

Press Release

21 July 2016

Manager of



**Suntec REIT's 2Q FY16 Distributable Income
0.7% Higher Year-on-Year**

Singapore, 21 July 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\$63.3 million for the period 1 April to 30 June 2016 (“2Q FY16”) which was 0.7% higher compared to the quarter ended 30 June 2015 (“2Q FY15”). The distribution per unit (“DPU”) of 2.501 cents for 2Q FY16 was in-line with 2Q FY15 DPU of 2.500 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 declined by a slight 2.7% due to the increase in contribution from Suntec City mall with the completion of the asset enhancement works in June 2015. Including a capital distribution of S\$8.0 million from the sale proceeds of Park Mall, the distributable income of S\$63.3 million was 0.7% higher year-on-year.”

Mr. Yeo added, “For the first six months of 2016, we achieved a distributable income of S\$123.3 million which was 3.8% higher year-on-year and we are pleased to deliver a stable DPU of 4.872 cents.”

For the office portfolio, Suntec City Office committed occupancy improved to 98.1% as at 30 June 2016. ORQ committed occupancy stood at 99.6% while MBFC Properties achieved 100% committed occupancy as at 30 June 2016.

For the retail portfolio, the committed occupancy for the entire Suntec City mall was 97.5% as at 30 June 2016. The committed occupancy for ORQ and Marina Bay Link Mall were 100% and 99.5% respectively as at 30 June 2016.

The overall committed occupancy for the office and retail portfolio stood at 98.9% and 97.7% respectively as at 30 June 2016.

On Suntec REIT's office performance, Mr. Yeo said, "During the second quarter of 2016, we have renewed and signed approximately 176,000 sq ft of leases, reducing the 2016 lease expires to only 1.8%. Looking ahead, we expect the performance of our office portfolio to remain stable in 2016."

Commenting on the new Suntec City, Mr. Yeo said, "With the changing retail landscape, we have enhanced shoppers' experience and driven customer loyalty via Suntec Rewards, the new digital platform which brings together Suntec City's community of retailers, shoppers, PMEBs, tourists and MICE delegates. Over 43,000 members have signed up with our Suntec Rewards programme since its launch in July 2015."

"We are pleased that in recognition of our efforts in raising brand awareness and customer loyalty, Suntec Rewards recently won the Loyalty Programme of the Year (Silver) and Best Loyalty Programme – Retailer (Bronze) at the Marketing Magazine Loyalty & Engagement Awards 2016. We will continue to engage and delight shoppers through the myriad of exciting events and promotions planned for the rest of the year."

Summary of Suntec REIT's 2Q FY16 & 1H FY16 Results

	2Q FY16 (S\$'000)	2Q FY15 (S\$'000)	% Change	1H FY16 (S\$'000)	1H FY15 (S\$'000)	% Change
Gross revenue	78,938	81,446	-3.1	157,281	155,909	0.9
Net property income	52,673	56,919	-7.5	106,645	108,272	-1.5
Distributable income	63,325	62,855	0.7	123,328	118,852	3.8
- from operations	55,325	56,855	-2.7	111,328	112,852	-1.4
- from capital	8,000	6,000	33.3	12,000	6,000	100
Distribution per unit	2.501¢	2.500¢	0.0	4.872¢	4.730¢	3.0
- from operations	2.185¢	2.261¢	-3.4	4.398¢	4.491¢	-2.1
- from capital	0.316¢	0.239¢	32.2	0.474¢	0.239¢	98.3
Distribution yield						
- based on 30 June 2016 closing price of S\$1.77	5.7%	5.7%		5.5%	5.4%	
- based on 20 July 2016 closing price of S\$1.80	5.6%	5.6%		5.4%	5.3%	

For 2Q FY16, Suntec REIT's gross revenue of S\$78.9 million and net property income of S\$52.7 million were 3.1% and 7.5% lower year-on-year respectively. This was mainly due to the divestment of Park Mall and mitigated by the opening of Phase 3 of Suntec City mall.

The debt-to-asset ratio stood at 34.7% as at 30 June 2016 whilst the all-in financing cost was 2.77% for 2Q FY16.

For 1H FY16, Suntec REIT's gross revenue of S\$157.3 million was 0.9% higher year-on-year. This was mainly due to the opening of Phase 3 of Suntec City mall and was partially offset by the divestment of Park Mall. Notwithstanding the divestment of Park Mall, the net property income for 1H FY16 was S\$106.6 million, a decrease of S\$1.6 million or 1.5% year-on-year.

Mr. Yeo added that, "We are pleased to report that the construction of 177 Pacific Highway in North Sydney is on-track for completion in August 2016. We are also making good progress with the redevelopment plans for Park Mall and will be taking back the premises by end September 2016."

Mr. Yeo continued, "Despite the challenges facing the retail industry and office headwinds, we are pleased to deliver a stable and sustainable DPU for the quarter and half year."

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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), 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 which is currently under development. 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.

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