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## ANNUAL GENERAL MEETING ON 17 APRIL 2025

### RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS

ESR 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 17 April 2025 at Level 3, Summit 1, 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. The Manager had also received a list of questions from Securities Investors Association (Singapore) ("SIAS"). 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 2024, please refer to Suntec REIT's 2024 Annual Report on Suntec REIT's website at <https://suntecreit.listedcompany.com/ar.html>.

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

Chong Kee Hiong  
Director  
11 April 2025

**Annex A**

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

**Operations**

<b>Questions</b>	<b>Responses</b>
<p>1. According to Page 22 of the Annual Report, asset enhancement works (“AEIs”) at 55 Currie Street (“55C”) and 177 Pacific Highway (“177 PH”) have been completed. Are the works DPU-accretive and if so, what is the yield?</p>	<p>AEIs at 55C were necessary to strengthen the value proposition and enhance the business amenities for tenant retention and to attract new prospects. This is especially important due to the weak market demand and competition from newly completed office developments.</p> <p>177 PH had undergone AEIs to refresh and improve tenants’ experience and offerings to ensure the property remains competitive. The AEIs were executed in 2023/2024 to strategically retain tenants wherein 38% of the property’s net lettable area was expiring. All the expiring leases were successfully renewed. Committed occupancy at 177PH as of 31 December 2024 was 100%.</p>
<p>2. Can the Manager provide further clarity on the attractiveness of the Adelaide sub-market, particularly in light of the high vacancy rate of 14.7% in the Adelaide Central Business District at the time of acquisition in 2019? What specific initiatives can the REIT undertake to improve the occupancy of 55 Currie Street?</p>	<p>At the point of purchase of 55C, the committed occupancy was 91.6% with a weighted average lease expiry (“WALE”) of 4.4 years. The acquisition also provided income growth through annual rent escalation of 3.5% to 3.75%. Positive economic outlook for Adelaide then was expected from the planned public investment of approximately A\$85 billion in the defence, medical and renewable energy sectors.</p> <p>However, the defence sector spending was delayed due to COVID-19, and change in the government’s submarine strategic partner. The market was also impacted by the weak demand and new supply. However, we are seeing some green shoots emerging from new contracts awarded for aviation, submarine and defence recruitment. AEIs are necessary to ensure that the property remains competitive and attractive to respond to market demand. Recent leasing success included a new lease secured with the recruitment agency for the defence sector.</p>

<p>3. In its 1H24 result presentation, the Manager indicated that the remaining vacancy at The Minster Building (“Minster”) was expected to be filled in 2H24, while in its 3Q24 Business Update presentation, the Manager again indicated that full occupancy was expected. Yet, Minster ended the year with an occupancy of 90.8%. Please explain the discrepancy and provide the latest available committed occupancy.</p>	<p>The Manager was in advanced negotiations with an existing tenant who was looking for expansion space. However, due to volatile market conditions, the tenant decided to shelf its expansion plans.</p> <p>The Manager will keep unitholders updated on the leasing progress at Minster.</p>
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### **Valuation & Strategy**

<b>Questions</b>	<b>Responses</b>
<p>1. The valuation for the Australia and the United Kingdom (“UK”) properties have decreased, particularly for 55 Currie Street, Adelaide, and are below the initial acquisition price. Why is this so? Will the board conduct a review of the REIT’s overseas expansion strategy?</p>	<p>Valuation is impacted by property market conditions as well as macroeconomic factors such as the interest rate, GDP growth and inflation rate.</p> <p>The subdued GDP growth and high interest rates were the main drivers for the expansion of cap rates which resulted in the decline in valuation of the Australian properties. For 55C, the valuation was further impacted by vacancies.</p> <p>The decline in valuation for the United Kingdom was driven by a drop in valuation for Minster, due to the vacancies and the expansion of cap rate by 39 bps (i.e 0.39%). Nova Properties’ valuation remained unchanged as the impact from the expansion of cap rate was negated by the higher market rents.</p> <p>Acquisition of overseas properties provides diversification of income for the REIT unitholders because different geographies go through different market cycles. With WALEs longer than the Singapore properties, the diversification in Australia and the UK provide stable, long-term income streams. The Board regularly reviews the portfolio performance in each geography and the overall strategy of the REIT.</p>

<p>2. What key areas has the board identified for improvement or enhancement to make the next 20 years even more fruitful and successful?</p>	<p>Suntec REIT's sound fundamentals is underpinned by the diversified portfolio of high-quality assets and resilient income streams which has provided the REIT with a strong foundation for continual growth.</p> <p>Management will continue to focus on operational excellence, cost prudence as well as active portfolio management to divest mature assets and explore investment in good quality, accretive assets.</p>
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**Divestment**

<b>Questions</b>	<b>Responses</b>
<p>1. Are further divestments of strata units at Suntec City Office Towers planned for FY2025?</p>	<p>In 2024, Suntec REIT divested \$58.3 million of strata units at Suntec City Office at 24% above the book value. The Manager plans to continue with the divestment of strata units at Suntec City Office in 2025 as this is expected to be DPU accretive.</p>

**Capital Management**

<b>Questions</b>	<b>Responses</b>
<p>1. Does the REIT foresee any private placements being undertaken in the normal course of business in the near future?</p>	<p>Suntec REIT does not have a mandate to issue new units on a non pro-rata basis, other than for the payment of asset management fees (including acquisition fee and divestment fee) in accordance with the trust deed constituting Suntec REIT. It will need to seek unitholders' approval if and when the REIT is to issue units under private placement.</p>

## **Unit Performance**

<b>Question</b>	<b>Responses</b>
1. Has an analysis been conducted on Suntec REIT's total unitholder return?	Suntec REIT's FY 2024 DPU yield of 5.29% outperformed the Singapore Government 10-year bond yield of 2.86%. As at end FY 2024, Suntec REIT unitholder would have achieved a total return of 196.7% and an annualised return of 5.57% since listing in 2004. Under this challenging market condition, Suntec REIT total return for the last 3-years was -8.0% which was better than the FTSE REIT Index of -10.9% <sup>1</sup> .
2. The unit price of Suntec REIT is currently at over 40% discount to its latest net asset value (NAV) of \$2.05. Why is that so?	<p>Suntec REIT's aggregate leverage ratio of 42.4%, coupled by the high interest rate environment and lack of visibility of inorganic growth contributed to the steep discount to the NAV.</p> <p>Management had been looking at divestment opportunities for the mature overseas properties, as well as the sale of strata units in Suntec City Office to reduce the gearing. Management believes that the REIT will be a beneficiary when the interest rate starts to be lowered.</p>

## **Others**

<b>Question</b>	<b>Responses</b>
1. What was the impact of the mandatory cash offer by Aelios Pte. Ltd. on the REIT and the strategy/strategic direction?	<p>Following the mandatory cash offer by Aelios Pte. Ltd., the holdings of two individual unitholders (Mr Gordon Tang and Mrs Celine Tang) exceeded 10.0% and this resulted in Suntec REIT losing the managed investment trust ("MIT") status in Australia.</p> <p>To obtain concessionary tax rates, one of the requirements is that no foreign individual can hold more than 10% effective interest of the holding company (Suntec REIT).</p> <p>As a result of the loss in MIT status, the withholding tax rate for FY 2025 will increase from the existing 10%-15% to 30%-45%. The pro forma impact to FY 2024 income would have been approximately A\$4.5 million to A\$8.1 million.</p>

<sup>1</sup> Source: Bloomberg – 3-Year Total Return 2021-2024 (assuming dividends reinvested).

<p>2. What is the impact of the loss of the MIT status and what is the Manager doing to mitigate the impact? What is the timeline to resolve this issue? Would it be better to liquidate the Australian assets?</p>	<p>Based on the announcement made on 3 April 2025, the effective holdings of Mr Gordon Tang and Mrs Celine Tang had been reduced to less than 10%. Hence, the impact of the tax increase due to the loss of the MIT status only applies to FY 2025.</p> <p>However, Management is seeking exemptions from the relevant tax authority to reinstate the MIT status for FY 2025 and will update unitholders in due course.</p>
<p>3. Would there be any impact to Suntec REIT if the privatisation offer for the sponsor, ESR Group, is successful?</p>	<p>The privatisation process of ESR Group is on-going and is subject to regulatory and shareholders' approvals.</p>
<p>4. Given that Mr Lock Wai Han was excluded from the independent board committee formed to consider the mandatory cash offer made by Aelios Pte. Ltd., will the nominating and remuneration committee reassess the director's independence and consider strengthening the board's overall independence to ensure full compliance with the 2018 Code of Corporate Governance?</p>	<p>The independence of each Director is reviewed annually with reference to the principles and provisions set out in the 2018 Code of Corporate Governance and applicable laws and regulations. The NRC had reviewed Mr Lock Wai Han's independence declaration for FY2024 and the Board, having taken into account the views of the NRC, opined that Mr Lock Wai Han was able to act in the best interests of all unitholder as a whole and was deemed to be independent.</p> <p>The Board has also put in place strict measures to address any situations where Mr Lock or any of his associates, has any interest in a transaction with Suntec REIT or the Manager. Mr Lock will be required to abstain from participating in the review and approval of such transactions and passing any related board resolutions.</p>

## **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, ESR Trust Management (Suntec) Limited (formerly known as 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 ESR TRUST MANAGEMENT (SUNTEC) LIMITED**

Suntec REIT is managed by ESR Trust Management (Suntec) Limited, a wholly-owned subsidiary of ESR Asset Management Limited (formerly known as ARA Asset Management Limited).

ESR Asset Management Limited is part of the ESR Group ("ESR"), Asia-Pacific's leading New Economy real asset owner and manager. With its core focus in logistics real estate, data centres, and infrastructure, ESR powers the supply chain for investors, customers, and communities. Through ESR's fully integrated real asset fund management and development platform, ESR strives to create value and growth opportunities for its global portfolio of investors. ESR offers its customers modern space solutions to realise their ambitions across Australia and New Zealand, Japan, South Korea, Greater China, Southeast Asia, and India, including a presence in Europe. ESR's purpose, Space and Investment Solutions for a Sustainable Future, drives it to manage sustainably and impactfully for the communities it serves to thrive for generations to come. Visit [www.esr.com](http://www.esr.com) for more information.

## **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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