



Trust Management (Suntec) Limited

Press Release

26 July 2023

Manager of



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## Suntec REIT Delivers Distributable Income of S\$100.5 million for 1H 2023

**Singapore, 26 July 2023** – Suntec REIT reports distributable income of S\$100.5 million for the period from 1 January to 30 June 2023 (“1H 23”), 27.2% lower than the period ended 30 June 2022 (“1H 22”). Distribution per unit (“DPU”) of 3.476 cents to unitholders for 1H 23 was 27.7% lower year-on-year.

Operational performance of the office, retail and convention properties continued to improve. However, higher financing costs and the weaker Australian dollar and Pound Sterling against the Singapore dollar impacted the distributable income.

Mr. Chong Kee Hiong, Chief Executive Officer of the Manager, said, “Interest rates and energy costs are likely to remain high which will impact our distributable income for the rest of the year. We continue to explore potential divestment of our mature assets and strata office units at Suntec City to unlock value and strengthen our balance sheet.”

## Outlook

### Singapore Office Portfolio

Occupiers are expected to focus on cost management in view of global macroeconomic uncertainties. Office demand is expected to be muted with rents likely to plateau. Rent reversion for our Singapore Office Portfolio is expected to remain positive and revenue is likely to strengthen on the back of past twenty consecutive quarters of positive rent reversions.

### Suntec City Mall

The recovery of Meetings, Incentives, Conventions and Exhibitions (“MICE”) events and the return of tourists will help boost mall traffic and tenant sales. While growth in retail sales is likely to slow, overall tenant sales is expected to remain above pre-COVID levels. Revenue from Suntec City Mall is expected to improve, underpinned by higher occupancy, rent and marcoms revenue.

### Suntec Convention

The return of international headline events will continue to gather pace while the domestic market remains an important pillar for business recovery and growth. The easing of China’s travel restrictions is expected to have a positive impact to the convention business from the second half of 2023. Income contribution will remain impacted in 2023 with full recovery for Suntec Convention expected in 2024.

### Australia Portfolio

Leasing momentum is expected to slow amidst macroeconomic uncertainties. Office vacancy in Sydney and Melbourne CBD is expected to increase from slowing demand and onstream supply. In Adelaide, significant new supply in the second half of 2023 is also expected to increase vacancy in the office market. Although rent reversion is expected to remain positive, revenue for the Australia Portfolio is likely to be impacted by leasing downtime and incentives.

### United Kingdom Portfolio

Although economic challenges continue to impact the office market, good quality assets in prime locations remain sought after. Revenue for the UK Office Portfolio is expected to remain resilient, underpinned by high portfolio occupancy and long weighted average lease expiry.

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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](http://www.suntecreit.com).

Suntec REIT is committed towards the sustainable management of its real estate portfolio, and to ensure good corporate governance, prudent financial management, fair employment practices and efficient utilisation of resources to support its economic growth and the delivery of long-term value to unitholders.

## **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 "ESR"), APAC's largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With approximately US\$150 billion in total AUM, ESR's 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. ESR provides a diverse range of real asset investment solutions and New Economy real estate development opportunities across the 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. Its purpose — Space and Investment Solutions for a Sustainable Future — drives ESR to manage sustainably and impactfully and it considers the environment and the communities in which it operates as key stakeholders of its 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.esr.com](http://www.esr.com).

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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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