

SUNTEC REIT FINANCIAL RESULTS

For the Half Year ended 30 June 2020

23 July 2020



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Looking Ahead

Distribution to Unitholders : S\$92.8 million

Distributable Income from Operations:
S\$103.1 million, -12.2% YOY

Distribution Retained
-S\$10.3 million (10%)

Distribution Per Unit to Unitholders: 3.293 cents^{1,2} -31.3% YOY

Capital Management

Issued
S\$400 mil
MTN

Secured
A\$450 mil Green Loan
Facility

All-in
Financing Cost
2.63% p.a.

Note:

1. 1.760 cents had been paid on 28 May 2020. Balance 1.533 cents to be paid on 27 August 2020.
2. 10% of distributable income from operations was withheld and there was no capital distribution in 1H 20.

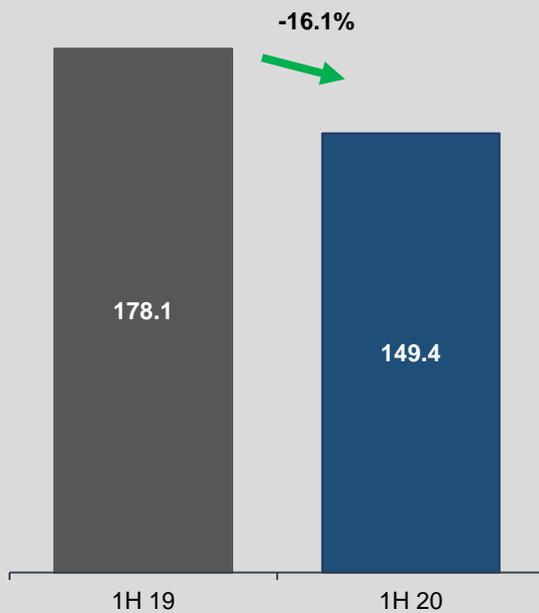


FINANCIAL HIGHLIGHTS

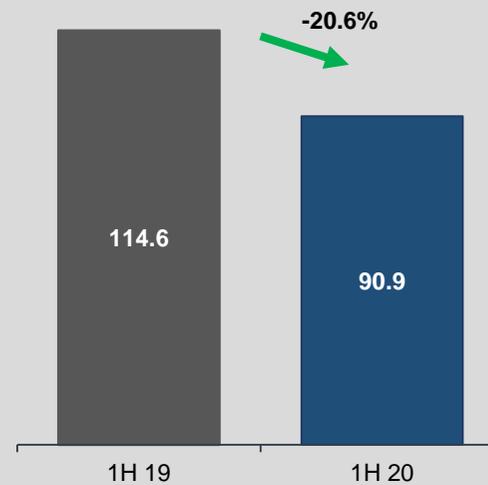


1H 20 Financial Performance

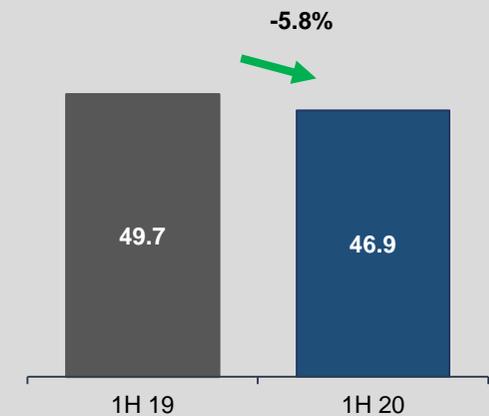
Gross Revenue



Net Property Income

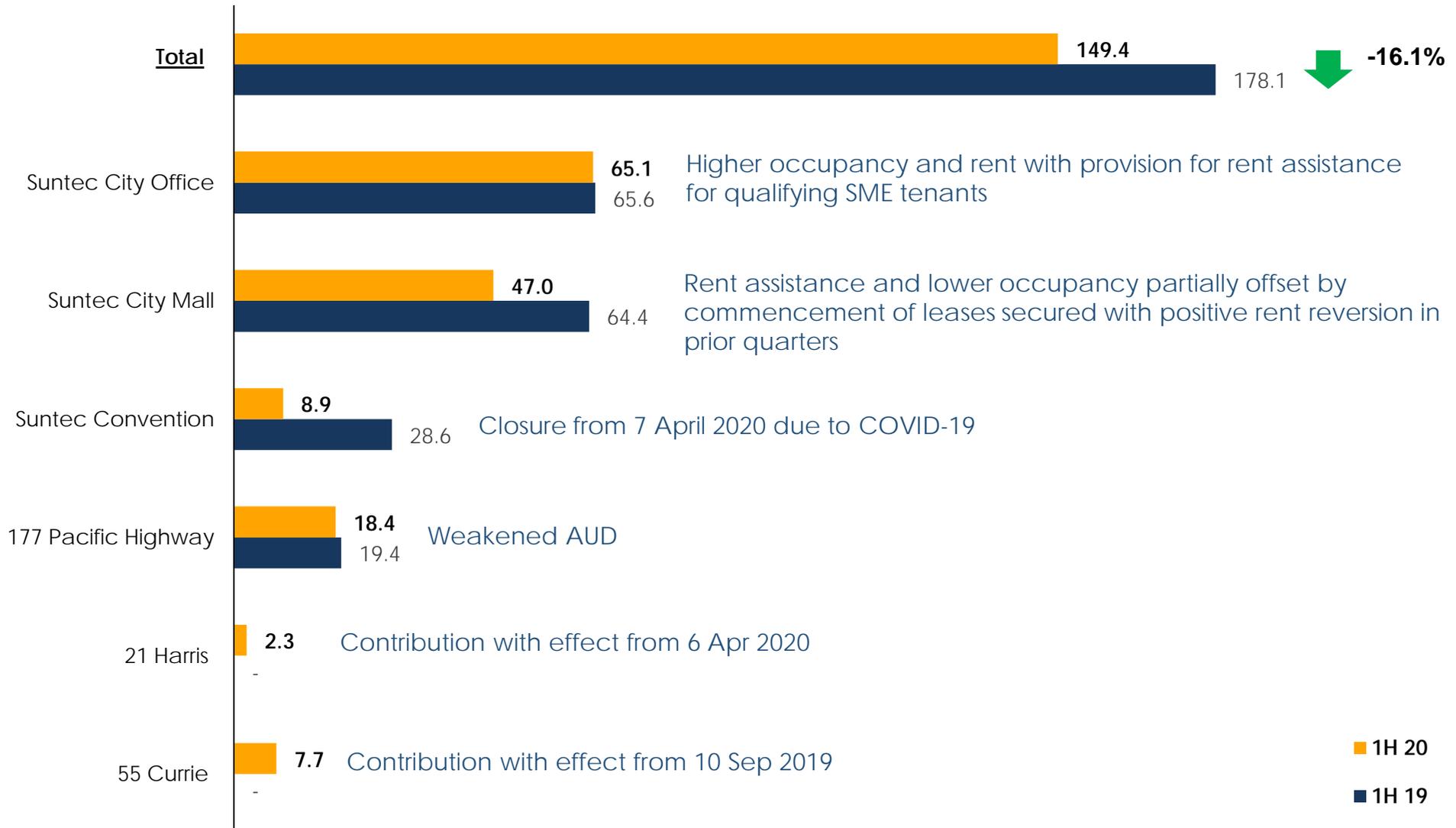


Income Contribution from JV



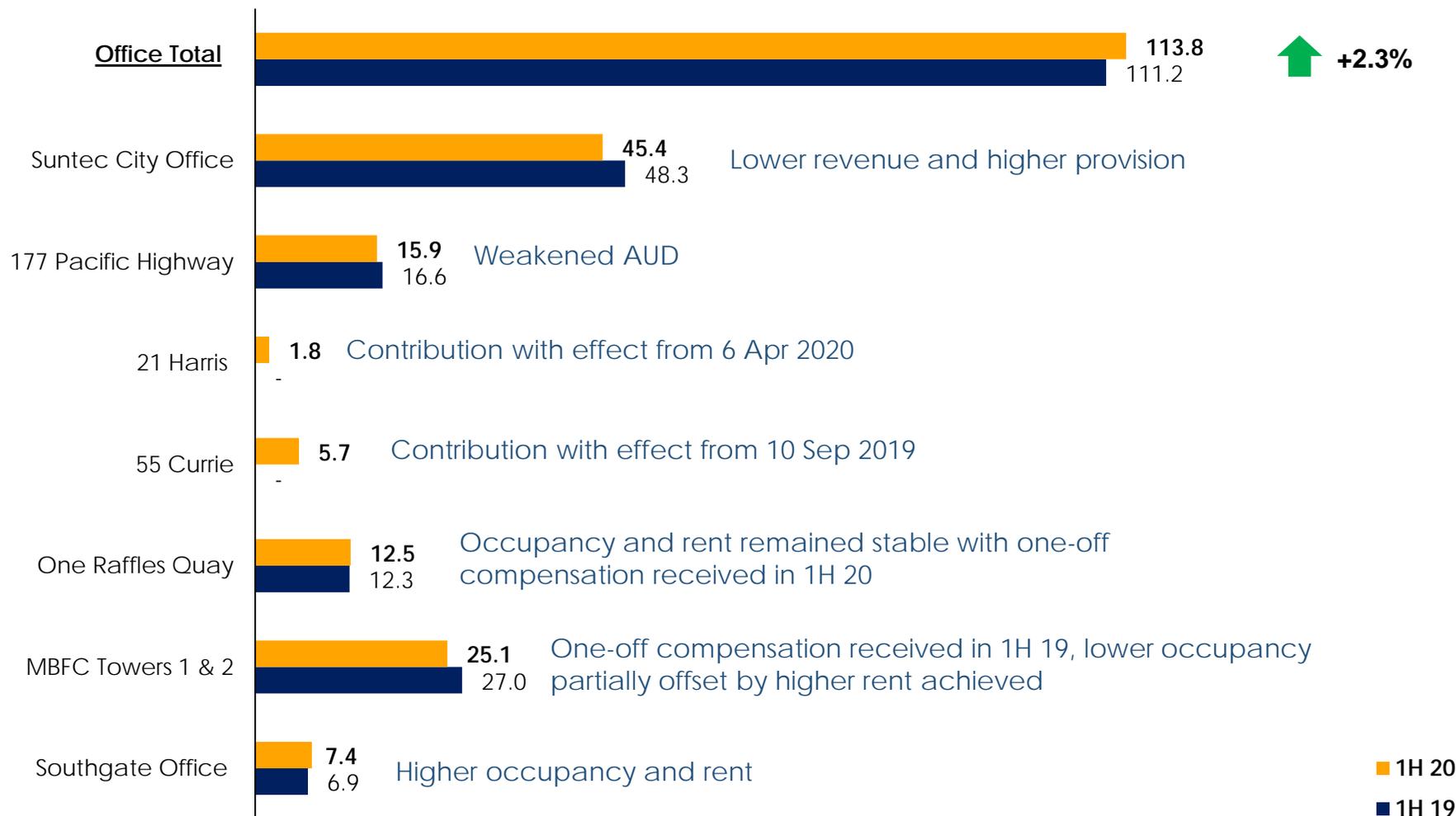
1H 20 Gross Revenue decreased 16.1% y-o-y

S\$ mil

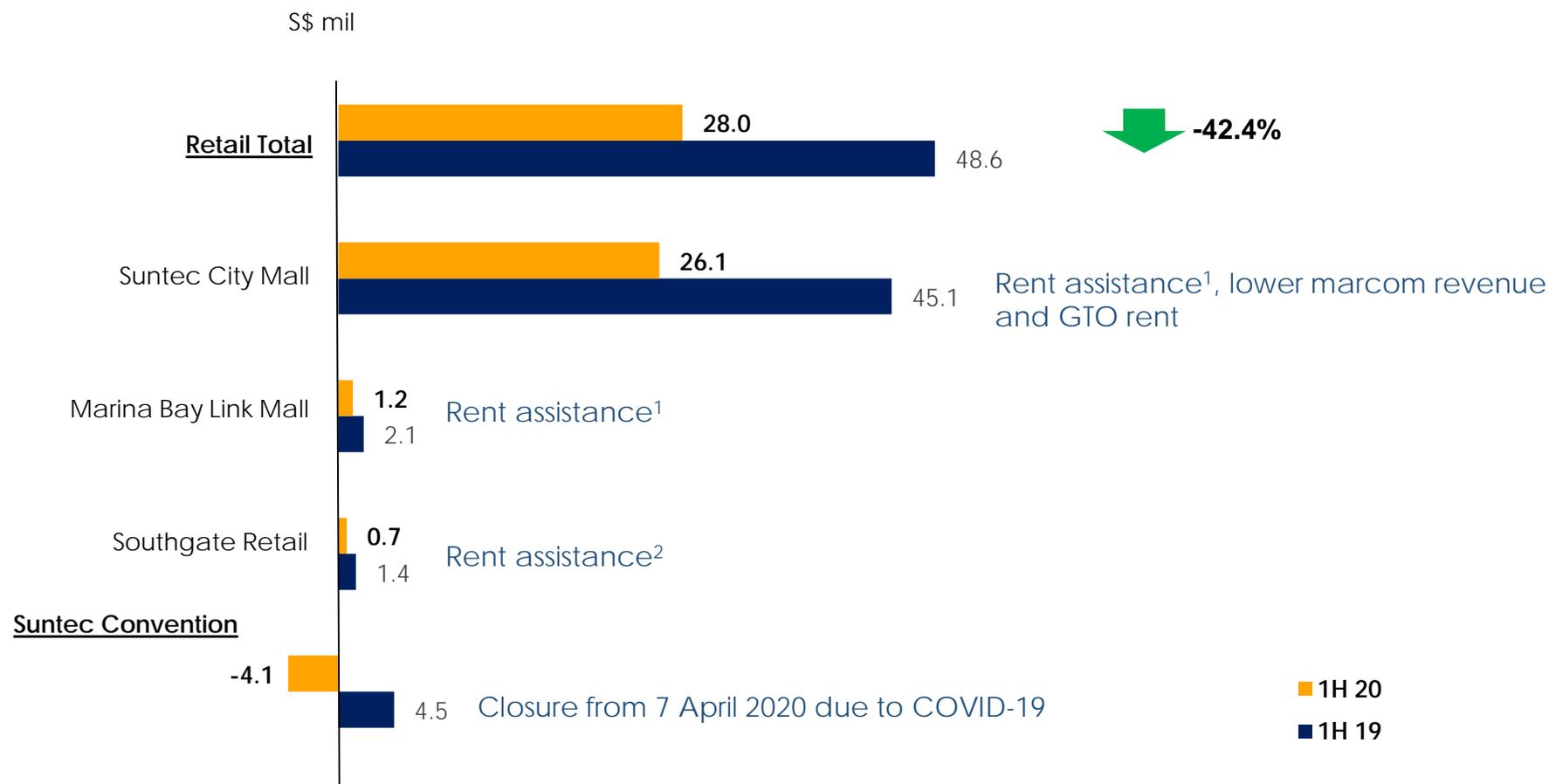


1H 20 NPI & JV Income Contribution - Office

S\$ mil



1H 20 NPI & JV Income Contribution – Retail & Convention



Note:

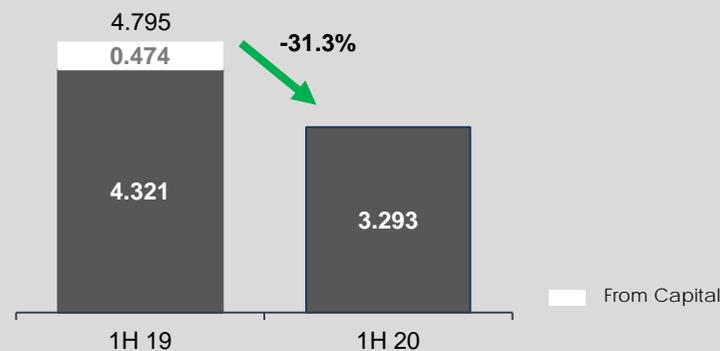
1. Vast majority of tenants have received approx. 3 months of rent assistance from March to June 2020 which were funded by the government property tax rebates and cash grants as well as landlord's contributions.
2. Vast majority of tenants received approx. 3 months of rent assistance from March to June 2020.

Distribution Income to Unitholders

Distributable Income from Operations
(\$ mil)



DPU to Unitholders
(SG cents)



Distributable Income from Operations

\$103.1 million, -12.2% y-o-y

- Rent assistance for Suntec City Mall
- Temporary closure of Suntec Convention
- Weakened AUD
- One-off compensation received in 1H 19 and rent assistance granted to retail tenants at MBFC Properties

+ **Partially offset by** contribution from 21 Harris and 55 Currie Street and better performance of Southgate Complex Office

DPU to Unitholders

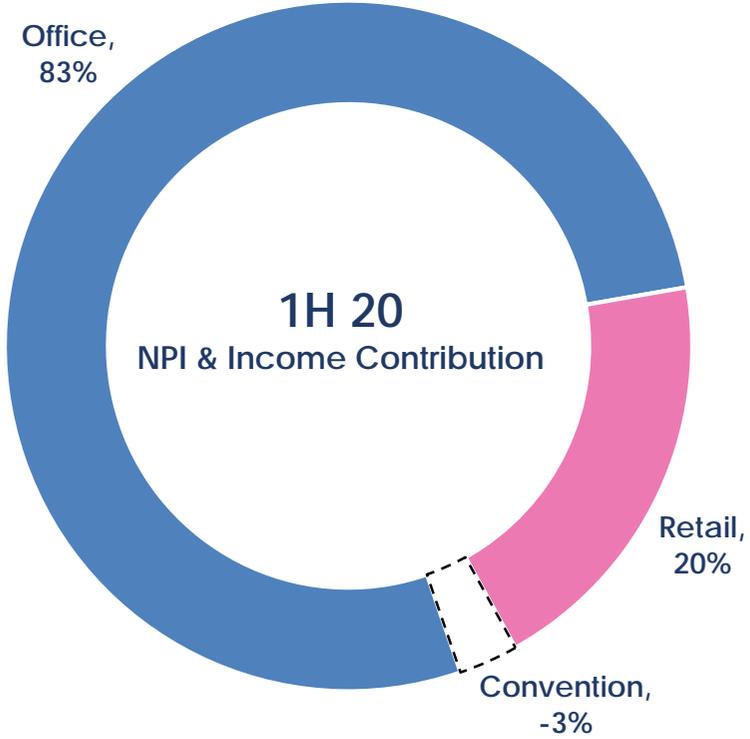
3.293 cent¹, -31.3% y-o-y

- Lower distributable income from operations
- Retention of 10% of distribution (\$10.3 mil)
- Absence of capital distribution (\$13.0 mil)
- Enlarged unit base

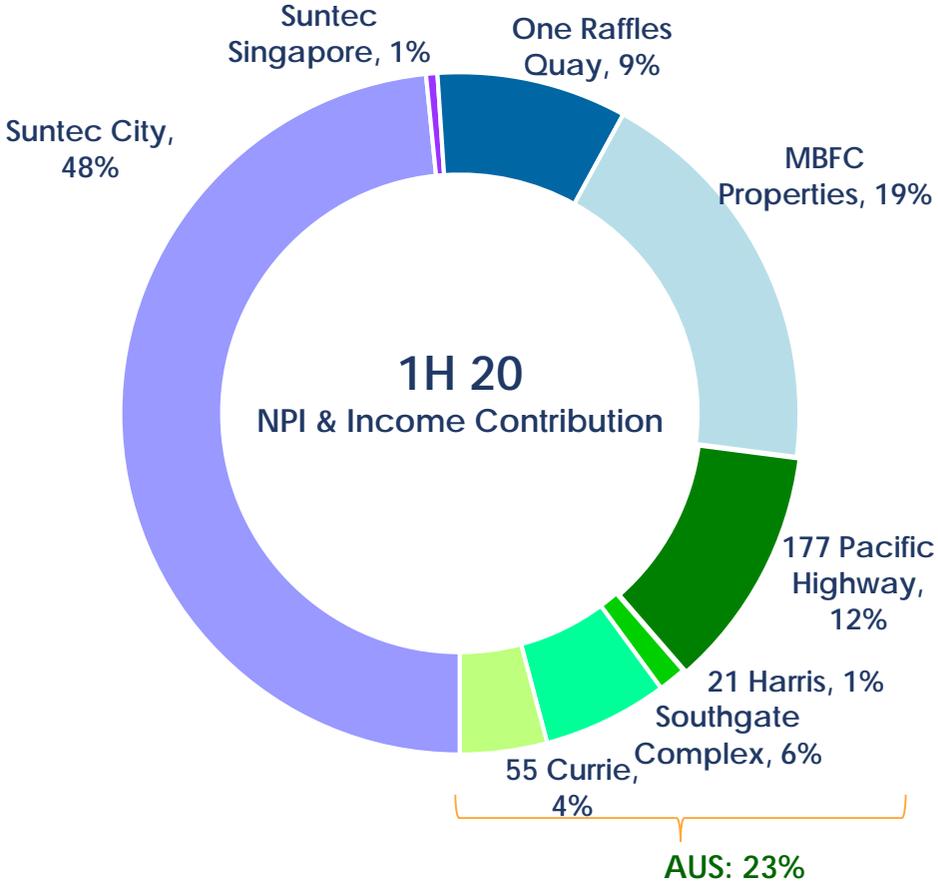
Note:

1. 1.760 cents had been paid on 28 May 2020. Balance 1.533 cents to be paid on 27 August 2020.

Diversified Portfolio across Sector and Geography



Contribution by Segment



Contribution by Asset

Distribution Timetable

| Distribution Payment | |
|----------------------|------------------------|
| Distribution Period | 1 April – 30 June 2020 |
| Amount (cents/unit) | 1.533 ¹ |

| | |
|--------------|-------------|
| Ex-date | 30 Jul 2020 |
| Record date | 3 Aug 2020 |
| Payment date | 27 Aug 2020 |

Note:

1. 1.760 cents had been paid on 28 May 2020. Total 3.293 cents for 1H 2020.



CAPITAL MANAGEMENT

Balance Sheet

| | As at 30 Jun '20 | As at 31 Dec '19 |
|--|------------------------|------------------------|
| Total Assets | S\$10,534 mil | S\$10,032 mil |
| Total Liabilities | S\$4,548 mil | S\$3,926 mil |
| Net Assets Attributable to Unitholders | S\$5,892 mil | S\$5,977 mil |
| Units in Issue ('000) | 2,816,326 ¹ | 2,801,016 ² |
| NAV Per Unit | S\$2.089 | S\$2.126 |

Decline in NAV per Unit Due to Decrease in Valuation for Suntec Singapore

Note:

1. Before 2QFY20 asset management fee units of 4,497,098 to be issued within 30 days from quarter ended 30 June 2020.
2. Before 4QFY19 asset management fee units of 10,126,920 issued on 22 January 2020.

Key Financial Indicators

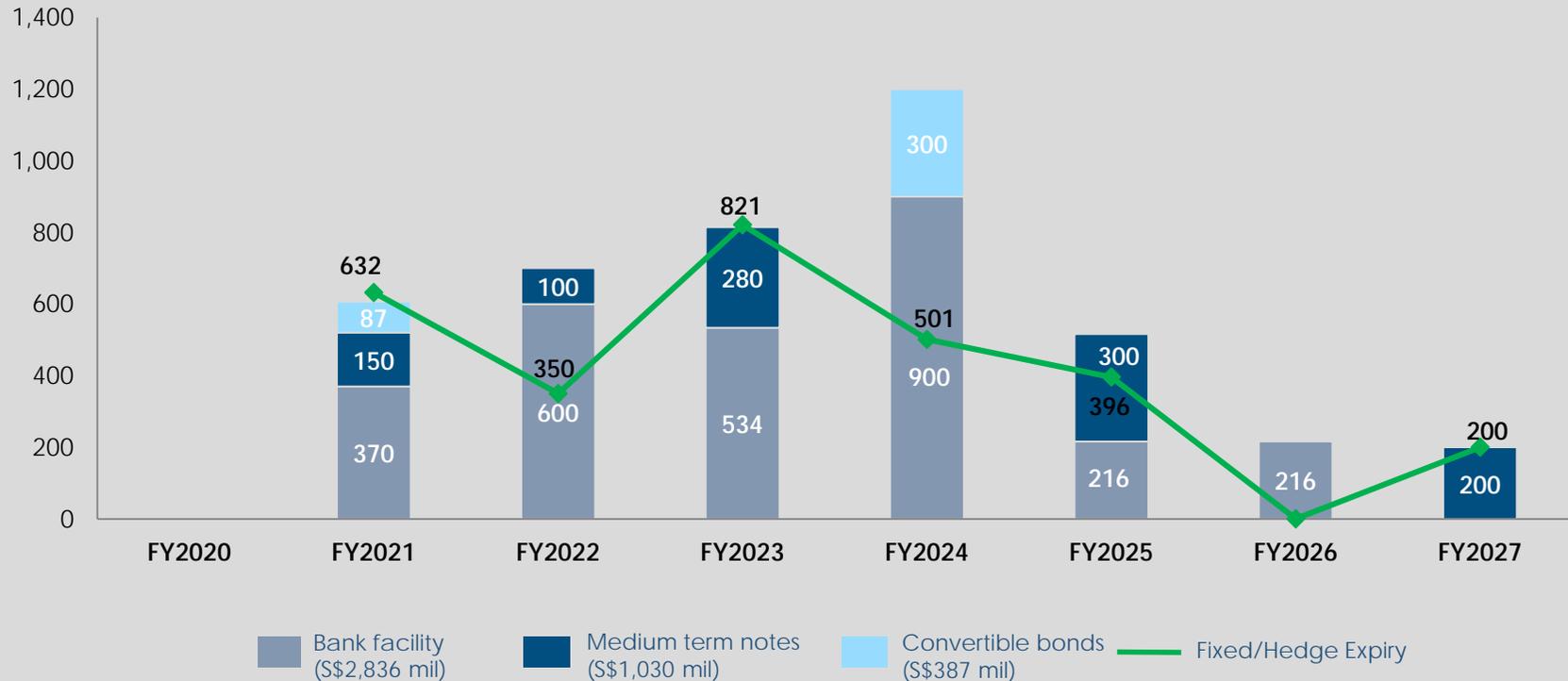
| | As at 30 Jun '20 | As at 31 Dec '19 |
|---------------------------------------|-------------------|------------------|
| Total Debt Outstanding | S\$4,253 mil | S\$3,663 mil |
| Aggregate Leverage Ratio ¹ | 41.3% | 37.7% |
| Weighted Average Debt Maturity | 3.35 years | 3.06 years |
| All-in Financing Cost | 2.63% p.a. | 3.05% p.a. |
| Adjusted ICR ² | 2.7X | 2.9X |
| Weighted average interest maturity | 3.20 years | 2.54 years |
| Interest Rate Borrowings (fixed) | ~68% | 75% |
| % of AUD income hedged | >75% ³ | ~30% |

Note:

1. "Aggregate Leverage Ratio" refers to the ratio of total borrowings (inclusive of proportionate share of borrowings of joint ventures) and deferred payments (if any) to the value of the Deposited Property.
2. Adjusted interest cover ratio ("Adjusted-ICR") means the ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, sinking fund contribution, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities (if any).
3. Refers to income hedged for 2Q FY20 to 4Q FY 20.

Proactive Capital Management

Debt and Interest Maturity Profile

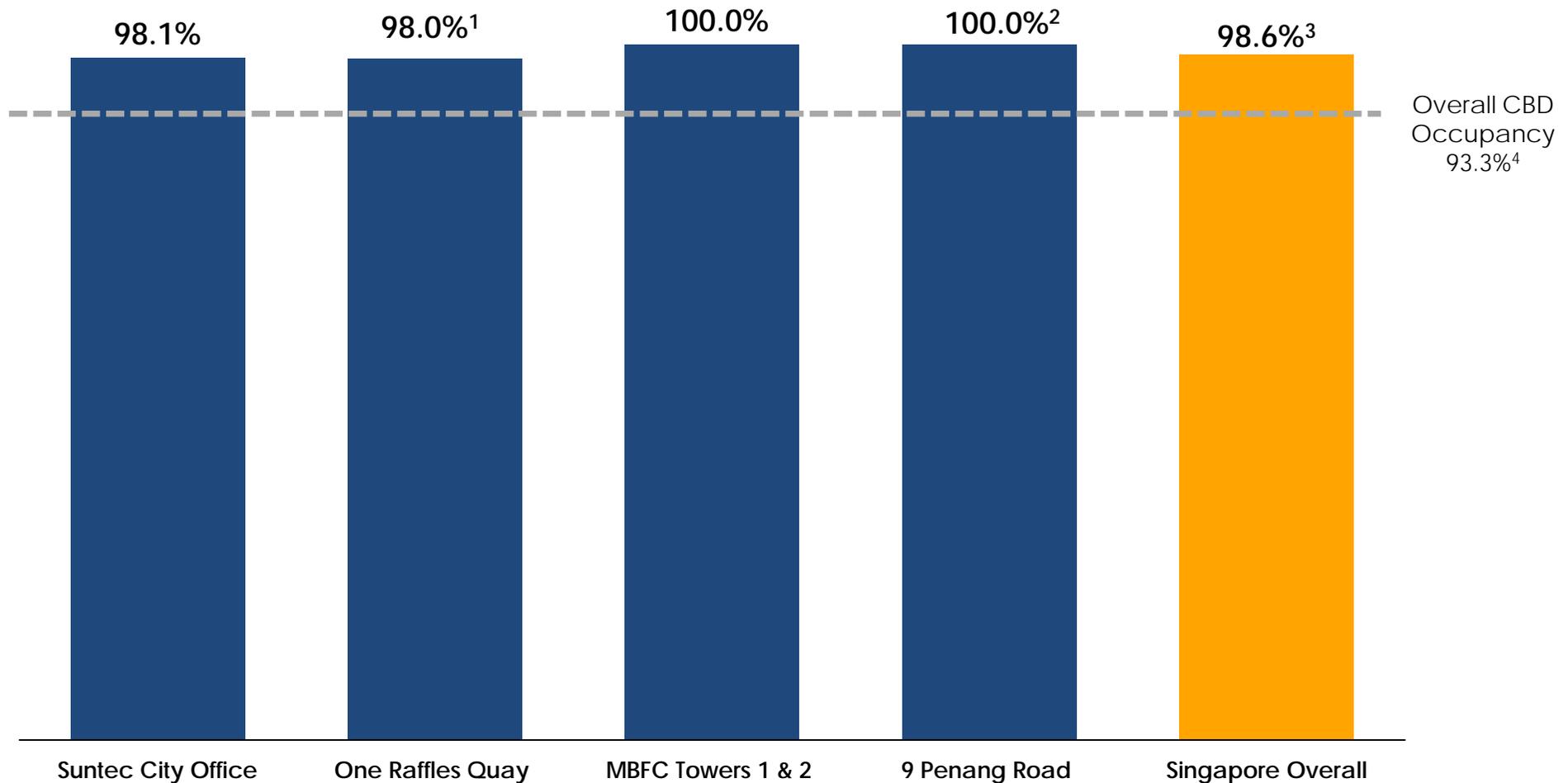


No Refinancing Due in FY2020

SG OFFICE PORTFOLIO PERFORMANCE



Singapore Office Committed Occupancy



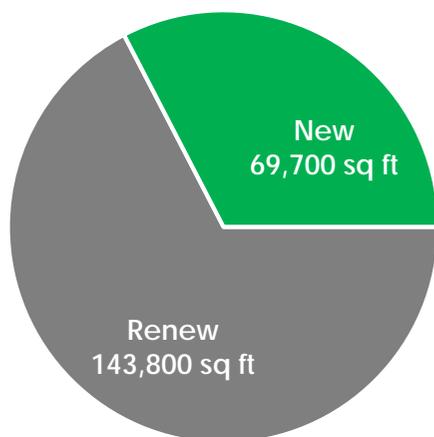
Committed Occupancy Outperformed Market

Note:

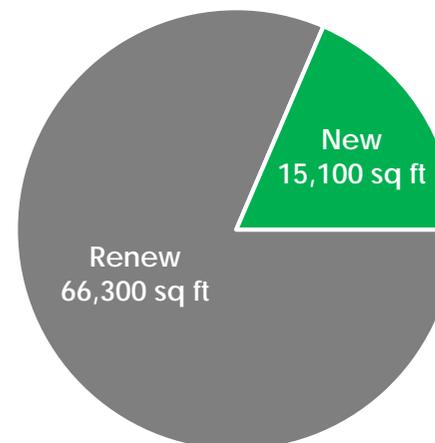
1. Combined occupancy for One Raffles Quay office and ancillary retail was 98.0%
2. Combined occupancy for 9 Penang Road office and ancillary retail was 96.7%
3. Committed occupancy for Singapore Overall (including ancillary retail) was 98.4%
4. Source: JLL

Singapore Office Leasing Activity

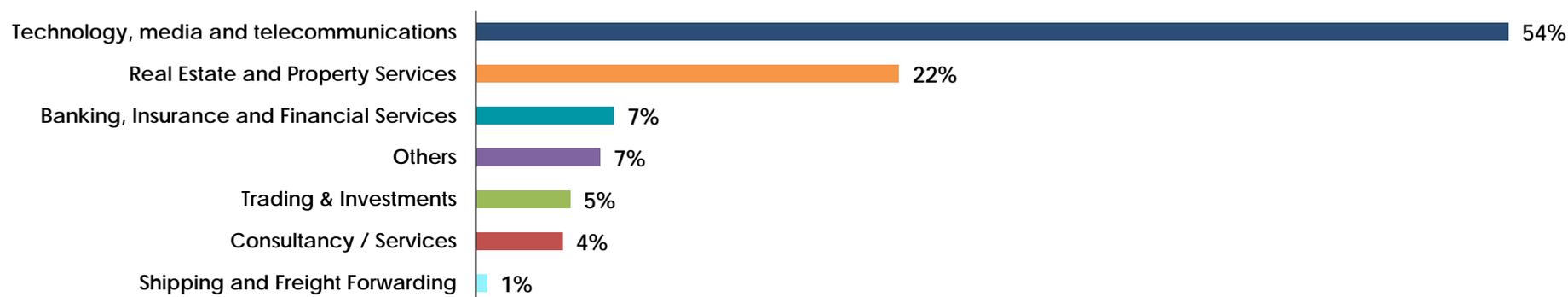
Portfolio Work Done¹ in 1H 20: 213,500 sq ft
(33% are new leases)



Portfolio Work Done¹ in 2Q 20: 81,400 sq ft
(19% are new leases)



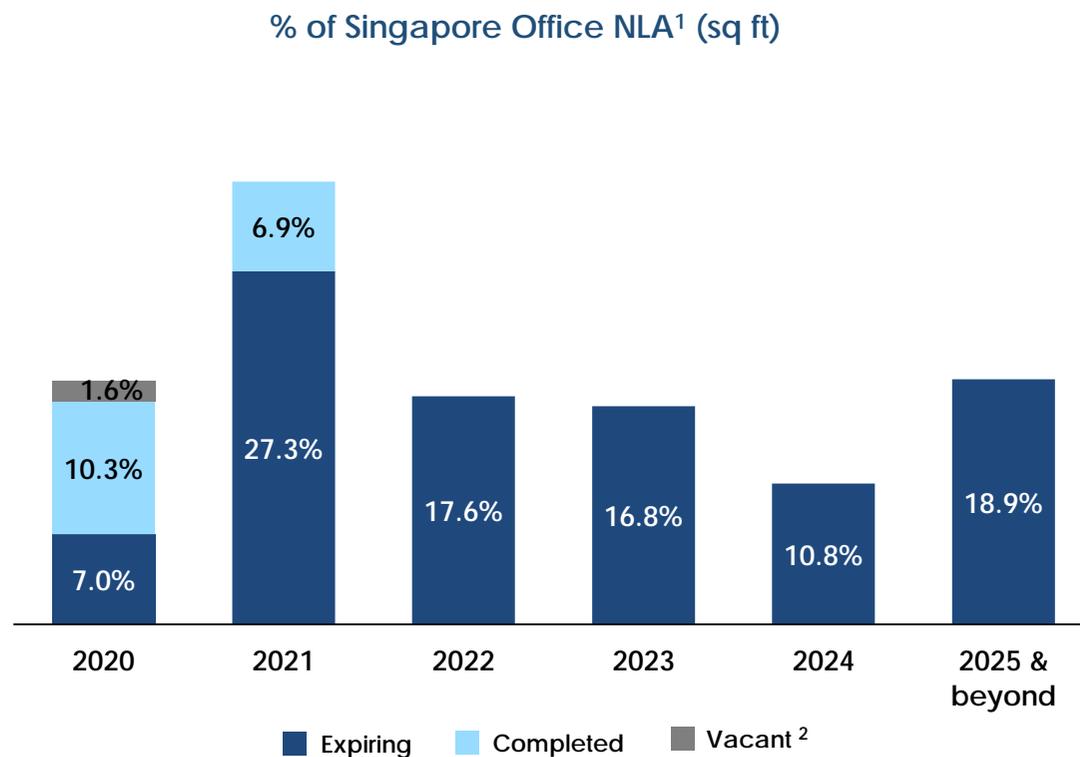
New Tenants by Sector in 1H 20 (sq ft)



Notes:
1. Reflects net lettable area of new leases and renewals committed based on Suntec REIT's interests in Suntec City Office, One Raffles Quay and Marina Bay Financial Centre Office Towers 1 and 2.

Singapore Office Lease Expiry

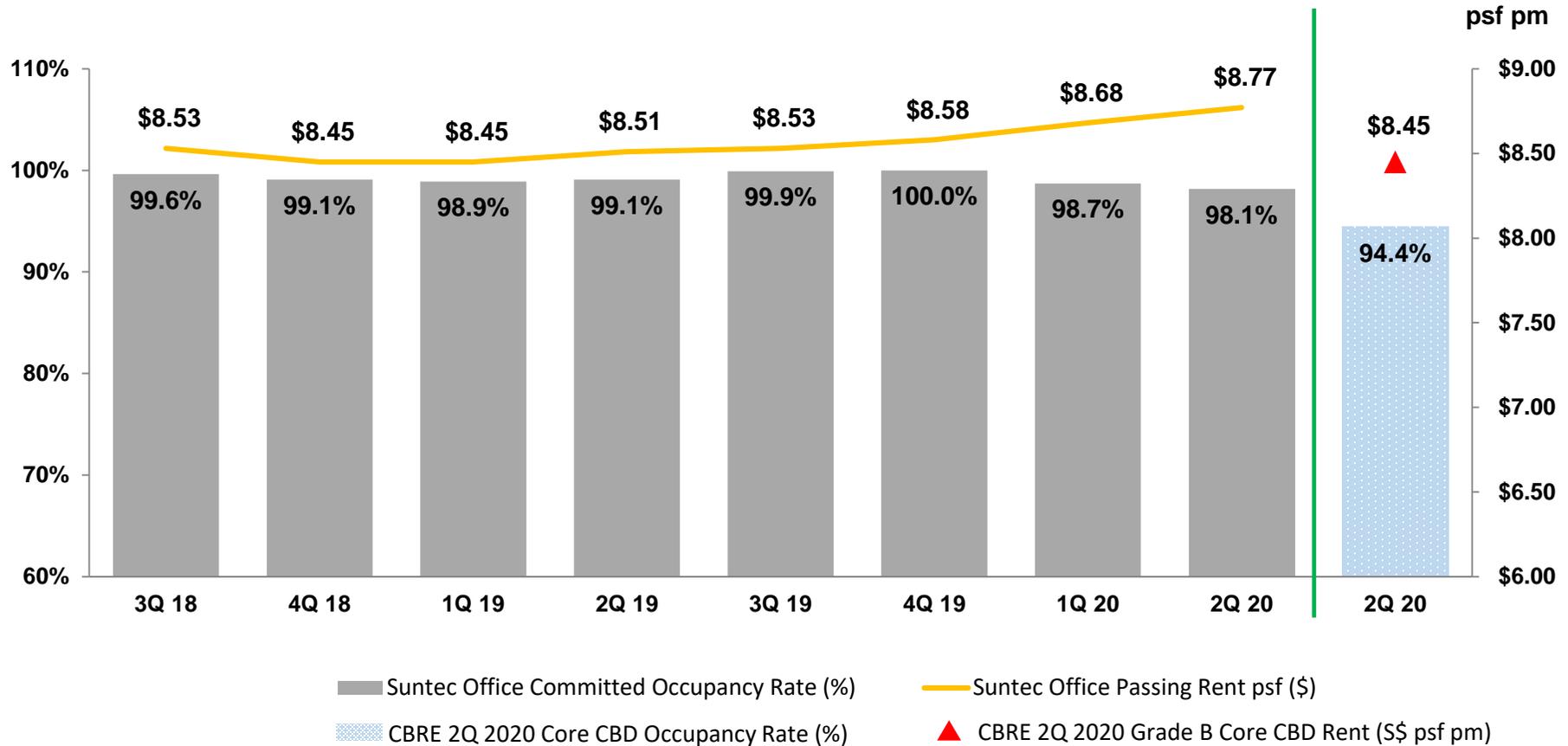
| | Net Lettable Area ¹ | |
|------------------|--------------------------------|------------|
| | Sq ft | % of Total |
| FY 2020 | 169,901 | 7.0% |
| FY 2021 | 665,359 | 27.3% |
| FY 2022 | 429,634 | 17.6% |
| FY 2023 | 410,660 | 16.8% |
| FY 2024 | 265,029 | 10.8% |
| FY 2025 & Beyond | 461,454 | 18.9% |



Weighted Average Lease Expiry: 3.14 Years

- Note:
- Based on Suntec REIT's interests in Suntec City Office, One Raffles Quay and Marina Bay Financial Centre Office Towers 1 and 2, and 9 Penang Road.
 - 38,071 sq ft of NLA was vacant as at 30 June 2020.

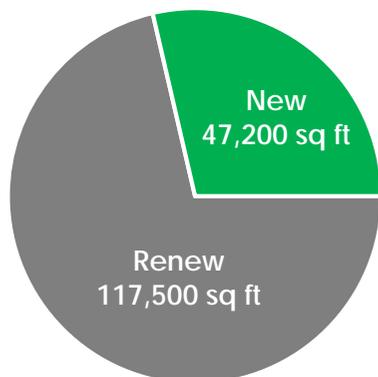
Suntec City Office - Committed Occupancy and Average Gross Rent



Committed Occupancy and Average Gross Rent Outperformed Market

Suntec City Office – Leasing Activity

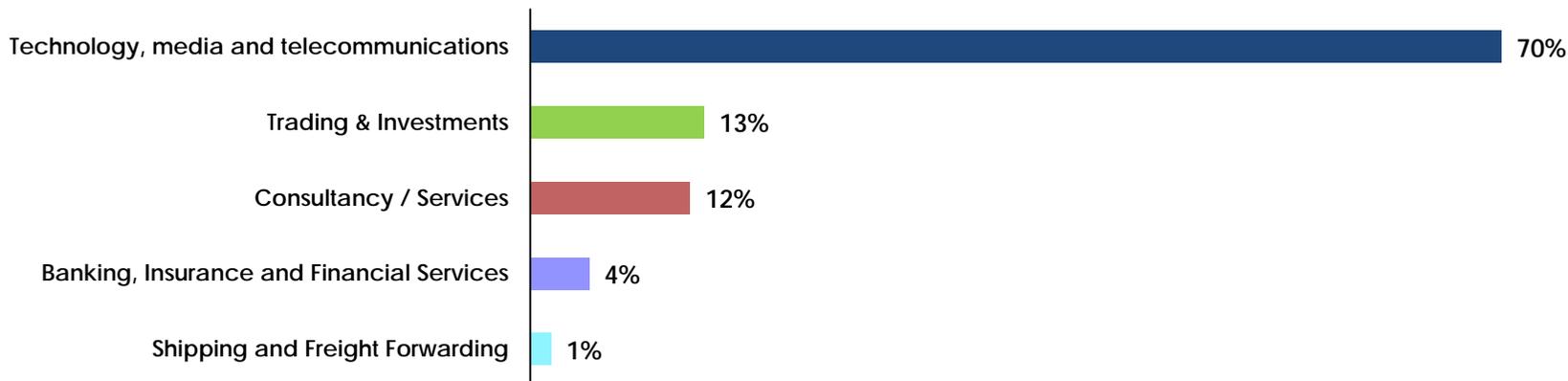
Work Done¹ in 1H 20: 164,700 sq ft
(29% are new leases)



| Rent Reversion 1H 20 +11.4% | |
|-----------------------------|-------|
| 1Q 20 | 2Q 20 |
| +13.1% | +9.1% |

Nine Consecutive Quarters of Positive Rent Reversion

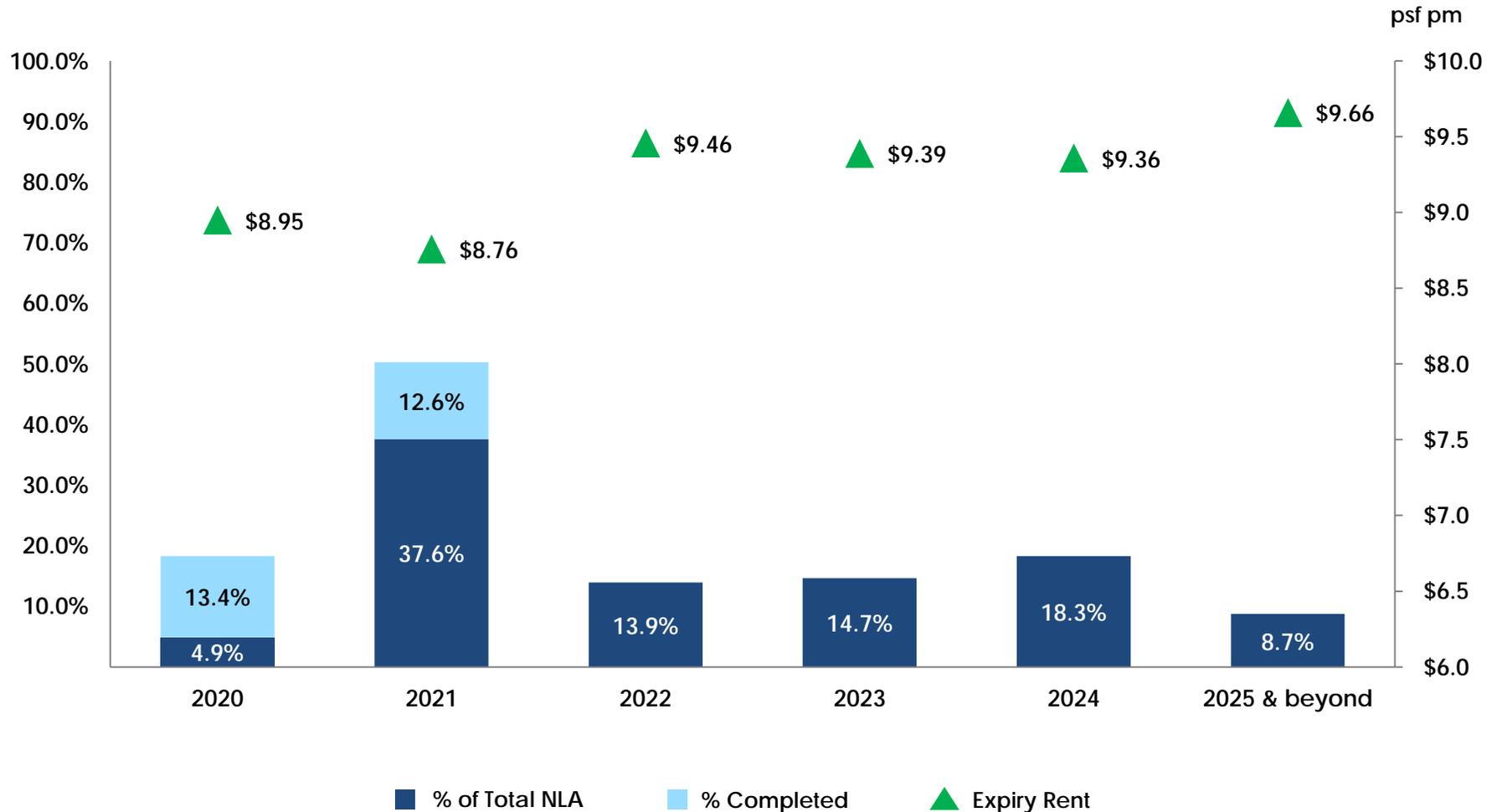
New Tenants by Sector in 1H20 (sq ft)



Note:

1. Reflects net lettable area of new leases and renewals committed.

Suntec City Office - Lease Expiry Profile & Expiry Rent



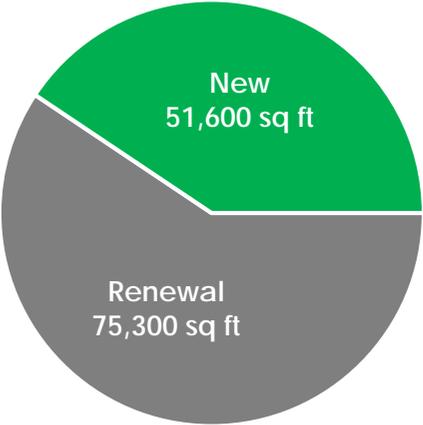
Proactive Management of Lease Expiries



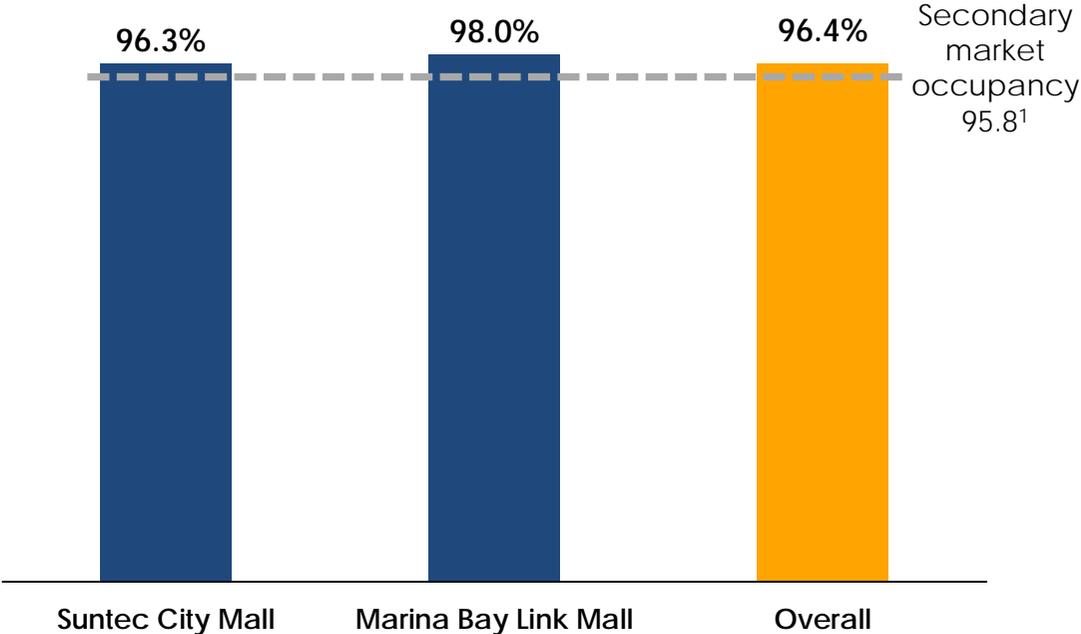
SG RETAIL PORTFOLIO
PERFORMANCE

Singapore Retail Portfolio

Portfolio Work Done² in 1H 20: 126,900 sq ft
(41% are new leases)



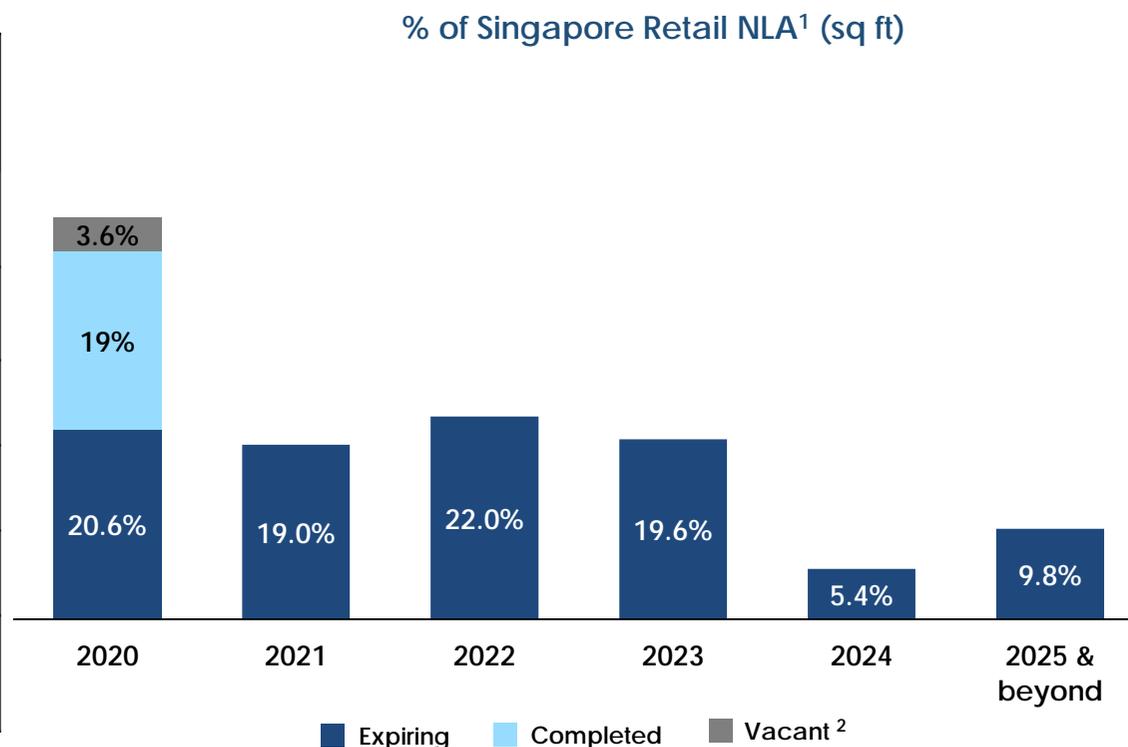
Committed Occupancy



Note:
1. Source: JLL
2. Reflects net lettable area of new leases and renewals committed based on Suntec REIT's interests in Suntec City Mall, Suntec Singapore (Retail) and Marina Bay Link Mall

Singapore Retail Lease Expiry

| | Net Lettable Area ¹ | |
|------------------|--------------------------------|------------|
| | Sq ft | % of Total |
| FY 2020 | 186,087 | 20.6% |
| FY 2021 | 175,355 | 19.0% |
| FY 2022 | 199,103 | 22.0% |
| FY 2023 | 176,878 | 19.6% |
| FY 2024 | 49,365 | 5.4% |
| FY 2025 & Beyond | 88,803 | 9.8% |



Weighted Average Lease Expiry: 2.18 Years

Note:

1. Based on Suntec REIT's interests in Suntec City Mall, Suntec Singapore (Retail) and Marina Bay Link Mall.
2. 32,915 sq ft of NLA was vacant as at 30 June 2020.

Suntec City Mall – Operational Performance

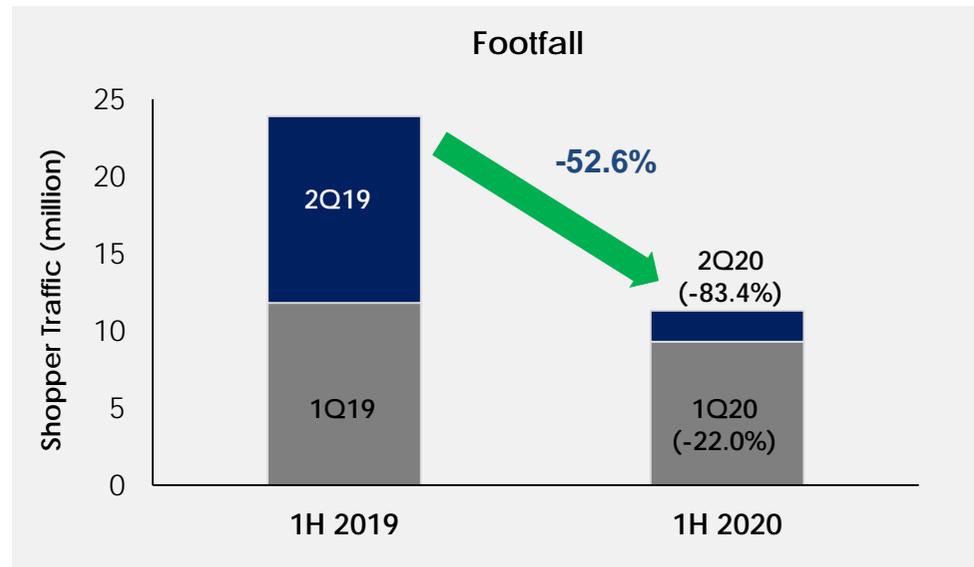
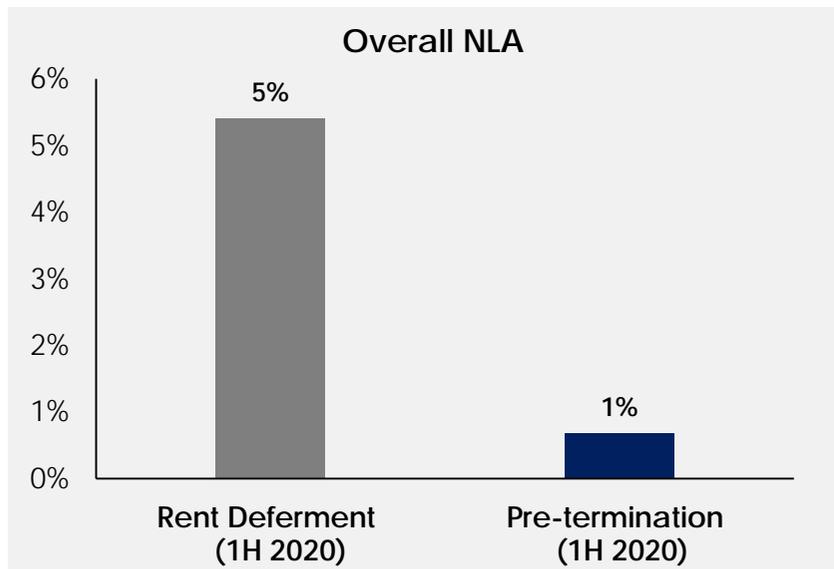


Committed Occupancy
(as at 30 Jun 2020)
96.3%

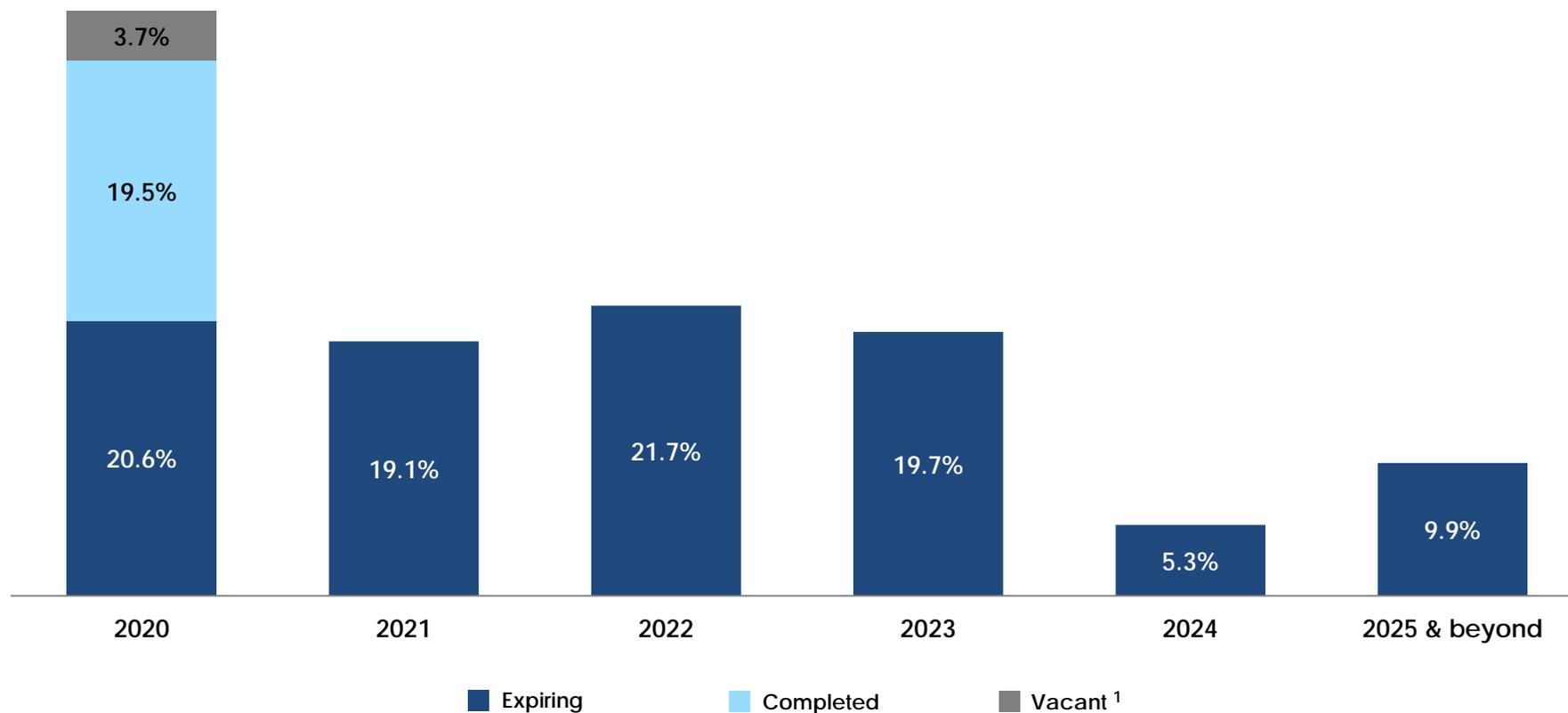
Rent Reversion 1H 20 +8.4%

1Q 20
+16.1%

2Q 20
-2.4%



Suntec City Mall - Lease Expiry Profile



Proactive Management of Lease Expiries

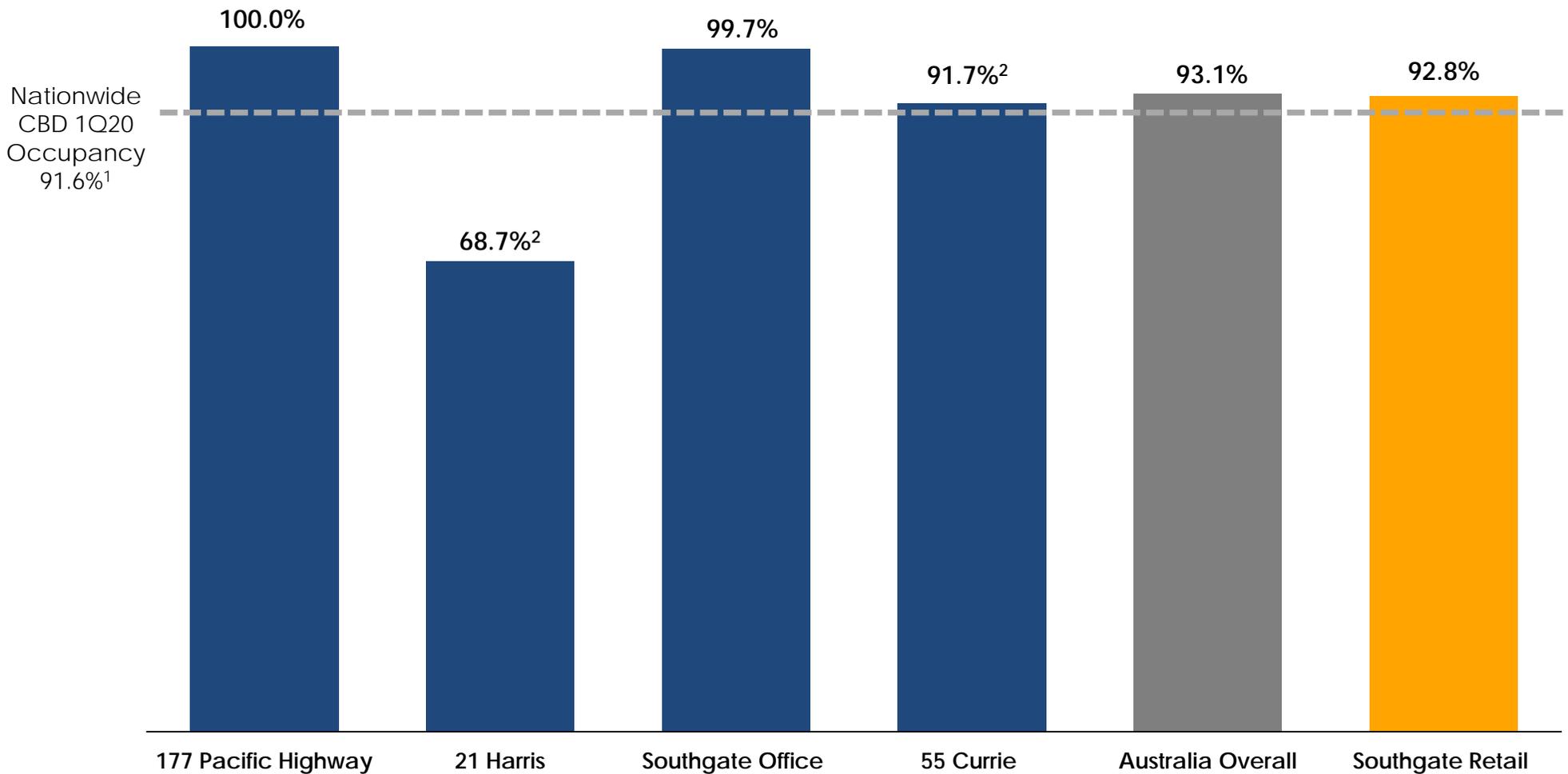
Note:

1. 32,282 sq ft of NLA was vacant as at 30 June 2020.

AUSTRALIA PORTFOLIO PERFORMANCE



Australia Committed Occupancy



Note:

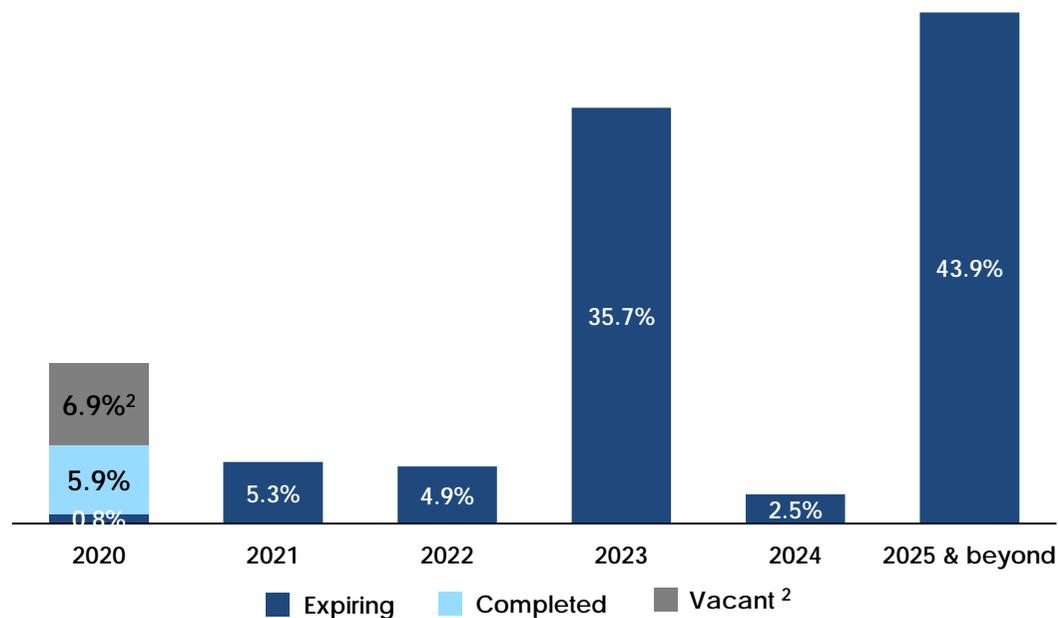
1. Source: JLL

2. Rent guarantee on vacant spaces

Australia Lease Expiry

| | Net Lettable Area ¹ | |
|------------------|--------------------------------|------------|
| | Sq ft | % of Total |
| FY 2020 | 11,068 | 0.8% |
| FY 2021 | 69,926 | 5.3% |
| FY 2022 | 64,578 | 4.9% |
| FY 2023 | 472,145 | 35.7% |
| FY 2024 | 33,097 | 2.5% |
| FY 2025 & Beyond | 580,219 | 43.9% |

% of Australia Lease Expiry NLA¹ (sq ft)



Weighted Average Lease Expiry: 5.53 Years

Note:

1. Based on Suntec REIT's interests in 177 Pacific Highway, 21 Harris, Southgate Complex (Office and Retail) and 55 Currie Street.
2. 91,889 sq ft (6.9%) of NLA was vacant as at 30 June 2020. This includes 6.6% of NLA which is covered by rent guarantees (21 Harris and 55 Currie).



**PROJECT UNDER
DEVELOPMENT**

Project Under Development

Olderfleet, 477 Collins Street, Australia

- Practical Completion expected in end Jul 2020 with income commencement in 1 Aug 2020
- Leasing update: 97.0% pre-committed with additional 0.2% with Heads of Agreement
- Long WALE ~ 11 years
- Tenants committed include:
 - Deloitte
 - Lander & Rogers
 - Norton Rose Fulbright
 - Urbis
 - Work Club





**LOOKING
AHEAD**

Looking Ahead – Singapore Office Portfolio

Outlook

- Demand expected to remain subdued because of recessionary outlook on the economy
- Leasing activities comprising mainly renewals with landlords facing rent resistance from tenants
- Companies remain focused on cost containment; relocation and expansion plans are mostly deferred or cancelled
- Early terminations by tenants in vulnerable sectors are expected to continue in 2H 20

Tenants' Assistance

- 50% of property tax rebates has been passed on to all office tenants in 2Q 20; Balance will be passed on in 4Q 20
- Cash rebates granted by government will be fully passed on to qualifying SME tenants¹ when received in 2H 20
- Qualifying SME tenants¹ will receive additional rent relief of 1 month base rent from landlord and also eligible to defer rent for the period up to 19 Oct 2020

Rental Revenue

- Rental revenue is expected to be stable due mainly to:
 - i. Completion of 61% of FY 20 renewals for the Singapore office portfolio
 - ii. Strong rent reversions achieved from previous 9 quarters
- Positive rental reversions likely to be moderated in 2H 20
- Portfolio occupancy is expected to remain healthy, above the market range of 93%²
- Early termination by tenants in vulnerable sectors was 0.4% of NLA in 1H 20. This is expected to be 1% in 2H 20.
- Rent deferment was 3.0% of NLA in 1H 20 and expected to be 7.0%³ in 2H 20

Navigating Through Downturn

- Tenant retention remains as key focus
- Proactive arrears and lease management, especially for tenants at risk
- Deferment of non-critical expenditure and prudent cost management

Note:

1. New Rental Relief Framework for SMEs as announced by the Ministry of Law, Singapore on 3 June 2020
2. JLL as at 30 June 2020
3. Inclusive of rent deferment in 1H 20

Looking Ahead – Suntec City Mall

Outlook

- Signs of recovery in shopper traffic – YOY decline moderated to -60% in Jul 20 vs. -90% during circuit breaker period
- Shopper traffic will further increase as more businesses are allowed to resume operations and office workers return to work progressively
- Tenant sales expected to improve for rest of the year

Tenants' Assistance

- Qualifying SMEs¹ will receive balance of the 2 months base rent funded by government
- Tenants have option of drawing down one month of cash security deposit
- Qualifying tenants¹ will be granted rent deferments for the period up to 19 Oct 20
- Access to 'SME Help Fund' by ARA, Straits Trading and JL Family Office

Rental Revenue

- Rental assistance measures will have adverse impact on rental revenue
- Calibrated support funded by landlord will continue for 3Q 20
- Together with support measures from the Government, majority of tenants should remain sustainable
- Rent reversion for 2H 20 likely to be negative due to weaker market demand
- Early termination of leases was 1.0% of NLA in 1H 20. This is expected to be 4.0% in 2H 20.
- Rent deferment was 5.0% of NLA in 1H 20 and expected to be 10.0%² in 2H 20
- Overall mall occupancy will trend closer to nation-wide average³ of low 90% due to non-renewals

Navigating Through Downturn

- 3 new digital capabilities – Suntec+ Eats, Suntec+ Shop Live and Suntec+ eMall launched in Jun 20 to cater to changing shopper behaviour and increase tenant sales
- Targeted marketing efforts towards office community during weekdays and local residents during weekends to drive sales

Note:

1. New Rental Relief Framework for SMEs as announced by the Ministry of Law, Singapore on 3 June 2020
2. Inclusive of rent deferment in 1H 20
3. URA Q1 20 data

Looking Ahead – Suntec Convention

Outlook

- Challenges faced by MICE industry in Singapore are unprecedented
- MICE events are still not permitted during Phase 2 of re-opening
- Recovery likely to be led by local corporate events, meetings and consumer shows when current measures on safe distancing are eased
- International conventions and events will remain weak due to slower recovery in international travel
- S\$40 million capital injection to support Suntec Convention's business needs
- Immediate focus on cost control to ride out the downturn
- Income contribution to Suntec REIT to be significantly affected for FY20

Navigating Through Downturn

- Further extension of temporary closure will be considered if mandated measures are prolonged
- Collaboration for temporary use of the kitchens for preparation of meals for foreign worker dormitories
- Selected by IMDA as venue for E-rally broadcasting during the General Elections
- Current situation presents opportunities to review existing products and develop new revenue streams

Looking Ahead – Australia Portfolio

Outlook

- Office occupiers in Sydney and Adelaide started gradual return to office on split team arrangements
- Melbourne in second lockdown for 6 weeks since 8 July 2020, Southgate retail tenants are unable to open for business
- Leasing demand will be subdued and vacancies expected to increase as businesses exercise caution
- Mandatory by law¹ for landlords to grant rent reliefs to qualifying SME tenants

Tenants' Assistance

- 93% of Australia portfolio² is leased to large corporations, government tenants and businesses which do not qualify for rent reliefs.
- Partial rent rebates and deferrals will be granted to qualifying office and retail SME tenants (7% of NLA)

Rental Revenue

- Office portfolio will remain resilient underpinned by strong occupancy, long WALE with minimal lease expiry in 2020
- Overall income from Australia expected to increase over 2019 with contributions from 21 Harris Street and 477 Collins Street, vacancies are protected by rent guarantees

Navigating Through Downturn

- Provide variety of collaborative workspaces and technology infrastructure to address continued trend towards remote and flexible workspaces
- Enhance amenities for office tenants (e.g. wellness amenities, fitness programme)
- Submitted development application to relevant authorities in Melbourne for potential redevelopment of Southgate's retail podium and construction of a new office tower

Note:

1. Mandatory Code of Conduct on SME Commercial Leasing Principles during COVID-19 by Australia National Cabinet with effect from 3 April 2020
2. Based on committed net lettable area for Suntec REIT's Australia portfolio.

- 1 Proactively Manage Risks to Strengthen Resilience of Properties**
- 2 Disciplined Approach in Reducing Costs and Discretionary Capital Expenditure**
- 3 Achieve Balance between Reasonable Returns to Unitholders, Build Cash Reserve and Assisting Tenants**
- 4 Source for Good Quality Assets that are Accretive and Further Enhance the REIT's Income Stability**

THANK YOU



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About Suntec REIT

Singapore's first and largest composite REIT



S\$4.0 Billion¹

Market Capitalisation

S\$10.5 Billion²

Assets Under Management

- Listed on **9 Dec 2004** on the SGX-ST
- High quality **office** assets, complemented by **retail** and **convention** components
- **9** properties – **4** in Singapore, **2** in Sydney, **2** in Melbourne & **1** in Adelaide

Notes:

1. Based on 30/6/20 closing price of \$1.41
2. Based on exchange rate of A\$1.00=S\$0.9605 as at 30 Jun 2020

Portfolio Snapshot

| | Suntec City | | One Raffles Quay | MBFC Properties | 9 Penang Road |
|-----------------------|--|--|-----------------------------------|---|---------------------------------|
| | Suntec City – Office & Retail | Suntec Singapore | | | |
| Description | Integrated commercial development comprising five office towers and one of Singapore largest retail mall | World-class convention and exhibition centre | Two premium Grade A office towers | Two premium Grade A office towers and a subterranean mall | New Grade A commercial building |
| Ownership | 100% | 60.8% | 33.33% | 33.33% | 30% |
| City / Country | Singapore | Singapore | Singapore | Singapore | Singapore |
| Segment | Office Retail | Convention | Office | Office Retail | Office |
| NLA (sq ft) | Office: ~1.3 mil Retail: ~0.9 mil | ~275,000 | ~442,000 | Office: ~547,000 Retail: ~32,000 | ~119,000 |



Suntec City

One Raffles Quay

MBFC Properties

9 Penang Road

Portfolio Snapshot

| | 177 Pacific Highway | Southgate Complex | Olderfleet 477 Collins Street | 55 Currie | 21 Harris |
|-----------------------|-----------------------------------|--|---|--|--------------------------------------|
| Description | 31-storey Grade A office building | Integrated waterfront development comprising two A-Grade office towers and a retail podium | Premium Grade, 40-level state-of-the-art building | Twelve-storey, Grade A office building | Nine-storey, Grade A office building |
| Ownership | 100% | 50% | 50% | 100% | 100% |
| City / Country | Sydney, Australia | Melbourne, Australia | Melbourne, Australia | Adelaide, Australia | Sydney, Australia |
| Segment | Office | Office Retail | Office | Office | Office |
| NLA (sq ft) | ~431,000 | Office: ~355,000 Retail: ~53,000 | ~312,000 | ~282,000 | ~203,000 |



177 Pacific Highway



Southgate Complex



Olderfleet, 477 Collins Street



55 Currie Street



21 Harris Street

This presentation is focused on the comparison of actual results for the half year ended 30 June 2020 versus results achieved for the quarter ended 30 June 2019. It should be read in conjunction with Paragraph 8 of Suntec REIT's financial results for the quarter ended 30 June 2020 announced on SGXNET.

The information included in this release does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for units in Suntec REIT ("**Units**") in Singapore or any other jurisdiction.

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in the expected levels of occupancy rates, property rental income, changes in operating expenses, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Past performance is not necessarily indicative of future performance. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of Suntec REIT. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

IMPORTANT NOTICE

1. The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, ARA Trust Management (Suntec) Limited (as the manager of Suntec REIT) (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.
2. Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.
3. The past performance of Suntec REIT is not necessarily indicative of the future performance of Suntec REIT.