

**Press Release**

26 October 2022

Manager of



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**Suntec REIT Delivers 3Q 22 Distributable Income of S\$60.0 million**

*Stronger operational performance achieved across portfolio*

**Singapore, 26 October 2022** – Suntec REIT reports distributable income of S\$60.0 million for the period from 1 July to 30 September 2022 (“3Q 22”) which was -5.8% lower than the quarter ended 30 September 2021 (“3Q 21”). Distribution per unit (“DPU”) to unitholders was 2.084 cents for 3Q 22.

Stronger operational performance in occupancy and rent across all our office, retail and convention properties resulted in a 15.7% and 12.1% increase in Gross Revenue and Net Property Income respectively. However, interest rate and exchange rate pressures weighed down on this stronger operational performance, resulting in a lower distributable income and DPU against 3Q 21.

Mr. Chong Kee Hiong, Chief Executive Officer of the Manager, said, “We are pleased that amidst the challenging market environment, the committed occupancies and rents across all our office, retail and convention properties in Singapore, Australia and United Kingdom registered improvements.”

Mr. Chong added, “High interest rates and rising energy costs will impact our distribution significantly moving forward. To help us better navigate such challenging macro-environment, plans are in place to unlock value through asset enhancement initiatives as well as explore opportunities for divestment of mature assets at an opportune time.”

## **Outlook**

### Singapore Office Portfolio

Despite the challenges of COVID-19, the Singapore Office portfolio remains strong. While macro headwinds and challenges may dampen business sentiments, healthy occupancy and rent will be underpinned by the tight office supply. Revenue contribution for the Singapore Office portfolio is expected to strengthen further.

### Suntec City Mall

Traffic and sales recovery at Suntec City Mall is expected to continue into 2023, boosted by the return of office, convention and tourist crowds. The return of more atrium and roadshows and stronger occupancy at the mall is expected to support revenue recovery.

### Suntec Convention

The strong pipeline of MICE events returning to Singapore in 2022 and 2023 will boost the business at Suntec Convention. In addition, domestic demand for consumer and corporate events will continue to support Suntec Convention's recovery. While a return to profitability is expected for 2022, income contribution is expected to be below pre-COVID levels.

### Australia Portfolio

Although economic growth is expected to slow down, employment rates are likely to remain high. A slight increase in Nationwide CBD office vacancy is expected. Prime gross effective rents in Melbourne and Sydney are expected to improve as flight to quality continues. Australia Portfolio revenue is expected to remain resilient, supported by strong occupancy, annual rent escalations and long lease tenures.

### United Kingdom

Economic outlook remains weak in light of a potential recession. Higher interest rates will likely dampen asset values for the UK Office Portfolio. However, revenue for the UK Office Portfolio is resilient, underpinned by limited new supply in Central London, high portfolio occupancy and long WALE with minimal lease expiry until 2027.

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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](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 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").

ARA is part of the ESR Group (the "Group"), APAC's largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With US\$140 billion in gross assets under management (AUM), our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. We provide a diverse range of real asset investment solutions and New Economy real estate development opportunities across our private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. With 14 listed REITs managed by the Group and its associates, ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$45 billion. Our purpose – Space and Investment Solutions for a Sustainable Future – drives us to manage sustainably and impactfully and we consider the environment and the communities in which we operate as key stakeholders of our business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index.

More information is available at [www.ara-group.com](http://www.ara-group.com), [www.esr.com](http://www.esr.com).

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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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