

PRESS RELEASE

Suntec REIT Delivers Resilient Operating Performance in FY 24

Singapore, 23 January 2025 – Suntec REIT reports distributable income from operations¹ of \$180.9 million for the period from 1 January to 31 December 2024 ("FY 24"), 1.6% lower than the year ended 31 December 2023 ("FY 23"). Distribution per unit ("DPU") from operations¹ to unitholders was 6.192 cents or 2.3% lower year-on-year. With the absence of capital distribution in FY 24, DPU declined 13.2% year-on-year.

Operational performance of the Singapore Office and Retail portfolios, as well as the Sydney properties improved in FY 24, while the Melbourne properties remained stable. Distributable income was impacted by higher financing costs and lower contributions arising from vacancies at 55 Currie Street, Adelaide and The Minster Building, London.

Mr. Chong Kee Hiong, Chief Executive Officer of the Manager, said, "On the operating front, the Singapore Office and Retail portfolios continued to perform and achieved strong rent reversions across all the quarters of the year. Suntec Convention's income has also improved significantly with the improvement in operations and an increase in smaller but high yielding events."

On the divestment front, Suntec REIT divested \$58.3 million of strata units at Suntec City Office Towers at an average price of 24% above book value. The proceeds were used to pare down debts. The transactions were accretive to the REIT's earnings as the achieved divestment yield were lower than current borrowing costs.

For the fifth consecutive year since its inaugural participation in 2020, Suntec REIT has attained the highest GRESB 5 Star rating. The REIT also retained its 'A' ratings for Public Disclosure.

Mr. Chong said, "Suntec REIT's continual advancement in the areas of ESG reflects our commitment to growing our business responsibly. We remain focused on strengthening the operating performance of our properties."

¹ Excludes capital distribution.

Outlook

Capital Management

The interest rates easing cycle is expected to be gradual for major economies². Loans that are due in 2025 are expected to be refinanced by first half of 2025. All-in financing cost is expected to increase by 10bp-20bp due to expiring hedges.

Singapore Office Portfolio

Positive rent reversion is expected to be modest, in the range of 1% to 5%. The Singapore office portfolio is well positioned for future growth, supported by healthy occupancies and past quarters of robust rent reversions.

Suntec City Mall

Committed occupancy is expected to remain high at more than 95% while positive rent reversion is expected to be in the range of 10% to 15%. Suntec City Mall is well poised for future growth, supported by higher occupancy, rent and marcoms activities.

Suntec Convention

The Singapore MICE market is expected to grow at a 9% CAGR³ (from 2023 to 2030), bolstered by the growth in MICE activities. The performance of Suntec Convention is expected to be stable as the composition of event types is likely to remain largely unchanged.

Australia Portfolio

The office market vacancies of Melbourne and Adelaide CBD are expected to remain elevated⁴ with incentive levels continuing to be in the range of 40% to 45%. Demand in Adelaide remains weak with vacancy at 55 Currie Street likely to increase by 10% to 12% in the medium term. The performance of the Australia portfolio is expected to remain stable supported by healthy occupancies of the Sydney and Melbourne properties.

United Kingdom Portfolio

Occupancy and rental growth in Central London is expected to continue to improve, supported by tight supply and increase in office utilisation⁵. Vacancy and upcoming expiry at

² The Business Times Article ("Fed officials signal interest rates likely on hold for a while") dated 10 January 2025

³ "Singapore MICE Market 2024" Report by Coherent Market Insights

⁴ JLL Australia Research

⁵ JLL UK Research

The Minster Building is expected to be backfilled in 2025 with positive rent reversion expected to be in the range of 1% to 3%. The United Kingdom Portfolio is expected to 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, 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.

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 manager and one of the largest listed real estate investment managers globally. ESR's fully integrated fund management and development platform extends across Australia and New Zealand, Japan, South Korea, Greater China, Southeast Asia, and India, including a presence in Europe. ESR provides investors with a diverse range of real asset investment and development solutions across private and public investment vehicles. ESR's focus on New Economy real assets offers customers modern solutions for logistics, data centres, and infrastructure and renewables. ESR's purpose, Space and Investment Solutions for a Sustainable Future, drives ESR to manage sustainably and impactfully for the communities where it operates and the spaces it develops to thrive for generations to come. ESR Group Limited is listed on The Stock Exchange of Hong Kong (HKSE: 1821.HK). Visit www.esr.com for more information.

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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.

Contacts

ESR Trust Management (Suntec) Limited

Tel: +65 6835 9232

Melissa Chow

Manager, Investor Relations

melissa.chow@esr.com

Eugenia Ong

Manager, Portfolio Management

eugenia.ong@esr.com
