

Press Release

26 April 2022

Manager of



Suntec REIT Delivers 18.2% Increase in Distributable Income

Distributable income from operations 8.3% higher on improved operating performance

Singapore, 26 April 2022 – Suntec REIT reported a distributable income of S\$68.7 million for the period from 1 January to 31 March 2022 (“1Q 22”) which was 18.2% higher than the quarter ended 31 March 2021 (“1Q 21”). The distribution per unit (“DPU”) of 2.391 cents for 1Q 22 was 16.9% higher year-on-year.

The increase in DPU was the result of a year-on-year increase of 8.3% in distributable income from operations to S\$62.9 million and a capital distribution of S\$5.8 million. The strong operating performance was mainly driven by new contribution from The Minster Building in London, higher income from Suntec City Office and Suntec City Mall. With improved outlook across the portfolio, capital distribution that was put on hold due to the pandemic has resumed.

Mr. Chong Kee Hiong, Chief Executive Officer of the Manager, said, “The office portfolio in Singapore, Australia and United Kingdom remained resilient, with the Singapore office portfolio achieving positive rent reversion for 15 quarters.”

Mr. Chong added, “We are now more optimistic about the continued recovery of the retail and convention businesses compared to a year ago. At Suntec City Mall, occupancy improved to 96%, as more F&B and activity-based tenants were introduced to attract shoppers. Suntec Convention losses had narrowed with higher revenue and strict cost control.”

Outlook

Singapore Office Portfolio

The Singapore Office outlook is poised to benefit from the positive market outlook, tight vacancy and limited supply. While positive rent reversion is expected to be moderated due to high expiry rents, the office income is expected to remain strong driven by the cumulative positive rent reversion achieved in the past 15 quarters.

Suntec City Mall

The significant easing of restrictions is expected to boost the recovery of mall traffic and tenant sales. Although leasing activity remains stable, rent reversion is likely to be weak as retailers remain cautious due to manpower shortages and rising operating costs. Suntec City Mall's revenue is expected to improve from higher occupancy, marcoms revenue and GTO rents.

Suntec Convention

The Convention business will likely benefit from the recent major easing of restrictions and entry requirements for travellers. Domestic demand for consumer and corporate events remains the key driver for business recovery before international Meetings, Incentives, Conventions and Exhibitions events pick up. Income contribution from Suntec Convention remains significantly impacted for 2022.

Australia Portfolio

With strong occupancy, annual rent escalations and long lease tenures across our Australia portfolio, revenue is expected to remain stable. Existing rent guarantees for the vacant spaces at 21 Harris Street and 477 Collins Street will lend further support to the resilience of the Australia portfolio.

United Kingdom

Revenue from the UK portfolio is expected to remain stable, underpinned by the high occupancy and long lease tenures with minimal lease expiry till 2027. In addition, retail income continues to be protected by income support.

Mr. Chong concluded, "Suntec REIT unitholders will continue to benefit from the income resilience of its portfolio, enhanced by its geographical diversification with quality office assets in Australia and United Kingdom. The Manager will also continue to strengthen its balance sheet through active capital and portfolio management."

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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.

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").

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More information is available at www.ara-group.com, www.esr.com.

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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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