



Trust Management (Suntec) Limited

## Press Release

26 April 2023

Manager of



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### Suntec REIT Delivers Distributable Income of S\$50.3 million for 1Q 2023

*Singapore, 26 April 2023* – Suntec REIT reports distributable income of S\$50.3 million for the period from 1 January to 31 March 2023 (“1Q 23”), which was 26.8% lower than the quarter ended 31 March 2022 (“1Q 22”). Distribution per unit (“DPU”) to unitholders of 1.737 cents for 1Q 23 was 27.4% lower year-on-year.

Operational performance continued to strengthen across the office, retail and convention properties. However, higher financing costs as well as the weaker Australia dollar and Pound Sterling against the Singapore dollar contributed to the decline in distributable income.

Mr. Chong Kee Hiong, Chief Executive Officer of the Manager, said, “Looking forward, our operating performance is expected to continue to improve but interest rate and energy cost are likely to remain high which will impact our distribution for the year. To cushion the impact, we will continue with the distribution of the remaining capital top up for 2023 to provide some support to unitholders in these tough times. We are also actively looking at the potential divestment of our mature assets so as to unlock value and improve our balance sheet.”

## **Outlook**

### Singapore Office Portfolio

Office demand is expected to slow down with the office market softening amidst global macroeconomic uncertainties and volatile financial markets. Rent reversion for the Singapore Office Portfolio is expected to remain positive and revenue is likely to strengthen on the back of past nineteen quarters of positive rent reversions.

### Suntec City Mall

Retail sales is expected to slow amidst weaker Gross Domestic Product ("GDP") growth in Singapore. However, the continued recovery of Meetings, Incentives, Conventions and Exhibitions ("MICE") events and the return of tourists will help boost tenant sales and mall traffic. Revenue from Suntec City Mall is expected to improve, underpinned by higher occupancy, rent and marcoms revenue.

### Suntec Convention

The recovery of Suntec Convention will likely be driven by a strong pipeline of international MICE events while domestic consumer and corporate events remain as stable pillars. The easing of China's travel restrictions is expected to have a positive impact to the convention business from the second half of 2023. Income contribution will remain impacted in 2023 with full recovery for Suntec Convention expected only in 2024.

### Australia Portfolio

Nationwide CBD office vacancy remains elevated due to increase in new supply. Good quality office buildings with sound Environment, Social and Governance ("ESG") credentials remains in demand. Revenue is likely to be impacted by leasing downtime and incentives despite positive rent reversions.

### United Kingdom Portfolio

Economic challenges continue to impact the office market with leasing demand slowing down. Revenue for the UK Office Portfolio is expected to remain resilient, underpinned by high portfolio occupancy and long weighted average lease expiry with minimal lease expiry until 2028.

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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\$156 billion in total 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. ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$46 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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