

Press Release

20 October 2016

Manager of



3Q FY16 Distributable Income 1.1% Higher Year-on-Year
YTD DPU Increased 2.1%

Singapore, 20 October 2016 – ARA Trust Management (Suntec) Limited, the manager of Suntec Real Estate Investment Trust (“Suntec REIT”, and the “Manager”), is pleased to announce a distributable income of S\$64.3 million for the period 1 July to 30 September 2016 (“3Q FY16”) which was 1.1% higher compared to the quarter ended 30 September 2015 (“3Q FY15”). The distribution per unit (“DPU”) of 2.535 cents for 3Q FY16 was 0.5% higher than 3Q FY15 DPU of 2.522 cents.

Mr. Yeo See Kiat, Chief Executive Officer of the Manager, said, “We are pleased to report that despite the divestment of Park Mall, distributable income from operations improved by 2.2% due to the increase in contribution from One Raffles Quay and 177 Pacific Highway as well as interest savings. Including a capital distribution of S\$4.0 million from the sale proceeds of Park Mall, the distributable income of S\$64.3 million was 1.1% higher year-on-year.”

Mr. Yeo added, “For the first nine months of 2016, we achieved a distributable income of S\$187.7 million and delivered a DPU of 7.407 cents which was 2.8% and 2.1% higher year-on-year respectively.”

For the office portfolio, Suntec City Office committed occupancy improved to 98.9% while ORQ and MBFC Properties enjoyed 100% committed occupancy as at 30 September 2016. The committed occupancy for 177 Pacific Highway which received its practical completion on 1 August 2016 was 100%.

For the retail portfolio, the committed occupancy for the entire Suntec City mall was 96.8% as at 30 September 2016. The committed occupancy for ORQ and Marina Bay Link Mall were 100% and 99.5% respectively as at 30 September 2016.

The overall committed occupancy for the office and retail portfolio stood at 99.4% and 97.3% respectively as at 30 September 2016.

On Suntec REIT's office performance, Mr. Yeo said, "During the third quarter of 2016, we have renewed and signed approximately 164,000 sq ft of leases, reducing the 2016 and 2017 lease expires to 0.4% and 12.2% respectively. Looking ahead, we expect the performance of our office portfolio to remain stable in 2016."

On Suntec REIT's retail performance, Mr. Yeo said, "Amidst the soft retail market, our strategy to drive shopper traffic to our mall by focusing on strengthening the tenancy mix has shown results as we welcome flagship shops and new-to-market concepts to Suntec City."

"We have also strengthened the ecosystem and built stronger relationships with our stakeholders with the launch of new initiatives which provide value-added services to our office tenants, shoppers and conference delegates. Through Suntec Rewards, our new digital platform, we continue to drive customer loyalty with exclusive targeted tie-ups to engage members and encourage spending in Suntec City."

On 5 August 2016, Suntec REIT announced the acquisition of an initial 25% interest in Southgate Complex, a freehold, landmark waterfront development comprising two A-Grade office towers and a retail podium which is strategically located along the Yarra River in Melbourne, Australia. The acquisition is expected to complete by December 2016.

Commenting on Suntec REIT's second acquisition in Australia, Mr. Yeo said, "The iconic Southgate Complex is a strategic fit with Suntec REIT's portfolio of quality assets and in line with our strategy to expand our footprint in Asia Pacific. The acquisition augments Suntec REIT's presence in Australia."

Summary of Suntec REIT's 3Q FY16 & YTD FY16 Results

	3Q FY16 (S\$'000)	3Q FY15 (S\$'000)	% Change	YTD FY16 (S\$'000)	YTD FY15 (S\$'000)	% Change
Gross revenue	82,373	86,066	-4.3	239,654	241,974	-1.0
Net property income	57,234	58,456	-2.1	163,879	166,728	-1.7
Income contribution from JVs	24,236	24,096	0.6	68,193	72,515	-6.0
Distributable income	64,336	63,611	1.1	187,664	182,465	2.8
- from operations	60,336	59,011	2.2	171,664	171,865	-0.1
- from capital	4,000	4,600	-13.0	16,000	10,600	50.9
Distribution per unit	2.535¢	2.522¢	0.5	7.407¢	7.252¢	2.1
- from operations	2.377¢	2.340¢	1.6	6.775¢	6.831¢	-0.8
- from capital	0.158¢	0.182¢	-13.2	0.632¢	0.421¢	50.1

	3Q FY16 (S\$'000)	3Q FY15 (S\$'000)	% Change	YTD FY16 (S\$'000)	YTD FY15 (S\$'000)	% Change
Distribution yield						
- based on 30 September 2016 closing price of S\$1.715	5.9%	5.8%		5.8%	5.7%	
- based on 19 October 2016 closing price of S\$1.745	5.8%	5.7%		5.7%	5.6%	

For 3Q FY16, Suntec REIT's gross revenue of S\$82.4 million and net property income of S\$57.2 million were 4.3% and 2.1% lower year-on-year respectively. This was mainly due to the divestment of Park Mall and lower contribution from Suntec Singapore offset by the opening of Suntec City mall (Phase 3) and contribution from 177 Pacific Highway.

The debt-to-asset ratio stood at 36.6% as at 30 September 2016 whilst the all-in financing cost was 2.28% for 3Q FY16.

For YTD FY16, Suntec REIT's gross revenue of S\$239.7 million was 1.0% lower year-on-year. This was mainly due to the divestment of Park Mall and mitigated by higher revenue from Suntec City mall. Notwithstanding the divestment of Park Mall, the net property income for YTD FY16 was S\$163.9 million, a slight decrease of S\$2.8 million or 1.7% year-on-year.

Mr. Yeo added that, "We are pleased to report that plans for Park Mall is on track and we have taken back the premises on 30 September 2016 for redevelopment."

Mr. Yeo continued, "Despite the continuing headwinds facing the retail industry, we are pleased to deliver a stable and sustainable DPU for the quarter and nine months ended 30 September 2016."

-END-

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 60.8% 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 Park Mall. Suntec REIT holds a 100% interest in a commercial building located at 177 Pacific Highway, North Sydney Australia. 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.

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"), an integrated real estate fund manager in Asia which is listed on the Main Board of the Singapore Exchange Securities Trading Limited since November 2007.

ARA currently manages real estate investment trusts ("REITs") and private real estate funds that are invested in the office, retail, logistics/industrial, hospitality and residential sectors in the Asia Pacific region, complemented by its in-house real estate management services.

Established in 2002, to date it has over 1,200 professionals in 18 cities managing total assets of approximately S\$30 billion.

IMPORTANT NOTICE

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for units in Suntec REIT.

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.

Contacts

ARA Trust Management (Suntec) Limited

Tel: +65 6835 9232

Yeo See Kiat
Chief Executive Officer
seekiatyeo@ara.com.hk

Chan Kong Leong
Chief Operating Officer
kongleongchan@ara.com.hk

Ng Ee San
Director, Finance
eesanng@ara.com.hk

Melissa Chow
Manager, Investor Relations
melissachow@ara.com.hk
