

Press Release

23 April 2021

Manager of



Suntec REIT's Distribution Per Unit Increased 16.2 % Year-on-Year

Singapore, 23 April 2021 – Suntec REIT reports distribution per unit (“DPU”) to unitholders of 2.045 cents for the period ended 1 January to 31 March 2021 (“1Q 2021”) which was 16.2% higher than the period ended 31 March 2020 (“1Q 2020”).

The increase in DPU was a result of higher distributable income from stronger operational performance of S\$58.1 million, 5.4% higher year-on-year. This was driven mainly by contributions from 9 Penang Road in Singapore, 21 Harris Street and 477 Collins Street in Australia, better performance of MBFC Properties, stronger Australian dollar and lower financing cost. This strong performance was partially offset by lower occupancy and rent at Suntec City Mall and rent assistance granted to retail tenants at Southgate Complex.

Mr. Chong Kee Hiong, Chief Executive Officer of the Manager, said, “The strong performance was driven by the resilience of our office portfolio in Singapore and Australia, underpinned by the contributions from 9 Penang Road, 21 Harris Street and 477 Collins Street. We are also seeing green shoots of recovery in our retail business as tenant sales at Suntec City Mall recovered faster than footfall in 1Q 2021”.

Outlook

Singapore Office Portfolio

Greater return of workers to the offices are expected with the easing of safe management measures for workplaces. Although companies are likely to continue with hybrid working arrangements and remain prudent on expenses, the Singapore Office Portfolio revenue is expected to be stable, underpinned by strong rent reversions achieved in the past eleven quarters. Rent reversion is anticipated to remain positive for the year with office occupancy in the mid-90% range.

Suntec City Mall

Although sentiments amongst retailers are still cautious with weak rent reversion expected in the following quarters, Suntec City Mall revenue is expected to improve towards 2019 level. The improvement in revenue will be driven by increased footfall, higher tenant sales and occupancy. Traffic is expected to recover to about 80% of 2019 level by year end while tenant sales is likely to be close to 2019 level with uneven recovery across different trade categories. Mall occupancy is also expected to increase to around 95% by the end of the year.

Suntec Convention

The convention business will continue to be adversely affected due to weak international travel and restrictions on events. Since the launch of Suntec Convention's hybrid studios last year, demand for physical-virtual hybrid events has been growing. With the recent easing of safe management measures, a larger 'Hybrid Experience' hall will be added to capture this demand. However, income contribution from Suntec Convention will remain significantly impacted.

Australia Portfolio

Revenue from the Australia portfolio is expected to remain resilient underpinned by strong occupancy, long lease tenures and annual rent escalations. Existing rent guarantees for the vacant spaces at 55 Currie Street, 21 Harris Street and 477 Collins Street lend support to the resilience of the Australia portfolio.

United Kingdom

As retail tenants continue to be adversely impacted by the pandemic, the Manager will provide assistance through rent rebates and rent deferment, drawing support from the two-year guarantee provided by the vendor for the retail income. Office revenue from Nova Properties is expected to be stable supported by full occupancy and long WALE with no lease expiry until 2027.

Mr. Chong concluded, "Suntec REIT unitholders will continue to benefit from the income resilience of its asset portfolio, as a result of the REIT's strategy of expanding its geographical diversification with acquisitions of quality office assets in Australia and United Kingdom".

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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, a one-third interest in Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall, and a 30.0% interest in 9 Penang Road. 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 located in London, United Kingdom. Its aim is to invest in income-producing real estate which is primarily used for office and/or retail purposes. 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" or the "Group").

ARA operates a diversified platform across assets, strategies and geographies, with approximately S\$116 billion¹ in gross assets under management globally, as at 31 December 2020. It offers a wide range of investment solutions in both public and private markets, managing listed and unlisted real estate investment trusts (REITs) and private funds in real estate, infrastructure and credit across 28 countries. As part of its investor-operator philosophy, the Group also operates a real estate management services division with local teams to manage its assets worldwide.

ARA's multi-platform, multi-product global fund management business is driven by dedicated teams with in-depth market knowledge and local expertise in all countries where it operates and invests. The Group strives to work sustainably, is mindful of its impact on the environment, and aims to leverage technology to work smart and achieve better outcomes for its stakeholders. Built on a foundation of strong corporate governance and business integrity, ARA manages funds on behalf of many of the world's largest pension funds, sovereign wealth funds and financial institutions

For more information, please visit <http://www.ara-group.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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¹ Includes assets under management by ARA Asset Management Limited and the Group of companies ("ARA Group") and its Associates as at 31 December 2020