



Trust Management (Suntec) Limited

Press Release

20 October 2023

Manager of



Suntec REIT Delivers Distributable Income of S\$52.0 million for 3Q 2023, 3.6% Higher than 2Q 2023

Singapore, 20 October 2023 – Suntec REIT reports distributable income of S\$52.0 million for the period from 1 July to 30 September 2023 (“3Q 23”), 3.6% higher than the quarter ended 30 June 2023 (“2Q 23”), but 13.3% lower than the quarter ended 30 September 2022 (“3Q 22”). Distribution per unit (“DPU”) of 1.793 cents to unitholders for 3Q 23 was 3.1% higher than 2Q 23 but 14.0% 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 against the Singapore dollar impacted the distributable income.

On the Environmental, Social and Governance (ESG) front, Suntec REIT has attained the highest GRESB 5 Star rating for the fourth consecutive year since its inaugural participation in 2020. Suntec REIT was also awarded an ‘A’ for its public disclosure.

Mr. Chong Kee Hiong, Chief Executive Officer of the Manager, said, “The operating performance of our portfolio improved, in particular, the convention business whose recovery is ahead of schedule. However, high interest rates and energy costs continue to impact our distribution income. Suntec REIT’s continual improvement in the areas of ESG reflects our commitment to growing our business responsibly while delivering long-term value to our stakeholders.”

Outlook

Singapore Office Portfolio

Occupiers are expected to focus on cost containment in view of global macroeconomic uncertainties. Office demand is expected to soften with rent growth slowing. Rent reversion for our Singapore Office Portfolio will remain positive with revenue strengthening on the back of past twenty-one 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 boost mall traffic and tenant sales. While growth in retail sales is likely to be moderated, 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

Singapore's MICE industry will continue to drive and benefit from the country's tourism recovery. The convention business recovery is ahead of schedule and future growth will be driven by international, domestic and consumer events.

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 fourth quarter of 2023 is also expected to increase vacancy in the office market. Although the portfolio occupancy is expected to remain above market level, revenue for the Australia Portfolio is likely to be lower due to 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 Portfolio will be impacted by leasing downtime.

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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, Pymont, 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.

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 approximately US\$45 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.

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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