ARA Trust Management (Suntec) Limited

Press Release

22 October 2021

Manager of

SUNTEC Real Estate Investment Trust

Suntec REIT's Distribution Per Unit Increased 20.8% Year-on-Year

Strong Performance Driven by Recent Acquisitions

Singapore, 22 October 2021 – Suntec REIT reported distribution per unit ("DPU") of 2.232 cents for the period from 1 July to 30 September 2021 ("3Q 2021") which was 20.8% higher than the period ended 30 September 2020 ("3Q 2020").

The increase in DPU was a result of the higher distributable income of S$63.7 million, an increase of 22.0% year-on-year. This strong performance was driven by contributions from the two newly acquired assets in London and the completed development of 477 Collins Street, Melbourne, as well as lower rent assistance for retail tenants in the current period. The office portfolio in Singapore, Australia and United Kingdom remained resilient, providing income stability to unitholders.

Mr. Chong Kee Hiong, Chief Executive Officer of the Manager, said, "To further strengthen Suntec City Mall as the destination of choice for existing customers and to attract new customers, we focused to increase the number of activity-based and experiential concepts to around 35% of the mall's total leasable area. This, together with more than 25% of the mall dedicated to F&B offerings, will position us well to ride the wave of recovery."

In recognition of its sustainability leadership, Suntec REIT was awarded the GRESB highest accolade of Global Sector Leader for the Office-Listed category and ranked Number One in Asia (Office). Suntec REIT has also retained the highest GRESB 5 Star rating.

Mr Chong, said, "This achievement is a recognition of Suntec REIT's commitment towards sustainability practices, the positive impact made to the community and the environment as well as our investment in people. We will continue to prioritise ESG considerations in our business strategies and operations while delivering long-term value to Suntec REIT unitholders."

Outlook

Singapore Office Portfolio

The expected strong recovery of the Singapore economy and foreign direct investments in the country is likely to drive employment, with demand for real estate moving in tandem. Revenue growth from the Singapore Office Portfolio is expected, driven by higher occupancy and cumulative positive rent reversions achieved in the past 13 quarters.

Suntec City Mall

As Singapore reaches a high vaccination rate of more than 80%, there is cautious optimism on the continued recovery of mall traffic and tenant sales. Rent reversion is expected to remain weak as retailers adopt a more prudent approach amidst an uncertain operating environment. Mall occupancy is expected to remain around 95% by the end of the year. Suntec City Mall's revenue recovery will be led by higher occupancy and higher GTO rents, but slowed by negative rent reversions from past few quarters.

Suntec Convention

Recovery of the convention business continues to be slow due to weak international business and leisure travel. While physical-virtual hybrid events will likely remain a mainstay for the Meetings, Incentives, Conferences and Exhibitions (MICE) business, the domestic market, aided by easing of restrictions on larger-scale events, will be the key driver for recovery. The increased number of Vaccinated Travel Lanes (VTLs) will provide a boost for international events, but this will not be significant until more VTLs from different parts of the world, especially in Asia are introduced. With all staff fully vaccinated, Suntec Convention is well-positioned to be the MICE destination of choice for fully vaccinated participants in future. Income contribution from Suntec Convention will remain significantly impacted for the year.

Australia Portfolio

'Flight to quality' trend continues to benefit new Grade A properties like 21 Harris Street and 477 Collins Street with strengthening of occupancies in these two properties. Revenue from the Australia Portfolio is expected to remain resilient underpinned by strong occupancy, annual rent escalations and long lease tenures with minimal lease expiries in 2021 and 2022. Existing rent guarantees for the vacant spaces at 21 Harris Street and 477 Collins Street lend further support to the resilience of the Australia Portfolio.

United Kingdom

Office revenue is expected to be stable supported by high occupancy and long WALE with no lease expiry until 2027. Our retail income is supported by a 2-year guarantee, but it is expected for tenant sales to improve with further easing of restrictions.

Mr. Chong concluded, "Suntec REIT unitholders will continue to benefit from the income resilience of its asset portfolio, enhanced by the REIT's strategy of expanding its geographical diversification with acquisitions of quality office assets in Australia and United Kingdom. The Manager will also continue to strengthen its balance sheet through active capital management."

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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 66.3% interest in Suntec Singapore Convention & Exhibition Centre, a one-third interest in One Raffles Quay and a one-third interest in Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall. Suntec REIT holds a 100% interest in a commercial building located at 177 Pacific Highway, Sydney, a 100% interest in a commercial building located at 21 Harris Street, Pyrmont, Sydney, a 50.0% interest in Southgate Complex, Melbourne, a 50.0% interest in a commercial building located at Olderfleet 477 Collins Street, Melbourne and a 100% interest in a commercial building located at 55 Currie Street, Adelaide, Australia. Suntec REIT also holds a 50.0% interest in Nova Properties and a 100% interest in The Minster Building both located in London, United Kingdom. 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 the largest real assets manager in Asia Pacific with US$95 billion[1] in gross assets under management by the Group and its associates. ARA Group operates a global platform with a focus on APAC, managing public and private investment funds that invest across traditional and New Economy real estate assets spanning office, logistics, retail, residential, hospitality, and data centers, as well as private real estate credit and infrastructure. ARA's vertically integrated business includes development and value-add asset management capabilities, an in-house capital raising team, and property management expertise in local markets where ARA invests and manages assets. With a resolute focus on creating sustainable value, ARA manages funds on behalf of many of the world's largest pension funds, sovereign wealth funds and financial institutions.

For more information, please visit www.ara-group.com.

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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[1] Includes assets under management by ARA Asset Management Limited and the Group of companies ("ARA Group") and its Associates as at 30 June 2021, adjusted for LOGOS' acquisition of Moorebank Logistics Park announced on 5 July 2021.