

## **PRESS RELEASE**

### **Suntec REIT Delivers Stronger Operating Performance in 1Q 25**

**Singapore, 24 April 2025** – Suntec REIT reports improved distributable income of \$45.9 million for the period from 1 January to 31 March 2025 ("1Q 25"), 4.3% higher than the quarter ended 31 March 2024 ("1Q 24"). Distribution per unit ("DPU") to unitholders was 1.563 cents or 3.4% higher year-on-year.

All properties, except for 55 Currie Street, Adelaide, registered stronger operating performance. Distributable income improved due to the better performance, as well as lower financing costs.

Mr. Chong Kee Hiong, Chief Executive Officer of the Manager, said, "Singapore Office, Retail, and Convention as well as the UK portfolios continued to deliver strong operating performances. Financing cost for the REIT also declined year-on-year arising from the refinancing efforts in FY24 and paring down of debt with proceeds from divestment of strata office units."

Suntec REIT also completed \$730 million refinancing due in 2025 and 2026, which would result in interest savings of approximately \$1.8 million per annum.

Mr. Chong said, "Suntec REIT's continual improvement in operating performance highlights the strong fundamentals of the properties. In light of the global macroeconomic uncertainties, we remain focused on strengthening the operating performance of our properties."

## **Outlook**

### Capital Management

The interest rate easing cycle is expected to be gradual for major economies<sup>1</sup>. Refinancing of debt due in 2025 is expected to be completed in first half of 2025. All-in financing cost is expected to remain elevated at approximately 4.0% based on current interest rates.

### Singapore Office Portfolio

Cautious demand for office spaces is expected in light of weaker business sentiments. Positive rent reversion is expected to be modest, in the range of 1% to 5%. The Singapore office portfolio is expected to remain stable, supported by healthy occupancies and past quarters of robust rent reversions.

### Suntec City Mall

Committed occupancy is expected to remain above market level with positive rent reversion moderating. The weakened economic outlook weigh on retailers, who expect subdued retail sales due to cautious consumer spending. Stable performance is expected at Suntec City Mall, supported by high committed occupancy and past quarters of positive rent reversions.

### Suntec Convention

Long-term MICE growth in Singapore is expected with the strong support from Singapore Tourism Board as part of the Tourism 2040 roadmap<sup>2</sup>. In view of the global uncertainty, Convention may see lower event attendees and event organizers reducing their budgets. The performance of Suntec Convention is expected to be stable.

### Australia Portfolio

The office market vacancies of Melbourne and Adelaide CBD are expected to remain elevated<sup>3</sup> with incentive levels continuing to be in the range of 40% to 45%. Demand in Adelaide continues to be driven by flight to quality, with preference for premium grade new developments. The performance of the Australia portfolio is expected to remain stable supported by the Sydney and Melbourne properties with occupancies above market levels.

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<sup>1</sup> The Business Times Article ("Fed officials signal interest rates likely on hold for a while") dated 10 January 2025

<sup>2</sup> The Business Times Article ("Singapore targets MICE demand, leisure travellers in Tourism 2040 roadmap") dated 11 April 2025

<sup>3</sup> JLL Australia Research

## United Kingdom Portfolio

Weakening business sentiments is likely to impact demand for office space. However, occupancy and rent growth in Central London is expected to be supported by tight supply and increase in office utilisation<sup>4</sup>. The United Kingdom Portfolio is expected to be stable with the portfolio committed occupancy remaining healthy and long WALE.

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<sup>4</sup> JLL UK Research

## **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.

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## **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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