



Trust Management (Suntec) Limited

**Press Release**

19 July 2013

Manager of



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**Suntec REIT Distributes DPU of 2.249 cents for 2Q FY13  
1H FY13 DPU of 4.477 cents  
Signed S\$500 million 5-year Unsecured Loan Facility**

**Singapore, 19 July 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 income of S\$50.9 million for the period 1 April to 30 June 2013 (“2Q FY13”) which was 4.0% lower compared to the quarter ended 30 June 2012 (“2Q FY12”). The subsequent distribution income of S\$101.1 million for the half year ended 30 June 2013 (“1H FY13”), was 6.2% lower compared to the half year ended 30 June 2012 (“1H FY12”). This was mainly due to the partial closure of Suntec City Mall and Suntec Singapore for the asset enhancement initiative (“AEI”) works.

Mr. Yeo See Kiat, Chief Executive Officer of the Manager, said, “During the second quarter of 2013, we concurrently executed Phase 1 and 2 of the AEI works at Suntec City. With this substantial closure, out of the distribution income of S\$50.9 million in 2Q 2013, we utilized S\$7.8 million from the sale proceeds of Chijmes for capital distribution. Despite the major closure of the Mall, we are pleased to deliver a DPU of 2.249 cents for this quarter.”

On the retail portfolio, the committed occupancy for the rest of Suntec City Mall unaffected by the AEI works remained stable at 99.3%, whilst Park Mall achieved 100% committed occupancy. The overall committed occupancy for the retail portfolio stood at 99.6% as at 30 June 2013.

On the office portfolio, Suntec City Office Towers continued to enjoy a high committed occupancy of 99.4%, while Park Mall Office maintained 100% occupancy as at 30 June 2013. For the jointly controlled entities, One Raffles Quay committed occupancy stood at 99.8%, whilst MBFC Properties<sup>1</sup> maintained 100% occupancy as at 30 June 2013.

Suntec REIT’s overall committed occupancy for the office portfolio stood at 99.7% as at 30 June 2013.

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

Commenting on Suntec REIT's office performance, Mr. Yeo said, "Our office portfolio continues to perform strongly. During the second quarter of 2013, we signed a total of 198,000 sq ft of new and renewed leases which leaves us with a balance of only 6.3% of the office leases due to expire in 2013. We remain positive on the performance of our office portfolio in 2013."

On the capital management front, Mr. Yeo said, "We are pleased to report that Suntec REIT has signed a S\$500 million 5-year unsecured loan facility today to repay the loans due in 2013 and for general corporate funding purposes. With this, Suntec REIT has no refinancing requirement till 2014."

#### Comparison of Suntec REIT's 2Q and 1H FY13 Results

	2Q FY13 (S\$'000)	2Q FY12 (S\$'000)	% Change	1H FY13 (S\$'000)	1H FY12 (S\$'000)	% Change
Gross revenue	46,935	70,997	(33.9)	96,597	144,292	(33.1)
Net property income	27,956	45,430	(38.5)	58,635	94,428	(37.9)
<b>Total amount available for distribution</b>	<b>50,857</b>	<b>52,961</b>	<b>(4.0)</b>	<b>101,127</b>	<b>107,838</b>	<b>(6.2)</b>
- from operations	43,057	52,961	(18.7)	90,627	107,838	(16.0)
- from capital	7,800	-	-	10,500	-	-
<b>Distribution per unit</b>	<b>2.249¢</b>	<b>2.361¢</b>	<b>(4.7)</b>	<b>4.477¢</b>	<b>4.814¢</b>	<b>(7.0)</b>
- from operations	1.904¢	2.361¢	(19.4)	4.012¢	4.814¢	(16.7)
- from capital	0.345¢	-	-	0.465¢	-	-
Distribution yield (annualized) <sup>2</sup>						
- based on 30 Jun 2013 closing price of S\$1.575	5.7%	6.0%		5.7%	6.1%	
- based on 18 Jul 2013 closing price of S\$1.555	5.8%	6.1%		5.8%	6.2%	

For 2Q FY13, Suntec REIT gross revenue of S\$46.9 million was 33.9% lower year-on-year. This was mainly due to the partial closure of Suntec City Mall and Suntec Singapore for the AEI works which was partially mitigated by higher office revenue.

For the same period, the net property income of S\$28.0 million was 38.5% lower year-on-year mainly due to the AEI works, which was partially mitigated by higher office income.

The total distribution of S\$50.9 million and DPU of 2.249 cents for 2Q FY13 was 4.0% and 4.7% lower year-on-year respectively.

The debt-to-asset ratio stood at 36.5% as at 30 June 2013 and the average all-in financing cost for 2Q 2013 stood at a low of 2.68%.

<sup>2</sup> Past performance is not necessarily indicative of future performance of Suntec REIT

For 1H FY13, Suntec REIT's gross revenue and net property income was S\$96.6 million and S\$58.6 million respectively. The total distribution and DPU amounted to S\$101.1 million and 4.477 cents respectively.

#### Suntec City AEI Update



Mr. Yeo said, “We are pleased to report that Phase 1 opened in June 2013 with a committed occupancy of 99.6% and at an average passing rent of S\$13.09 psf/mth. For Phase 2 of the remaking of Suntec City, we achieved a pre-committed occupancy of 70.1% to-date. Based on our leasing progress, our projected rental enhancement and return on investment of 10.1% are on track.”

Some of the brands that have signed up include Factorie, a new-to-market casual youth fashion concept from Australia, VDL, an international cosmetic brand from Korea, making its first foray into Singapore, Bering, Calligaris, Josiah Montessori, Lovisa, School of Music Clef and Toys “R” Us.

Additional F&B offerings that will be in Suntec City Mall include Kopitiam, Paradise Dynasty, Pho Hoa, The House of Robert Timms, The Soup Spoon as well as NamNam Noodle Bar and Peperoni Pizzeria from the Les Amis Group.

Looking ahead, Mr. Yeo said, “Our current priorities are to focus on the smooth execution of Phase 2 and 3 of the AEI as well as proactive lease management to strengthen the lease commitments and maintain the high occupancy level 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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