



Trust Management (Suntec) Limited

Press Release

25 April 2024

Manager of



Resilient Operating Performance by Suntec REIT for 1Q 24

Singapore, 25 April 2024 – Suntec REIT reports distributable income from operations¹ of S\$44.0 million for the period from 1 January to 31 March 2024 ("1Q 24"), 1.1% lower than the quarter ended 31 March 2023 ("1Q 23"). Distribution per unit ("DPU") from operations¹ of 1.511 cents to unitholders was 1.8% lower year-on-year. With the absence of capital distribution in 1Q 24, DPU declined 13.0% year-on-year.

Operational performance from the Singapore Office, Retail and Convention portfolio continued to strengthen, with higher financing costs and vacancies from 55 Currie Street in Adelaide, Southgate Complex in Melbourne and The Minster Building in London continuing to weigh on the distributable income.

On the capital management front, Suntec REIT refinanced \$950 million loans due in FY 2024 and FY 2026 with an estimated savings of approximately \$3.1 million per annum.

Mr. Chong Kee Hiong, Chief Executive Officer of the Manager, said, "The Singapore Office and Retail portfolios' achieved double-digit rent reversions while the convention business registered strong growth year-on-year. In London, about a third of the vacant space at The Minster Building has been backfilled within 6 months reflecting an improving market. Commitment of our vacancies in Australia was slow due to the weak market conditions.

Suntec REIT continues to work on divesting our mature assets and strata units at Suntec City Office so as to lower our gearing and deliver long-term value to our unitholders."

¹ Excludes capital distribution.

Outlook

Singapore Office Portfolio

The Singapore office revenue will continue to strengthen on the back of high occupancies and positive rent reversions achieved in the past many quarters.

Suntec City Mall

The continued growth of tourism and the MICE sector is expected to be the key drivers for Suntec City Mall's traffic and tenant sales. The growth of tenant sales is likely to remain stable and rent reversion is expected to be strong. Revenue from Suntec City Mall is expected to improve, underpinned by higher occupancy, rent and marcoms revenue.

Suntec Convention

Singapore's MICE and tourism growth will be boosted by Singapore Tourism Board's efforts to position Singapore as the "World's Best MICE City". With the expected growth of the convention business, higher dividend contributions from Suntec Convention are expected.

Australia Portfolio

Nationwide CBD office market occupancy is expected to decline due to onstream new supply in 2024. Revenue for the Australia Portfolio is likely to be lower because of the leasing downtime at 55 Currie Street and Southgate Complex. Higher landlord's incentives for new and renewal leases will also impact the revenue performance of these two assets.

United Kingdom Portfolio

Occupancy and rental growth in Central London is likely to improve, supported by tight supply and increase in office utilisation. Good quality office assets in prime locations remain well sought after. Revenue for the UK Portfolio however, will be weighed down by leasing downtime of the remaining 8.7% vacancy at The Minster Building.

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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.

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 ("ESR"). ESR is Asia-Pacific's ("APAC") leading real asset manager powered by the New Economy and one of the largest listed real estate investment managers. With approximately US\$81 billion in fee-related assets under management as at 31 December 2023, ESR's fully integrated fund management and development platform extends across various APAC markets, comprising Australia/New Zealand, Japan, South Korea, Greater China, Southeast Asia and India, with a 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 the private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. 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. ESR is listed on the Main Board of The Stock Exchange of Hong Kong, and is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite and MSCI Hong Kong Indices.

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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