



Trust Management (Suntec) Limited

## Press Release

22 January 2013

Manager of



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### **Suntec REIT Achieves Distribution Per Unit of 2.326 cents for 4Q FY12 Delivers DPU of 9.490 cents for FY12**

**Singapore, 22 January 2013** – ARA Trust Management (Suntec) Limited, the manager of Suntec Real Estate Investment Trust (“Suntec REIT”, and the “Manager”), is pleased to announce a distribution per unit (“DPU”) of 2.326 Singapore cents for the period 1 October to 31 December 2012 (“4Q FY12”), resulting in a DPU of 9.490 Singapore cents for the financial year ended 31 December 2012 (“FY12”).

Mr. Yeo See Kiat, Chief Executive Officer of the Manager, said, “Notwithstanding the divestment of CHIJMES in January 2012 and the execution of our asset enhancement initiatives at Suntec City which commenced in June 2012, Suntec REIT delivered a DPU of 2.326 cents for 4Q FY12. With this, the DPU for the financial year ended 31 December was 9.490 cents, a marginal decline of 4.5% year-on-year.”

On the retail portfolio, the committed occupancy of Suntec City Mall remained stable at 97.6%<sup>1</sup>, whilst Park Mall continued to enjoy 100% occupancy. The overall committed occupancy for the retail portfolio stood at 98.1% as at 31 December 2012.

On the office portfolio, Suntec City Office Towers continued to enjoy 100% committed occupancy while Park Mall office committed occupancy was 94.6% as at 31 December 2012. For the jointly controlled entities, One Raffles Quay continued to enjoy full occupancy, whilst the committed occupancy for the MBFC Properties<sup>2</sup> was 99.9% as at 31 December 2012.

Suntec REIT’s overall committed occupancy for the office portfolio stood at 99.7% as at 31 December 2012.

Commenting on Suntec REIT’s office performance, Mr. Yeo said, “The strong performance of our office portfolio is a testament to the quality of the underlying assets. In addition, as part of our

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<sup>1</sup> Reflects areas not affected by the asset enhancement initiatives

<sup>2</sup> Marina Bay Financial Centre Towers 1 and 2, and the Marina Bay Link Mall

proactive leasing strategy, we have forward renewed more than 125,000 sq ft of leases due to expire in 2013, leaving us with a balance of only 17.4% of the office leases due to expire 2013.

#### Comparison of Suntec REIT's 4Q and FY12 Results

	4Q FY12 (S\$'000)	4Q FY11 (S\$'000)	% Change	FY12 (S\$'000)	FY11 (S\$'000)	% Change
Gross revenue	55,003	80,045	(31.3)	261,883	270,282	(3.1)
Net property income	30,552	52,023	(41.3)	163,429	193,383	(15.5)
Income available for distribution	52,394	55,302	(5.3)	213,047	220,700	(3.5)
<b>Distribution per unit</b>	<b>2.326¢</b>	<b>2.479¢</b>	<b>(6.2)</b>	<b>9.490¢</b>	<b>9.932¢</b>	<b>(4.5)</b>
Distribution yield						
- based on 31 Dec 2012 closing price of S\$1.675				5.7%	5.9%	
- based on 21 Jan 2013 closing price of S\$1.73				5.5%	5.7%	

For 4Q FY12, Suntec REIT achieved gross revenue of S\$55.0 million which was 31.3% lower year-on-year. This was mainly due to the closure of Suntec Singapore, and Suntec City Mall (Phase 1) for the asset enhancement works and the divestment of CHIJMES, which was partially mitigated by higher office revenue.

For the same period, the net property income of S\$30.6 million was 41.3% lower year-on-year mainly due to the closure of Suntec Singapore and Suntec City Mall (Phase 1) for the asset enhancement works and the divestment of CHIJMES, which was partially mitigated by higher office income.

Consequently, the income available for distribution of S\$52.4 million was 5.3% lower year-on-year.

The distribution per unit for 4Q FY12 amounted to 2.326 Singapore cents.

For FY12, Suntec REIT's gross revenue and net property income was S\$261.9 million and S\$163.4 million respectively. The income available for distribution of S\$213.0 million was a slight decline of 3.5% year-on-year. The distribution per unit amounted to 9.490 Singapore cents representing a distribution yield of 5.5%<sup>3</sup>.

The debt-to-asset ratio stood at 36.7% as at 31 December 2012.

<sup>3</sup> Based on the unit price of S\$1.73 as at 21 Jan 2013

## Suntec City AEI Update

Works on Phase 1 of the asset enhancement initiative (“AEI”) is on-track and is on schedule to complete by the second quarter of 2013.



Mr. Yeo said, “On the marketing front, we are pleased to report that to-date we have achieved a pre-commitment of about 83% in respect of Suntec REIT’s Phase 1 NLA. We are also about to embark on Phase 2 of the AEI in March 2013 and we are pleased to report that 37% of Phase 2 NLA has been pre-committed even before we commence works. Based on our leasing progress to-date, our projected rental enhancement and return on investment of 10.1% are on track.”

Some of the additional brands that have signed up for Phase 1 include Antton & Co, Black Rara, HABA, Kally Feng Shui, Lush, Lionesse, Popeyes, Regina, Smile Inc., Smoothie King, Stationery Superstore, Suit Select, Tech@Vogue, The Travel Store, Wacoal and Yankee Candle.

Mr. Yeo added, “We are also pleased to announce that Golden Village will be introducing a 60,000 sq ft, 11-screen multiplex in Phase 2 of the new Suntec City. This will include a 3-screen Gold Class™, a first for GV in the Marina Bay Precinct.”

Looking ahead, Mr. Yeo said, “Our current priorities are to focus on the smooth execution of the AEI and proactive lease management to strengthen the lease commitments, as well as to maintain the high occupancy level for the rest of our office and retail portfolios.”

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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), Park Mall, 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 60.8% interest in Suntec Singapore International Convention & Exhibition Centre. Its aim is to invest in income-producing real estate which is primarily used for retail and/or office purposes. 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).

## **ABOUT ARA TRUST MANAGEMENT (SUNTEC) LIMITED**

ARA Trust Management (Suntec) Limited, part of the ARA Asset Management Limited group ("ARA"), is the manager of Suntec REIT. ARA, a real estate fund management company, is an affiliate of the Cheung Kong Group, and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited. ARA's business segments comprise REIT management, private real estate fund management, and specialist equity fund management and corporate finance advisory services. For more details, please visit [www.ara-asia.com](http://www.ara-asia.com).

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## **IMPORTANT NOTICE**

The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, ARA Trust Management (Suntec) Limited (as the manager of Suntec REIT) (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 should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The 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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