



Trust Management (Suntec) Limited

Suntec Real Estate Investment Trust
("Suntec REIT")



ANNUAL GENERAL MEETING ON 20 APRIL 2023

RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS

ARA Trust Management (Suntec) Limited (the "Manager"), as manager of Suntec Real Estate Investment Trust ("Suntec REIT") would like to thank unitholders of Suntec REIT ("Unitholders") for submitting their questions in advance of Suntec REIT's Annual General Meeting ("AGM") to be held in a physical format at 2.30 p.m. on 20 April 2023 at Level 4, Hall 406, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593.

The Manager will address the substantial and relevant questions with regards to the resolutions tabled. Please refer to **Annex A** for the list of substantial and relevant questions and the Manager's responses to these questions.

For full details on Suntec REIT's financial results for the financial year ended 31 December 2022, please refer to Suntec REIT's 2022 Annual Report on Suntec REIT's website at <https://suntecreit.listedcompany.com/ar.html>.

By Order of the Board
ARA Trust Management (Suntec) Limited
(as manager of Suntec Real Estate Investment Trust)
(Company registration no. 200410976R)

Chong Kee Hiong
Director
20 April 2023

Annex A

Please refer to The Manager's responses to the questions as set out in the table below:

Capital Management

Questions	Responses
1. Will there be capital distribution in FY 2023?	Suntec REIT will exercise prudence and hold back capital top up in FY 2023 to protect cashflow in this uncertain and rising interest rates environment.
2. Based on the current interest rate environment, what is the all-in financing cost expected for Suntec REIT in FY 2023?	4Q 2022 all-in financing cost was 3.6%. With the economic outlook remaining uncertain, the Manager expects the financing cost for 2023 to be higher than 4Q 2022.
3. In view of rising interest rates, will Suntec REIT increase its fixed rate borrowings beyond current level?	As at 31 December 2022, the proportion of borrowings with fixed / hedged interest rates was approximately 66%. This was an increase from 53% as at 31 December 2021. Suntec REIT has always adopted a balance and consistent approach to maintain fixed interest rate borrowing at about 60% regardless of interest rate fluctuations.

Investment

Questions	Responses
1. The valuation for the United Kingdom ("UK") properties have decreased. Why is this so, and will this change the Manager's strategy for overseas' acquisition?	<p>The Manager looks for yield accretive, good quality assets in prime locations in key gateway cities which would benefit unitholders.</p> <p>Valuations reflect the current market value of the property, taking into consideration macro factors such as the interest rates environment and the condition of the property market. The Manager opines that the UK market remains a deep and sound market that would enhance the REIT's resilience as well as unitholder's value.</p>

<p>2. GBP has weakened against SGD significantly. Will the Manager continue to look into the UK for acquisitions? Has the investment strategy changed?</p>	<p>The Manager's acquisition strategy has always been focusing on yield accretive and good quality assets in prime locations and key gateway cities which would benefit unitholders.</p> <p>Geographic diversification improves resilience to earnings but exposes the REIT to foreign exchange risk. This risk is partly mitigated by taking up bank loans in local currency and hedging of net income from the overseas properties.</p> <p>The UK was the second largest economy in Europe and First in the Global Power City Index¹ during our first foray into the UK. The UK remains as first in the recent 2022 Global Power City Index.</p> <p>The Manager opines that the UK market remains a deep and sound market that would enhance the REIT's resilience as well as unitholder's value.</p> <p>The REIT's assets in London – Nova Properties and The Minster Building, are high quality office assets in prime location, with near 100% occupancy and long WALE.</p> <p>The Manager will continue to explore good quality, yield accretive assets in prime location and unlock value from asset enhancement initiatives and potential divestment of mature assets.</p>
<p>3. Is Suntec Convention fully operational? Or is it still closed? If it is opened, what is the utilisation rate and how does this compare to pre-COVID levels?</p>	<p>Suntec Convention is fully operational. However, business recovery at Suntec Convention remained impacted by the moderated recovery of the MICE industry in Singapore. Domestic demand for physical-virtual hybrid events, corporate meetings and new revenue streams from long-term licencees helped to cushion COVID-19's impact to the convention business in 2022.</p> <p>We expect the recovery momentum of convention business to continue in 2023 with the positive impact from China's reopening expected in 2H 2023.</p>

¹ Mori Memorial Foundation's Global Power City Index evaluates and ranks the major cities according to their comprehensive power to attract people, capital, and enterprises from around the world.

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, 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. 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 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\$156 billion in total 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. ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$46 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.