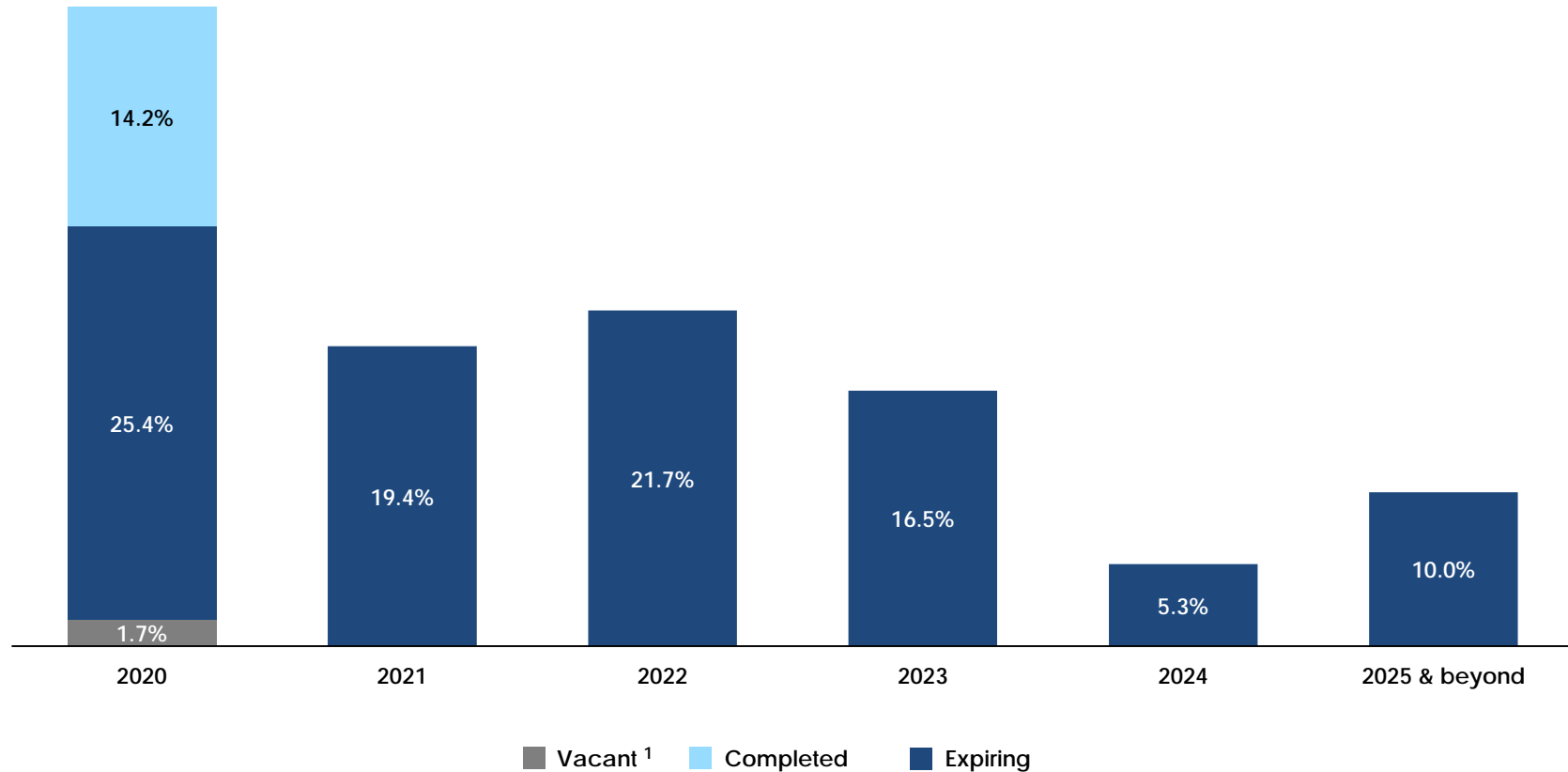


Tenant Sales psf YOY (1Q 2020)



Decline in Footfall and Tenant Sales Due to COVID-19

Suntec City Mall - Lease Expiry Profile



Proactive Management of Lease Expiries

Note:

1. 14, 827 sq ft of NLA was vacant as at 31 March 2020.

CONVENTION PERFORMANCE

LG

THE ARTS IS
A PART OF
YOUR *Life*

THE ARTS INSPIRES ME

THE ARTS FOR LIFE

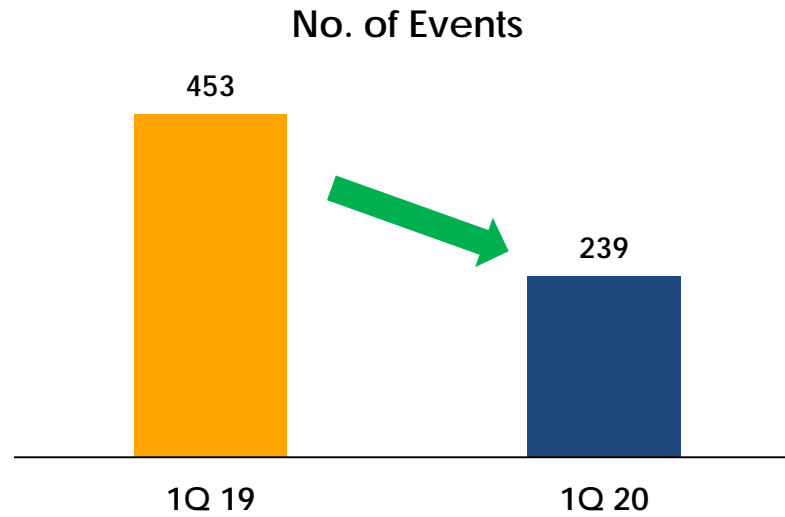
Season's Greetings from Suntec City

A doctor case - A Pakistani court hearing the ret

 **Suntec**
SINGAPORE
Convention & Exhibition Centre



Suntec Convention Performance



Postponement and Cancellation of Events Held Due to COVID-19



TWILIGHT: BACK TO SCHOOL

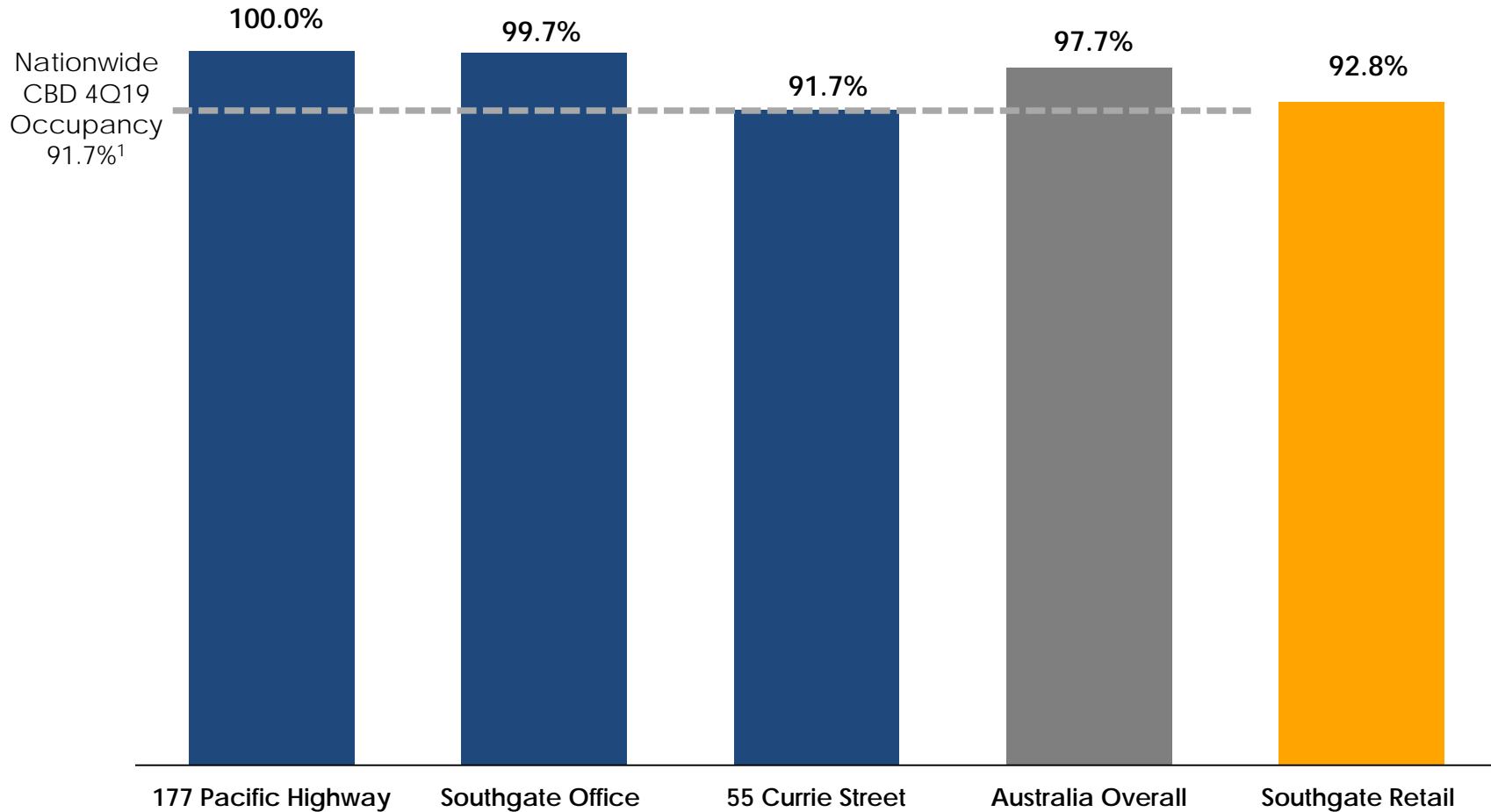


SINGAPORE MOTORSHOW 2020

AUSTRALIA PORTFOLIO PERFORMANCE



1Q 20 Australia Committed Occupancy



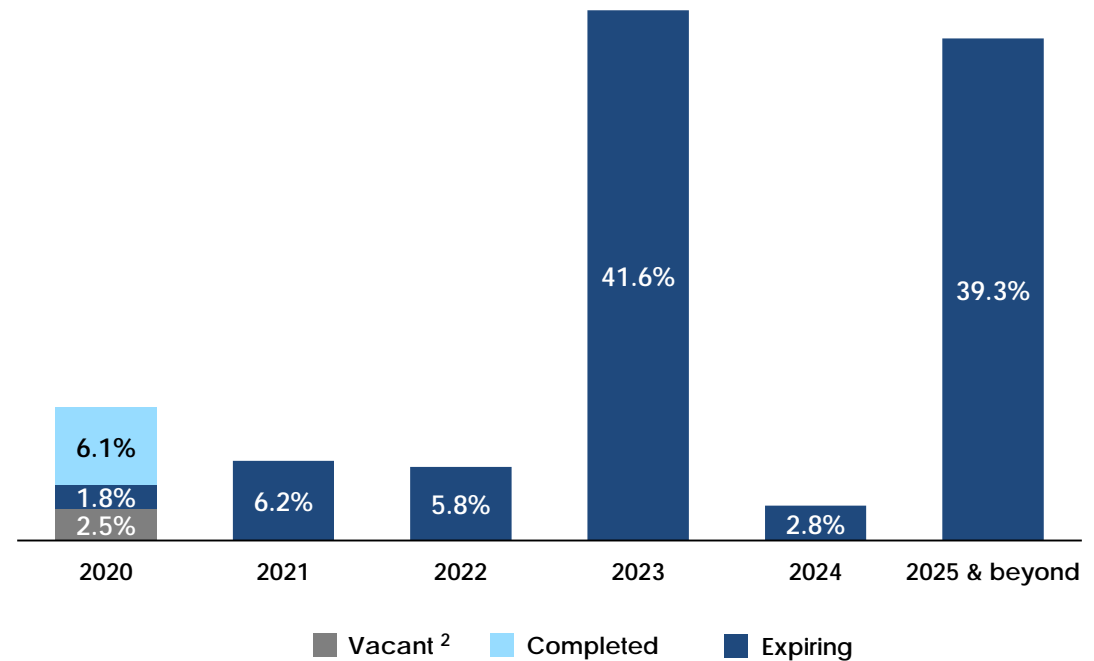
Strong Committed Occupancy

Note:
1. Source: JLL

1Q 20 Australia Lease Expiry

	Net Lettable Area ¹	
	Sq ft	% of Total
FY 2020	20,599	1.8%
FY 2021	69,926	6.2%
FY 2022	64,578	5.8%
FY 2023	465,393	41.6%
FY 2024	30,758	2.8%
FY 2025 & Beyond	440,528	39.3%

% of Australia Lease Expiry NLA¹ (sq ft)



Weighted Average Lease Expiry: 4.90 Years

Note:

1. Based on Suntec REIT's interests in 177 Pacific Highway, Southgate Complex (Office and Retail) and 55 Currie Street.
2. 28,331 sq ft of NLA was vacant as at 31 March 2020.

New Acquisition

- Completed acquisition of freehold Grade A office on 6 April 2020
- 5.5% initial yield with annual rent escalation of 3.0% - 4.0%
- NLA of approximately 203,000 sq ft
- 66.5% committed occupancy with Publicis Groupe as anchor tenant
- 3 years rent guarantee on unlet spaces
- Long WALE of ~10 years

21 Harris Street, Pyrmont, Sydney





PROJECT UNDER DEVELOPMENT & AEIs

Artist's impression

Project Under Development

Olderfleet, 477 Collins Street, Australia

- Structure complete, fit-out works in progress
- Scheduled to complete in mid 2020
- Leasing update: 93.7% pre-committed with additional 3.5% with Heads of Agreement
- Long WALE ~ 11 years
- Tenants committed include:
 - Deloitte
 - Lander & Rogers
 - Norton Rose Fulbright
 - Urbis
 - Work Club



LOOKING AHEAD



Looking Ahead – Singapore Office Portfolio

Outlook

- Singapore office portfolio remains resilient because of the properties' diverse tenant bases
- Office demand will be impacted due to deferment of relocation and expansion plans by corporates
- Some companies may continue to adopt split-team operations
- Shifts in occupier demand towards remote working and space utilisation are anticipated

Tenants' Assistance

- Property tax rebates granted by government will be fully passed on to tenants
- Cash rebates granted by government will be fully passed on to qualifying SME tenants¹
- Qualifying SME tenants¹ will receive additional rent relief of 1 month base rent from landlord and eligible to defer rent for the period between 1 Feb to 19 Oct 2020

Rental Revenue

- Rental revenue is expected to remain robust due mainly to:
 - i. Completion of 52% of FY 20 renewals for the Singapore office portfolio
 - ii. Strong rent reversions achieved from previous quarters
- Underpinned by limited office supply, rent reversions will remain strong for FY 20
- Portfolio occupancy is expected to remain healthy, within market range of 95%²
- 43% of the space to be vacated by UBS has been pre-committed in ORQ and Suntec City Office. A longer time to backfill remaining space is expected.

Navigating Through Downturn

- Proactive management of leases amidst market slowdown
- Remain focused on tenant retention
- Leverage on technology to better facilitate office community needs and placemaking activities

Note:

1. New Rental Relief Framework for SMEs as announced by the Ministry of Law, Singapore on 3 June 2020
2. JLL as at 31 March 2020

Looking Ahead – Suntec City Mall

Outlook

- Strong headwinds for the rest of the year
- Significant drop in shopper traffic due to COVID-19
- Gradual recovery from 3Q 20 as COVID-19 situation improves and safe distancing measures are eased
- Weak tourist arrivals will continue to impact retail sales (Suntec City Mall partially shielded as primary catchment is predominantly office workers and local residents)

Tenants' Assistance

- 2 months rent waiver granted to all tenants in Apr and May 2020
- Tenants will receive up to 4 months of rent assistance in total¹
- Tenants who faced extended period of closure (e.g. entertainment segment) will be granted additional rent assistance
- Option to draw down one month of cash security deposit
- Access to 'SME Help Fund' by ARA, Straits Trading and JL Family Office
- Qualifying SME tenants¹ to be granted rent deferrals

Rental Revenue

- Rental revenue will be impacted by rental assistance measures
- Together with support measures by Singapore Government, majority of tenants should remain sustainable
- Achieved double-digit positive rent reversion in 1Q 20 from renewal of about 1/3 of expiring leases
- Rent reversion for remaining quarters likely in negative range due to weaker market demand
- Overall mall occupancy may trend closer to nation-wide average² of low 90% due to non-renewals

Navigating Through Downturn

- Strategic location, superior transport connectivity and aggressive marketing plans will allow Suntec City Mall to drive shopper traffic back to pre COVID-19 levels of more than 4 mil a month
- Use of technology to address changes in shopper behavior and spending habits

Note:

1. New Rental Relief Framework for SMEs as announced by the Ministry of Law, Singapore on 3 June 2020
2. URA Q4 19 data

Outlook

- Challenges faced by MICE industry in Singapore are unprecedented
- International and large-scale trade fairs impacted by travel restrictions
- Smaller-scale meetings and events affected by safe distancing measures
- Recovery likely led by smaller-scale events, meetings and consumer shows when current measures on safe distancing are eased
- International conventions and events will remain weak due to slower recovery in international travel
- Immediate focus on costs control, jobs protection and preparation for recovery
- Income contribution to Suntec REIT to be significantly affected for FY20

Navigating Through Downturn

- Reduced operating costs by closing the Centre till 2 Aug 2020
- Option of extending temporary closure of the Centre will be considered if mandated measures are prolonged
- Innovation and up-skilling of staff are key enablers to prepare for recovery
- Sales team continues to secure business opportunities for a healthy pipeline in 2021 and beyond
- All staff required to complete online training to position business for strong recovery
- Current situation presents opportunities to review existing products and develop new online services

Looking Ahead – Australia Portfolio

Outlook

- Occupancy in Sydney and Melbourne office markets are currently above 10-year averages
- New supply on stream in 2020 and weaker economic activity will weigh on occupancy
- Adelaide CBD office market expected to remain stable with limited new supply in 2020
- Leasing demand and rental growth subdued as businesses exercise caution
- Retail sector continue to face challenges with weak consumer spending and COVID-19 restrictions
- Mandatory by law¹ for landlords to grant rent reliefs to qualifying SME tenants

Tenants' Assistance

- 87% of Australia portfolio² is leased to large corporations, government tenants and businesses in TMT, financial services and consultancy sectors that are not expected to be negatively impacted
- Partial rent rebate and deferment will be granted to qualifying office and retail SME tenants

Rental Revenue

- Income supported by healthy occupancy and completion of development assets
- Office portfolio will remain resilient underpinned by strong occupancy, long WALE with minimal lease expiry in 2020
- On same-store basis, income expected to dip from 2019 due to rent assistance for qualifying SME tenants
- Overall income expected to increase over 2019 with contributions from 21 Harris Street and 477 Collins Street

Navigating Through Downturn

- Provide variety of collaborative workspaces and technology infrastructure to address continued trend towards remote and flexible workspaces
- Enhance amenities for office tenants (e.g. wellness amenities, fitness programme)
- Unlock greater value at Southgate Complex in the longer term with the potential redevelopment of the retail podium and construction of a new office tower

Note:

1. Mandatory Code of Conduct on SME Commercial Leasing Principles during COVID-19 by Australia National Cabinet with effect from 3 April 2020
2. Based on committed net lettable area for Suntec REIT's Australia portfolio.

- 1 Proactively Manage Risks to Strengthen Resiliency of Properties
- 2 Disciplined Approach in Reducing Costs and Discretionary Capital Expenditure
- 3 Prudent Capital Management
- 4 Achieve Balance between Reasonable Returns to Unitholders, Build Cash Reserve and Assisting Tenants

THANK YOU



9 Penang Road

MBFC Properties

One Raffles Quay

Suntec City

177 Pacific Highway

Olderfleet, 477 Collins Street

Southgate Complex

55 Currie Street

21 Harris Street

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www.ara-group.com



About Suntec REIT

Singapore's first and largest composite REIT



S\$3.5 Billion¹

Market Capitalisation

S\$10.5 Billion^{2,3}

Assets Under Management

- Listed on **9 Dec 2004** on the SGX-ST
- High quality **office** assets, complemented by **retail** and **convention** components
- **9 properties³** – **4** in Singapore, **2** in Sydney, **2** in Melbourne & **1** in Adelaide

Notes:

1. Based on 31/3/20 closing price of \$1.25
2. Based on exchange rate of A\$1.00=S\$0.869 as at 31 Mar 2020
3. Includes 21 Harris Street, Pyrmont, Sydney

Portfolio Snapshot

	Suntec City		One Raffles Quay	MBFC Properties	9 Penang Road
	Suntec City – Office & Retail	Suntec Singapore			
Description	Integrated commercial development comprising five office towers and one of Singapore largest retail mall	World-class convention and exhibition centre	Two premium Grade A office towers	Two premium Grade A office towers and a subterranean mall	New Grade A commercial building
Ownership	100%	60.8%	33.33%	33.33%	30%
City / Country	Singapore	Singapore	Singapore	Singapore	Singapore
Segment	Office Retail	Convention	Office	Office Retail	Office
NLA (sq ft)	Office: ~1.3 mil Retail: ~0.9 mil	~275,000	~442,000	Office: ~547,000 Retail: ~32,000	~119,000



Suntec City

One Raffles Quay

MBFC Properties

9 Penang Road

Portfolio Snapshot

	177 Pacific Highway	Southgate Complex	Olderfleet 477 Collins Street	55 Currie Street	21 Harris Street
Description	31-storey Grade A office building	Integrated waterfront development comprising two A-Grade office towers and a retail podium	Premium Grade, 40-level state-of-the-art building	Twelve-storey, Grade A office building	Nine-storey, Grade A office building
Ownership	100%	50%	50%	100%	100%
City / Country	Sydney, Australia	Melbourne, Australia	Melbourne, Australia	Adelaide, Australia	Sydney, Australia
Segment	Office	Office Retail	Office	Office	Office
NLA (sq ft)	~431,000	Office: ~355,000 Retail: ~53,000	~312,000	~282,000	~203,000



177 Pacific Highway



Southgate Complex



Olderfleet, 477 Collins Street



55 Currie Street



21 Harris Street

This presentation is focused on the comparison of actual results for the quarter ended 31 Mar 2020 versus results achieved for the quarter ended 31 Mar 2019.

The information included in this release does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for units in Suntec REIT ("**Units**") in Singapore or any other jurisdiction.

This presentation 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 the expected levels of occupancy rates, property rental income, changes in operating expenses, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Past performance is not necessarily indicative of future performance. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of Suntec REIT. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

IMPORTANT NOTICE

1. 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.
2. 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.
3. The past performance of Suntec REIT is not necessarily indicative of the future performance of Suntec REIT.