



Trust Management (Suntec) Limited

Suntec Real Estate Investment Trust
("Suntec REIT")



ANNUAL GENERAL MEETING ON 15 APRIL 2021

RESPONSES TO THE SUBSTANTIAL AND RELEVANT QUESTIONS

ARA Trust Management (Suntec) Limited (the "Manager"), as manager of Suntec Real Estate Investment Trust ("Suntec REIT") would like to thank unitholders of Suntec REIT ("Unitholders") for submitting their questions in advance of Suntec REIT's Annual General Meeting ("AGM") to be held by electronic means at 10.30 a.m. on 15 April 2021.

The Manager will address the substantial and relevant questions with regards to the resolutions tabled. As there are areas of overlap in the questions raised, we have grouped related and similar questions together and provided our corresponding responses to them.

Please refer to **Annex A** for the list of substantial and relevant questions, and the Manager's responses to these questions.

For full details on Suntec REIT's financial results for the financial year ended 31 December 2020, please refer to Suntec REIT's 2020 Annual Report on Suntec REIT's website at <https://suntecreit.listedcompany.com/ar.html>.

By Order of the Board
ARA Trust Management (Suntec) Limited
(as manager of Suntec Real Estate Investment Trust)
(Company registration no. 200410976R)

Chong Kee Hiong
Director
15 April 2021

Annex A

Please refer to our responses to the questions as set out in the table below:

Acquisitions

Questions	Responses
1. What are the expansion plans for 2021/2022?	<p>The Manager actively sources for acquisitions that fits Suntec REIT's investment strategy and are Distribution Per Unit ("DPU") accretive. Currently, Singapore, Australia and United Kingdom assets constitute approximately 76%, 17% and 7% of Suntec REIT's assets under management ("AUM") respectively.</p> <p>Suntec REIT will remain Singapore-centric. The Manager expects 30% to 40% of its AUM to be overseas assets in the next few years. The Manager will continue to source for accretive opportunities in these countries to deliver long term value to Unitholders.</p>

Tenant Assistance

Questions	Responses
<p>1. How many tenants are we still giving rental relief?</p> <p>2. What percentage of tenants would that be?</p> <p>3. When would this rental relief cease?</p>	<p>Following the re-opening of the Singapore economy, the recovery of the retail business has been uneven with some trade categories recovering faster than others. Calibrated assistance such as short-term restructuring of rent (comprising a lower fixed rent with a higher gross turnover component) were granted to approximately one-third of the retail tenants, based on the net lettable area ("NLA") of Suntec REIT's Singapore retail portfolio. Most of these short-term restructuring will end by Q2 2021. Rent rebates will be granted to about one per cent of the retail tenants for a few months.</p> <p>In Australia and United Kingdom, rent rebates and rent deferment are expected to be granted in 2021 to retail tenants that continue to be adversely impacted by the pandemic.</p> <p>In United Kingdom, the rent reliefs for retail tenants will be covered by the 2-year guarantee that Suntec REIT has secured from the vendor.</p>

Capital Management

Questions	Responses
<p>1. Does management intend to improve (reduce) the gearing ratio in due course?</p> <p>2. What is the management's view on where the "comfortable" gearing ratio for Suntec REIT should lie?</p> <p>3. Are we looking at a rights issue or placement exercise for Suntec REIT soon?</p>	<p>The Manager strives to maintain an appropriate capital structure, balancing optimal returns to Unitholders, interest coverage and aggregate leverage ratio ("ALR"). The target ALR for Suntec REIT is between 40% to 45% with interest coverage multiple of about 2.5 times or higher.</p> <p>As of 31 December 2020, there are undrawn facilities of S\$750 million, which is adequate for Suntec REIT's 2021 refinancing needs.</p>

Resolution 3

Questions	Responses
<p>1. Please share your plans on the issuing of new units?</p>	<p>Generally, units if issued, are to fund acquisitions, asset enhancements, capital management and/or working capital purposes to maintain an appropriate debt and equity capital structure. Since its inception, the Manager has elected to receive a portion of its asset management fees in units, aligning the interests of the Manager with Unitholders.</p>

Others

Questions	Responses
<p>With reference to the new Code of Conduct for Leasing of Retail Premises in Singapore (the "Code of Conduct");</p> <p>1. What percentage of Singapore tenants are on the two-tier rental system?</p> <p>2. What is the management view on the new Code of Conduct?</p> <p>3. What impact would this new Code of Conduct have on Suntec REIT?</p>	<p>Suntec REIT supports the new Code of Conduct on tenancy agreements. The new code will help to build trust, reduce ambiguity, and provide greater clarity on the 'rules of engagement' during lease negotiations. With the new code in place, the Manager is confident that landlord-tenant relationships will be enhanced over time, and all parties can focus on the more important objectives of achieving long-term business success and helping the Singapore retail sector recover and emerge stronger from the impact of COVID-19.</p> <p>The new Code of Conduct for leasing of retail premises is not expected to have a significant impact on Suntec REIT's retail revenue.</p> <p>More than half of Suntec REIT's retail tenants in Singapore have a variable gross turnover component in their rent</p>

	structure. Specifically, variable rent collected from leases comprising an “either/or, whichever is higher” formula does not contribute significantly to Suntec REIT’s retail revenue.
4. Please provide a fuller explanation why remuneration, in bands, was not provided.	<p>The Manager is of view that the competition for talent in the real estate investment management industry is very keen and the Manager has in the interests of Unitholders, opted not to disclose the remuneration. The remuneration of all employees is paid out from the REIT management fees the Manager receives from Suntec REIT.</p> <p>The performance-based remuneration framework ensures that key management's interests are aligned with Unitholders.</p>
5. Please explain why Suntec REIT once again decided not to hold a physical AGM (or at least semi-physical ones) this year.	Despite the relaxation of capacity limits, the Manager has given due consideration to public health and other risks and has decided to err on the side of caution to conduct the meeting virtually to minimise physical interactions.

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 value-added 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 www.ara-group.com.

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