



Trust Management (Suntec) Limited

## Press Release

24 October 2013

Manager of



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### **Suntec REIT Distributes DPU of 2.289 cents for 3Q FY13 YTD FY13 DPU of 6.766 cents**

**Singapore, 24 October 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\$51.8 million for the period 1 July to 30 September 2013 (“3Q FY13”) which was 1.8% lower compared to the quarter ended 30 September 2012 (“3Q FY12”). For the nine months ended 30 September 2013 (“YTD FY13”), the distribution income of S\$153.0 million was 4.8% lower compared to the nine months ended 30 September 2012 (“YTD FY12”).

Mr. Yeo See Kiat, Chief Executive Officer of the Manager, said, “During the third quarter of 2013, despite the closure of Suntec City mall (Phase 2), the distribution income of S\$51.8 million in 3Q 2013 was a marginal decline of 1.8% year-on-year. With the opening of Suntec City mall (Phase 1) and Suntec Singapore, we utilized only S\$4.5 million from the sale proceeds of Chijmes for capital distribution and we are pleased to deliver a DPU of 2.289 cents for this quarter.”

On the retail portfolio, the committed occupancy for Suntec City mall (Phase 1) was 99.6% while the committed occupancy for the rest of mall unaffected by the AEI works was 95.0%. Park Mall maintained 100% committed occupancy. The overall committed occupancy for the retail portfolio stood at 98.3% as at 30 September 2013.

On the office portfolio, Suntec City Office Towers continued to maintain a high committed occupancy of 99.7%, while Park Mall Office maintained 100% occupancy as at 30 September 2013. For the jointly controlled entities, One Raffles Quay achieved 100% committed occupancy and MBFC Properties<sup>1</sup> continued to enjoy 100% occupancy as at 30 September 2013.

Suntec REIT’s overall committed occupancy for the office portfolio stood at 99.8% as at 30 September 2013.

Commenting on Suntec REIT’s office performance, Mr. Yeo said, “Our office portfolio continues to perform strongly. During the third quarter of 2013, we signed approximately 160,000 sq ft of new and

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

renewed leases which leaves us with a balance of only 1.7% of the office leases due to expire in 2013. We are confident that our office portfolio in 2013 would outperform the preceding year.”

### Comparison of Suntec REIT’s 3Q and YTD FY13 Results

	3Q FY13 (S\$'000)	3Q FY12 (S\$'000)	% Change	YTD FY13 (S\$'000)	YTD FY12 (S\$'000)	% Change
Gross revenue	65,877	62,589	5.3	162,474	206,881	(21.5)
Net property income	40,254	38,449	4.7	98,888	132,877	(25.6)
<b>Total amount available for distribution</b>	<b>51,848</b>	<b>52,817</b>	<b>(1.8)</b>	<b>152,975</b>	<b>160,653</b>	<b>(4.8)</b>
- from operations	47,348	52,817	(10.4)	137,975	160,653	(14.1)
- from capital	4,500	-	-	15,000	-	-
<b>Distribution per unit</b>	<b>2.289¢</b>	<b>2.350¢</b>	<b>(2.6)</b>	<b>6.766¢</b>	<b>7.164¢</b>	<b>(5.6)</b>
- from operations	2.090¢	2.350¢	(11.1)	6.102¢	7.164¢	(14.8)
- from capital	0.199¢	-	-	0.664¢	-	-
Distribution yield (annualized) <sup>2</sup>						
- based on 30 Sep 2013 closing price of S\$1.635	5.6%	5.7%		5.5%	5.9%	
- based on 24 Oct 2013 closing price of S\$1.72	5.3%	5.4%		5.3%	5.6%	

For 3Q FY13, Suntec REIT gross revenue of S\$65.9 million was 5.3% higher year-on-year. This was mainly due to the opening of Suntec Singapore following the completion of its AEI works.

For the same period, the net property income of S\$40.3 million was 4.7% higher year-on-year mainly due to the opening of Suntec Singapore.

The total distribution of S\$51.8 million and DPU of 2.289 cents for 3Q FY13 was 1.8% and 2.6% lower year-on-year respectively.

The debt-to-asset ratio stood at 37.2% as at 30 September 2013 and the average all-in financing cost for 3Q 2013 stood at a low of 2.67%.

For YTD FY13, Suntec REIT’s gross revenue and net property income was S\$162.5 million and S\$98.9 million respectively. The total distribution and DPU amounted to S\$153.0 million and 6.766 cents respectively.

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

## Suntec City AEI Update



Mr. Yeo said, “We are pleased to report that the official opening of Phase 1 on 12 September 2013 was well received. For Phase 2 of the remaking of Suntec City, we achieved a pre-committed occupancy of 83.7% 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 An Cee, Backjoy, Barang Barang, Crocs, Flash! By Mark Morffew, Lavina, Natural Living, Novena, Slumberland, Success Kidz, United Overseas Bank, Winter Time and Ziiro. Additional F&B offerings include Borgna, Burger King, Morganfield’s and Saladstop!.

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 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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