

Press Release

26 January 2022

Manager of



Suntec REIT's FY 21 Distribution Per Unit Increased 17.1% Year-on-Year

Driven by Recent Acquisitions and Strong Operating Performance

Singapore, 26 January 2022 – Suntec REIT reported distribution per unit ("DPU") of 8.666 cents for the period from 1 January to 31 December 2021 ("FY 21") which was 17.1% higher than the financial year ended 31 December 2020 ("FY 20").

For the period 1 July to 31 December 2021 ("2H 21"), the DPU of 4.512 cents was 9.8% higher than the half year ended 31 December 2020 ("2H 20"). The increase in DPU was a result of the higher distribution income from operations of S\$129.0 million, an increase of 21.6% year-on-year. This strong performance was mainly driven by contributions from the two newly acquired assets in London and higher income from Suntec City Mall. 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, "We are pleased to have delivered on our active portfolio management strategy. Through the divestments of lower yielding assets and the acquisitions of higher yielding, DPU and NAV accretive assets, the diversification into UK has reinforced the REIT's income stream and enhanced unitholders' value."

Mr. Chong added, "Recovery of the retail business at Suntec City Mall has been encouraging. Although the return of mall traffic was slowed by work from home and other safe management measures, tenant sales had recovered much faster, with December 21 tenant sales exceeding that of December 19. Occupancy has also improved to 95%, as more F&B and activity-based tenants are introduced to retain and attract shoppers."

Outlook

Singapore Office Portfolio

The business outlook is expected to improve in tandem with economic recovery with demand driven mainly by the Technology and Financial Services sectors. Income contribution from the Singapore Office Portfolio is expected to increase, driven by cumulative positive rent reversions achieved in the past 14 quarters and full impact of revenue from leases committed in 2021. However, high expiry rents across the portfolio may result in weak positive rent reversion.

Suntec City Mall

With higher vaccination rates and the further easing of restrictions, there is cautious optimism on the continued recovery of mall traffic and tenant sales. Although leasing activity has picked up, rent reversion is likely to be weak as retailers remain cautious due to the uncertain operating environment. Suntec City Mall's revenue is expected to improve from higher occupancy and higher GTO rents.

Suntec Convention

Recovery of the convention business will continue to be slow due to weak international business and leisure travel. As such, the domestic market remains as the key revenue driver albeit it being highly dependent on the further easing of restrictions on large-scale corporate and consumer events. Income contribution from Suntec Convention remains significantly impacted for 2022.

Australia Portfolio

'Flight to quality' trend continues to benefit new properties like 21 Harris Street and 477 Collins Street with high occupancies in these two Grade A 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 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 minimal lease expiry until 2027. In addition, retail income continues to be protected by income support.

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

-END-

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 part of the ESR Group (the "Group"), APAC's largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With US\$140 billion in gross assets under management (AUM), our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. We provide a diverse range of real asset investment solutions and New Economy real estate development opportunities across our private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. With 14 listed REITs managed by the Group and its associates, ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$45 billion. Our purpose – Space and Investment Solutions for a Sustainable Future – drives us to manage sustainably and impactfully and we consider the environment and the communities in which we operate as key stakeholders of our business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index.

More information is available at www.ara-group.com, www.esr.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.

Contacts

ARA Trust Management (Suntec) Limited

Tel: +65 6835 9232

Melissa Chow

Manager, Investor Relations

melissachow@ara-group.com
