



Results for the Period 9 Dec 2004 – 31 Mar 2005

Investor briefing
27 Apr 2005

ARA Trust Management (Suntec) Limited

Agenda

- In brief
- Financial highlights
- Strategies to create value
- Unit performance
- Q&A

In Brief

Suntec REIT outperforms forecast; prospects good

- **Distribution per unit (DPU) 5.7% above forecast**
 - Revenue & net property income generally in line with forecast at S\$40m & S\$29m respectively
 - Income before tax 10.8% above forecast
- **Strong asset performance**
 - Rising office occupancy and rents; Committed occupancy at 85%
 - Double digit growth in retail rents from preceding levels
- **Prudent financial management**
 - Property expenses 5.0% lower than forecast
 - Effective average cost of debt 60 basis points below forecast
- **Strong organic growth potential**
 - Significant potential upside exist for increasing revenue & efficiency in usage of space
- **Acquisition plans in progress**
- **Unit price appreciated by 28% since listing**

Financial highlights

Financial Results : 9 Dec '04 – 31 Mar '05



DPU exceeded forecast by 5.7%

	Actual	Forecast¹	Var(%)
Distribution per unit² (S\$ cents)	1.86	1.76	+5.7
Net income before tax³ (S\$'000)	21,445	19,363	+10.8

Source: ARA Trust Management (Suntec) Limited ("ARATMS")

Notes:

1. Based on assumptions/forecasts stated in the Prospectus dated 29 November 2004
2. Based on 1,287,469,464 units in issue as at 31 March 2005 & 1,686,414 units issuable to the Manager on 29 April 2005 as partial satisfaction of management fee incurred for the period 1 January 2005 to 31 March 2005. Excludes 207,002,170 deferred units payable to Suntec City Development Pte Ltd over 6 equal installments, the first of which falls 42 months after 9 Dec 04.
3. Excluding S\$3.5 million of other income relating to a non-recurring amount paid by Suntec City Development Pte Ltd, as the sponsor of the REIT, for services rendered in relation to the completion of sale of properties forming the initial portfolio of the Suntec REIT and the initial public offering of units in the Suntec REIT.

Financial Results : 9 Dec '04 – 31 Mar '05



For the period 9 Dec 2004 – 31 Mar 2005	Actual (S\$'000)	Forecast ¹ (S\$'000)	Var (%)
Revenue	39,788	40,319	(1.3)
Less property expenses	(10,758)	(11,319)	(5.0)
Net property income	29,030	29,000	0.1
Less financing costs	(3,798)	(5,904)	(35.7)
Less trust expenses ²	(3,787)	(3,733)	1.4
Other income ³	3,500	-	NM
Net income before tax	24,945	19,363	28.8
Add non-tax deductible (chargeable) items	2,514	3,368	28.3
Taxable income	27,459	22,731	20.8
Less other income ³	(3,500)	-	NM
Income currently available for distribution³	23,959	22,731	5.4
DPU (S\$ cents)	1.86	1.76	5.7

Source: ARA Trust Management (Suntec) Limited ("ARATMS")

NM - Not meaningful

Notes:

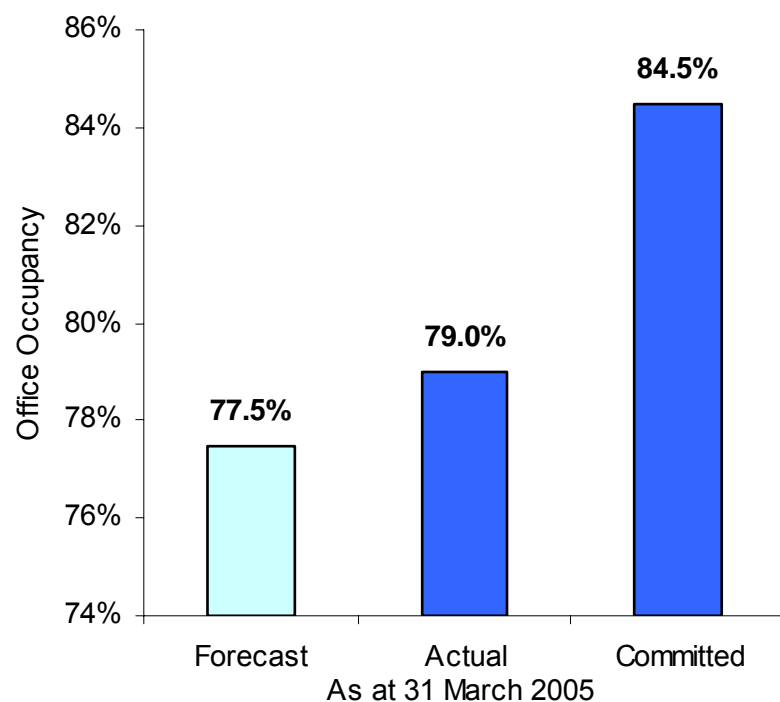
1. Based on assumptions stated in the Prospectus dated 29 November 2004
2. Trust expenses including the Manager's fee, trustee fees and administrative fees
3. Other income relates to a non-recurring amount paid by Suntec City Development Pte Ltd, as the sponsor of Suntec REIT, for services rendered in relation to the completion of sale of properties forming the initial portfolio of Suntec REIT and the initial public offering. This amount of other income does not enjoy tax transparency and is only distributable after tax assessment., and hence, deducted from the Taxable income to derive the Income currently available for distribution.

- **Income available for distribution is 5.4% higher than forecast**
- **Revenue & net property income generally in line with forecast at S\$40m & S\$29m respectively**
- **Property expenses 5.0% lower than forecast**
- **Financing costs 35.7% lower than forecast**
 - Financing costs reduced significantly by S\$1.8 mil of financial gain arising from the change in fair value that relates to the ineffective part of a hedge executed to fix the interest on S\$500 mil of term loan facility
 - Actual borrowing costs of S\$5.6 mil is 5.1% lower than forecast

Office Performance

Outperforming Rental & Occupancy Forecasts

- Actual occupancy higher than forecast¹;
Committed occupancy already at 85%



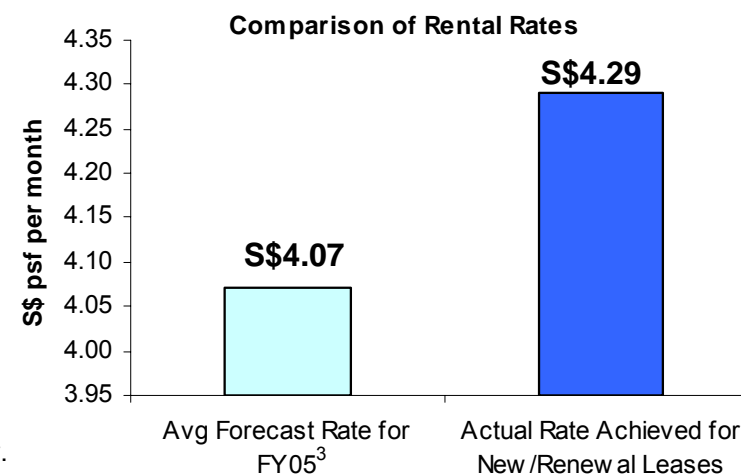
Notes:

- Forecast based on assumptions stated or assumptions used to derive the forecast/projection as stated in the Prospectus dated 29 Nov 04.
- For new/renewal leases committed and came into effect during the period under review.
- Avg Forecast Rate for FY05 computed as average monthly forecast office gross revenue for FY05 divided by average forecast leased area.

- Achieved office revenue 2.9% above forecast¹

Office Revenue (9 Dec 04 – 31 Mar 05)	
Actual	Forecast ¹
S\$14.1 mil	S\$13.7 mil

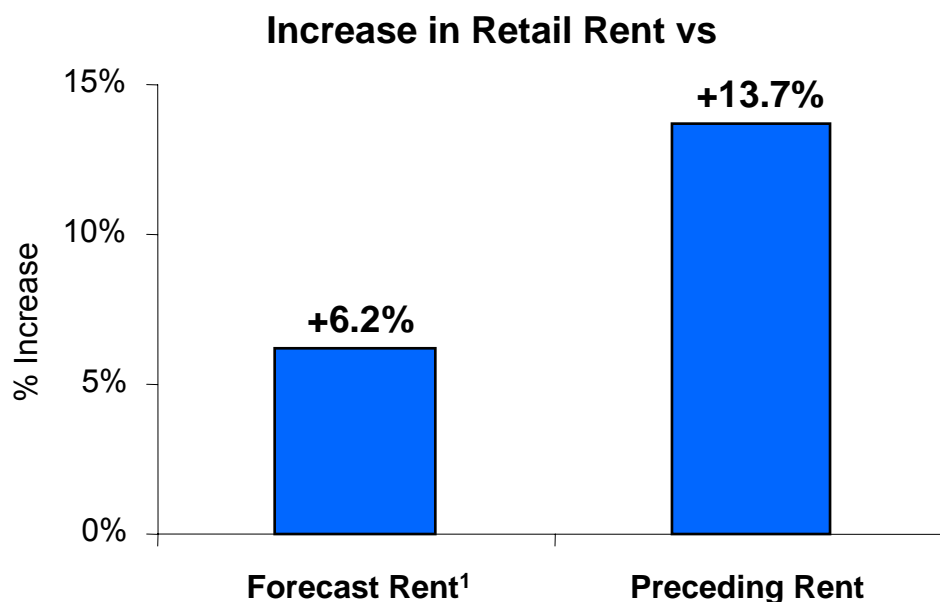
- Achieved office rental rates²
5.4% above forecast



Retail Performance

Continued Strong Growth in Retail Rental Rates

- Retail rental rates for renewals continue to enjoy double digit growth from preceding levels

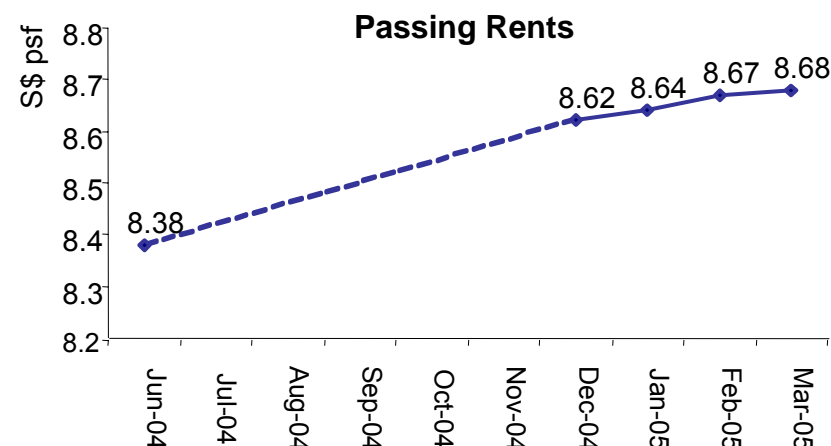


Notes:

- Forecast based on assumptions stated or assumptions used to derive the forecast/projection as stated in the Prospectus dated 29 Nov 04

- Retail revenue is close to forecast

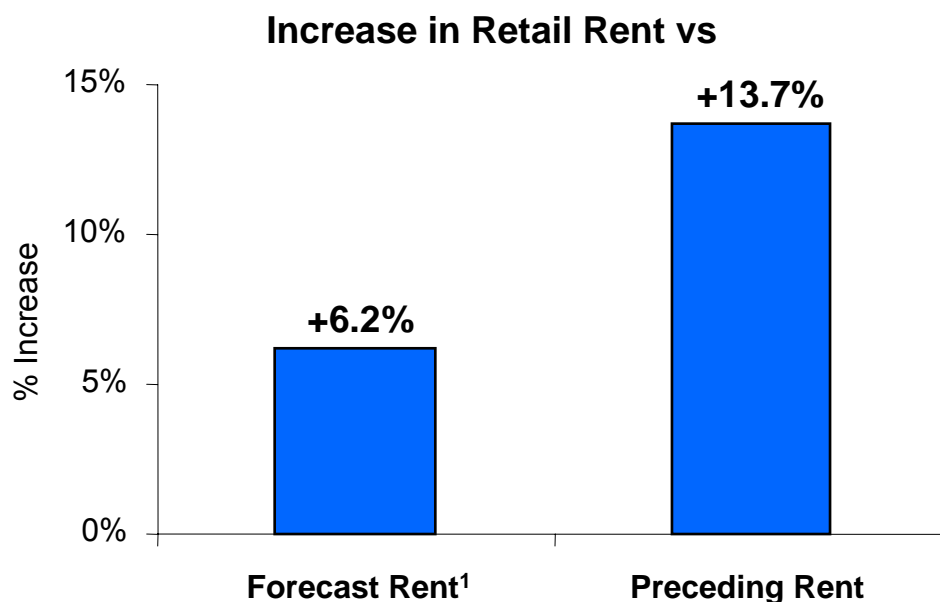
Retail Revenue (S\$ mil)	Actual	Forecast ¹
(9 Dec 04 – 31 Mar 05)	S\$25.7	S\$26.6
Occupancy	Actual	Forecast ¹
(as at 31 Mar 05)	93.6%	99.2%



Retail Performance

Continued Strong Growth in Retail Rental Rates

- Retail rental rates for renewals continue to enjoy double digit growth from preceding levels



- Retail revenue is close to forecast

Retail Revenue (S\$ mil)	<u>Actual</u>	<u>Forecast¹</u>
(9 Dec 04 – 31 Mar 05)	S\$25.7	S\$26.6
Occupancy	<u>Actual</u>	<u>Forecast¹</u>
(as at 31 Mar 05)	93.6%	99.2%

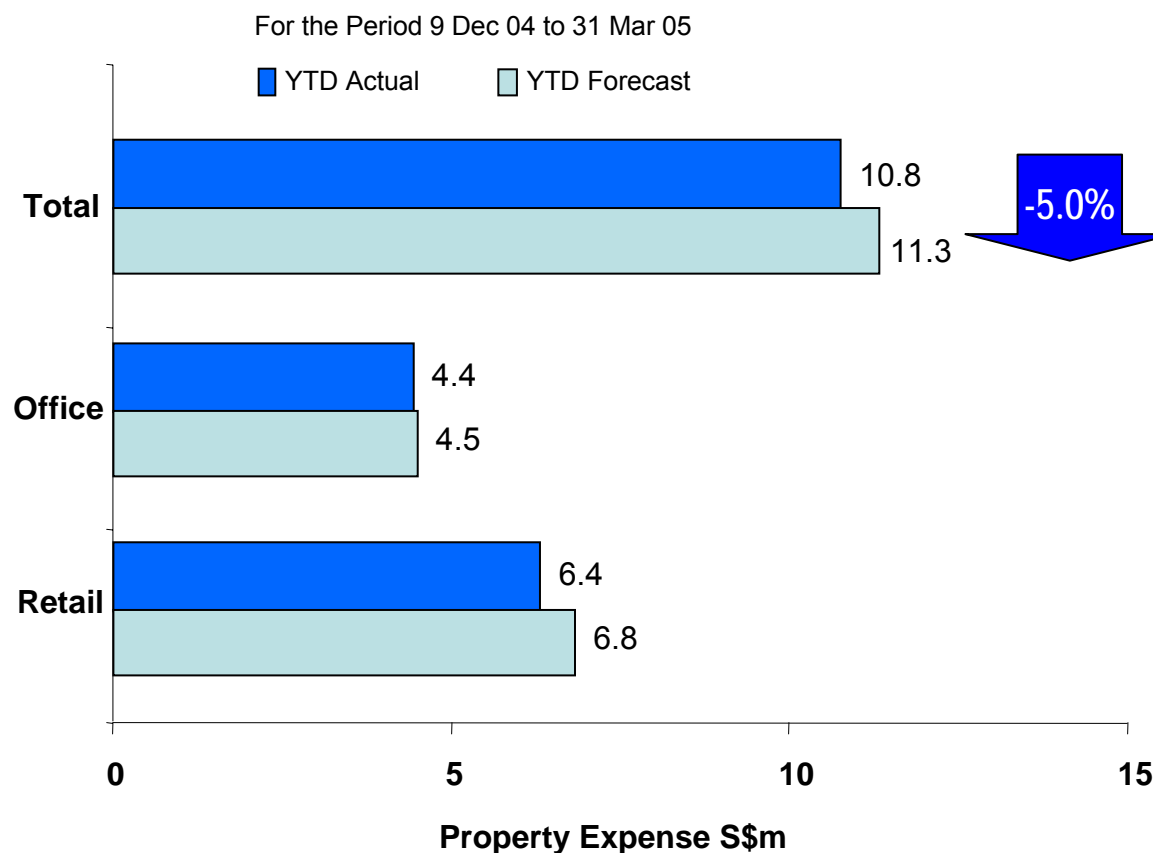
Temporary drop in occupancy due to the manager's asset & revenue enhancement initiatives to re-position 39,317 sq ft of retail space on the 3rd floor of the Tropics zone to improve retail yield (refer to section on Retail Strategy)

Notes:

- Forecast based on assumptions stated or assumptions used to derive the forecast/projection as stated in the Prospectus dated 29 Nov 04

Property Expense

Total property expense 5.0% lower than forecast



- Cost-to-revenue ratio at 27.0%
- Potential to further lower expense through lower MCST contributions
(refer to section on Asset Enhancements)

Notes:

1. Relevant forecasts based on assumptions stated in the Prospectus dated 29 November 2004

Debt Management

Effective average cost of debt is 60 bps below forecast

Effective Average Cost of Debt¹

9 Dec 04 – 31 Mar 05	Actual	F'cast ²	Var
Effective avg int. rate ¹	1.85%	2.45%	-60bps

Source: ARATMS

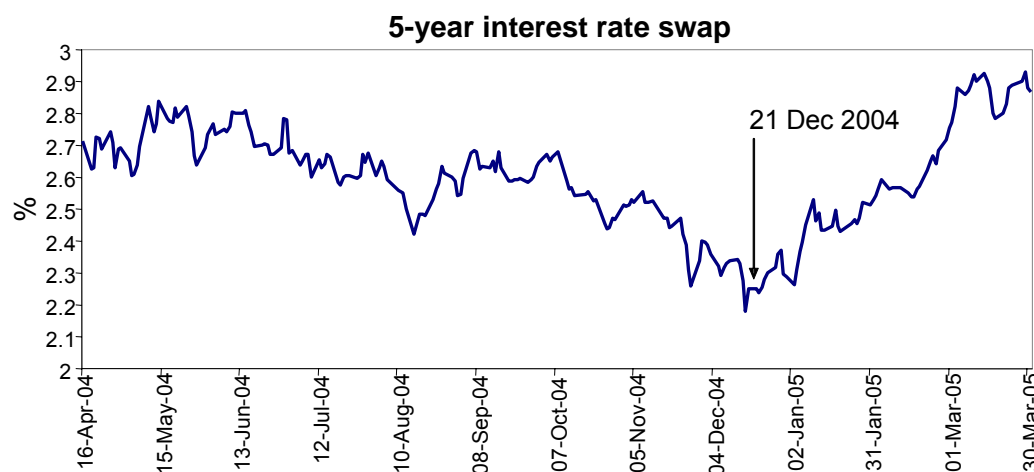
Notes:

1. Refers to actual interest charged to Income currently available for distribution (see overleaf for more details). Weighted by the relative amount of fixed and floating debt.
2. Based on the assumptions in the Prospectus dated 29 Nov 2004.

Other Relevant Debt Statistics

Debt/Asset Ratio	31.5%
Interest Cover	7.01x
Debt Rating	"AAA"

Singapore Interest Rates



Source: Bloomberg

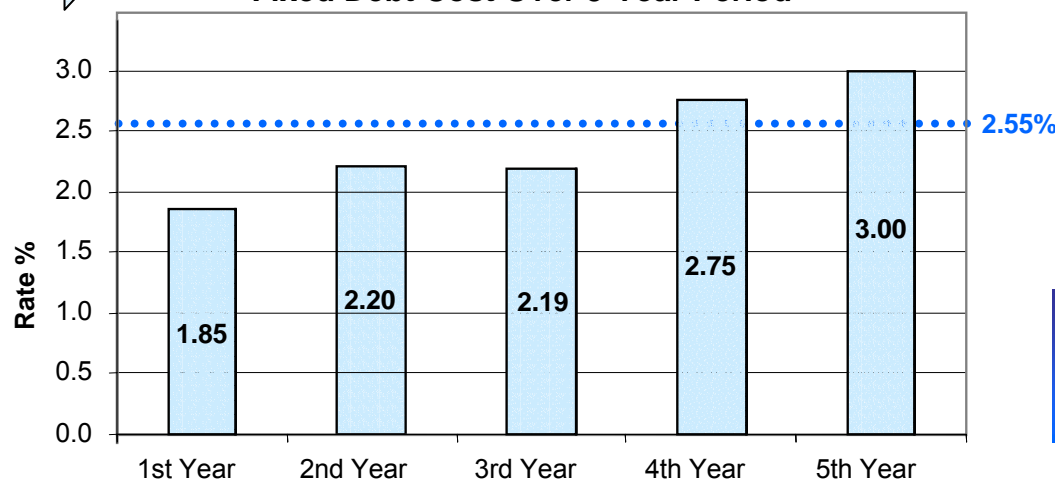
Suntec REIT managed to catch the bottom of the market when the interest rate hedge was effected on 21 Dec 04 at a base rate of 2.25% p.a.

The 5-year interest rate swap has since increased to 2.87% p.a. as at 31 Mar 05.

Debt Management

Debt Profile	Term	Facility Limit	Utilisation As at 31/03/05	% of total
Revolving	1M	S\$ 50m	0	0
Floating	3M	S\$200m	S\$200m	29
Fixed	5Y	S\$500m	S\$500m	71
Total		S\$750m	S\$700m	100

Fixed Debt Cost Over 5-Year Period



□ Step-up interest payment.

Source: ARATMS

71% of debt fixed for 5 years

- A 5-year interest rate swap was entered into on 21 December 2004 to hedge the interest rate risk for S\$500 million of the term loan facility at an all-in interest rate of 2.55% p.a. ("straight-lined")
- Impact on DPU based on step-up interest payments instead (as indicated by □)
 - Interest rate charged at 2.55% for accounting purpose.
 - For the purpose of computing Income currently available for distribution, effective cost of debt charged is equal to step-up interest payments.

**For fixed debt portion,
effective cost of debt = actual interest payment
(i.e. 1.85% in the 1st Year)**

Interest Rate Impact

Impact of interest rate rises likely to be small

Suntec REIT interest expense scenarios, 2005F

Effective average cost of debt

Borrowing costs	1.85%
Rate rise scenarios for 2005 ¹	
- 50 bps rise ²	2.03%
- 100 bps rise ³	2.08%
- 100 bps rise ⁴	2.08%

Source: ARATMS

Notes:

1. Assuming unchanged hedging at 71.4% of term loan facility of S\$700m
2. Assuming two 25 bps rises, in May and Aug
3. Assuming four 25 bps rises, in May, Jun, Aug and Sep
4. Assuming two 50 bps rises, in May and Aug

- In worst case scenario, effective average cost of debt to remain below 2.10%

Balance Sheet

NAV per unit currently S\$1.00 per unit

Balance Sheet	31/03/05 (S\$'000)
Investment properties	2,171,305
Total assets	2,220,587
Total liabilities	726,768
Net assets	1,493,819
Unitholders' Funds	1,493,819
Total Units	1,496,158,048 ¹
NAV per unit (S\$)	1.00 ²

- 24% premium to adjusted NAV could reduce on revaluation of properties on the back of a recovering market

Relevant per unit statistics

Net asset value (NAV) per unit	S\$1.00
Adjusted NAV per unit (excl. income available for distribution)	S\$0.98
Unit price as at 26 April 2005	S\$1.22
Premium to Adjusted NAV	24%

Source: ARATMS

Notes:

1. Includes 1,686,414 units issuable to Manager on 29 Apr 05 as management fee incurred for the period Jan – Mar 05, and 207,002,170 deferred units payable to Suntec City Development over 6 equal installments, the first of which falls 42 months after 9 Dec 04
2. Includes DPU of S\$0.01858 payable to 1,289,155,878 units on 30 May 05 (excluding deferred units)

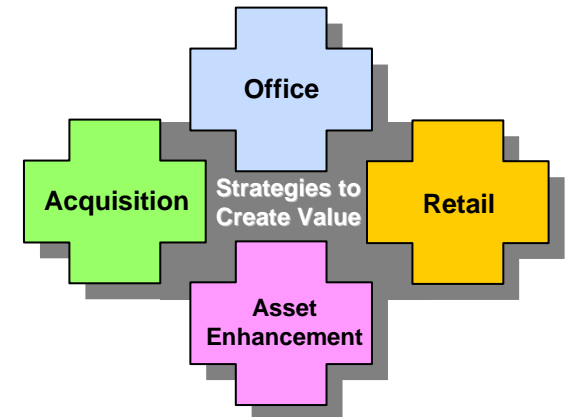
Suntec REIT units trade ex-distribution on 4 May 2005

Distribution payment (for the period 9 Dec 04 to 31 Mar 05)

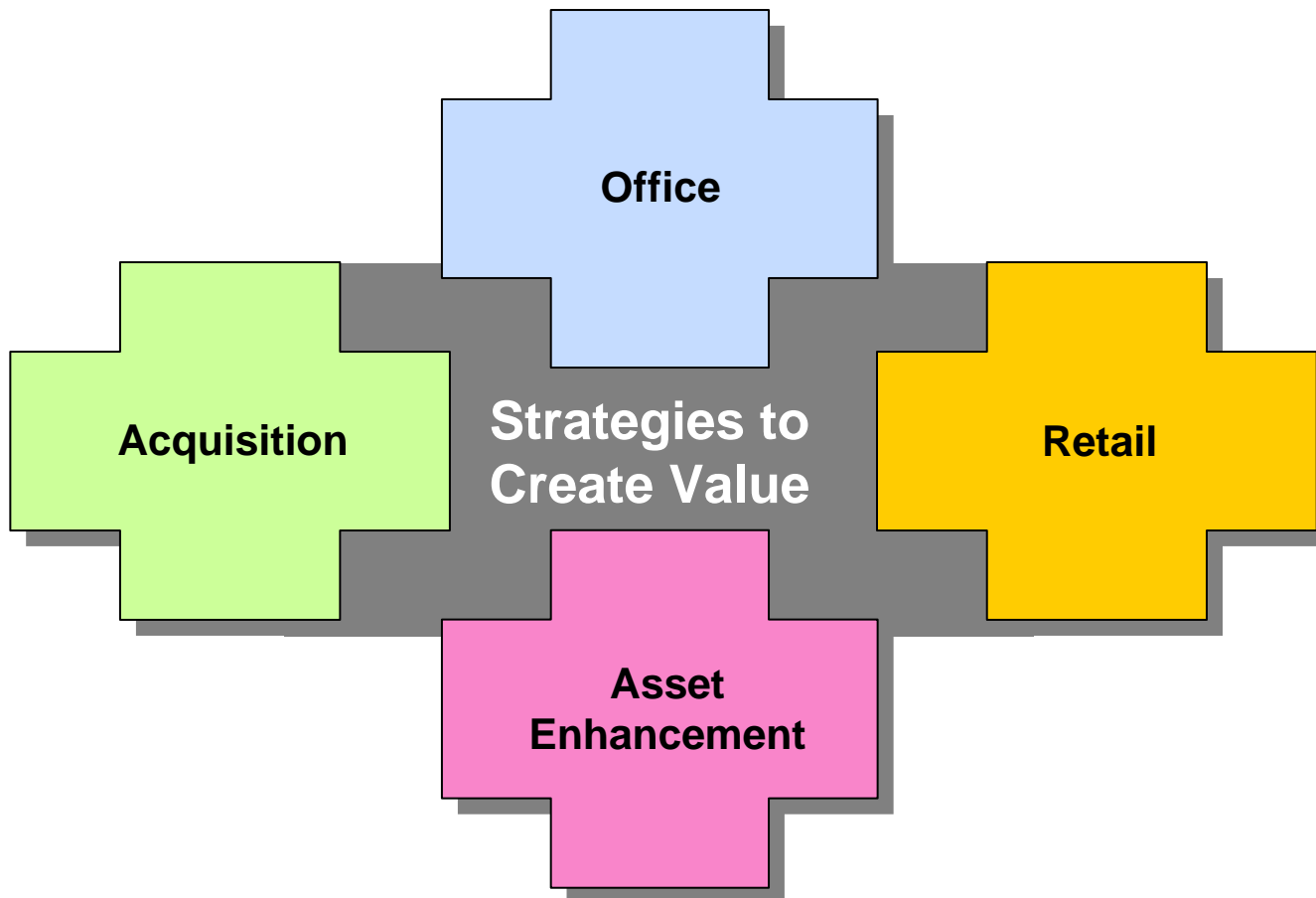
Amount (cents/unit)	1.858
Ex date	4 May 05
Books closure	6 May 05
Payment	30 May 05

Source: ARATMS

Strategies to create value

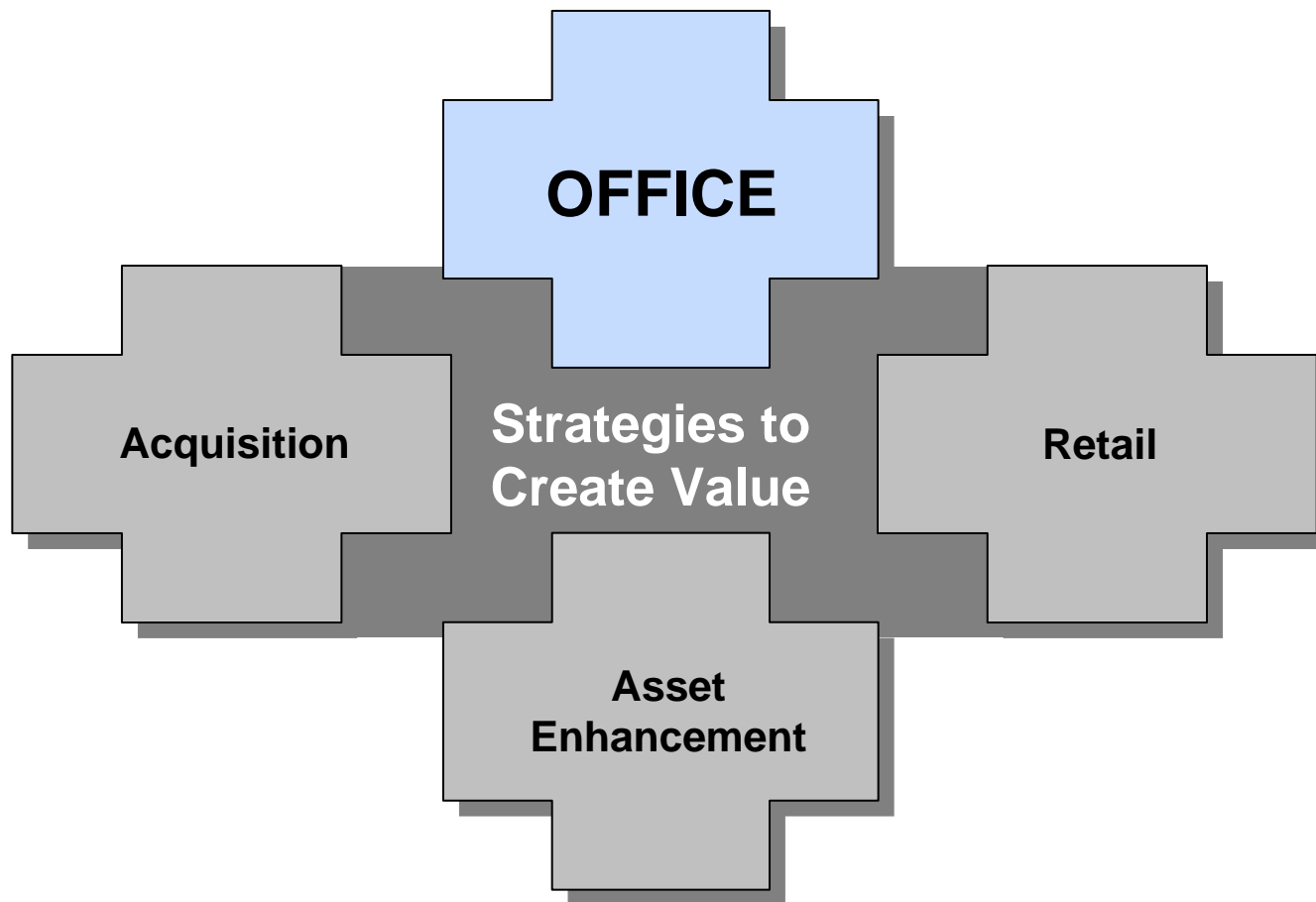


Focus on Our Core Strategies and Goals



Drivers of Value

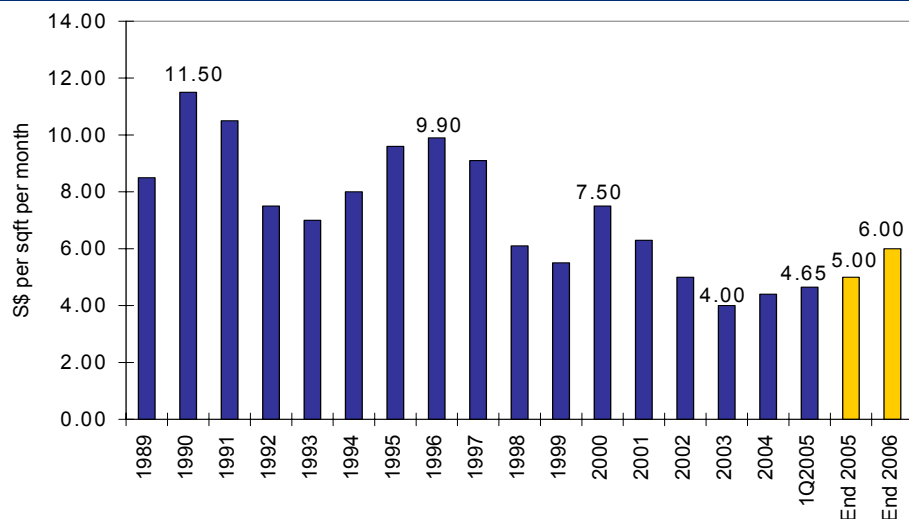
Focus on Our Core Strategies and Goals



Singapore Office Market Update

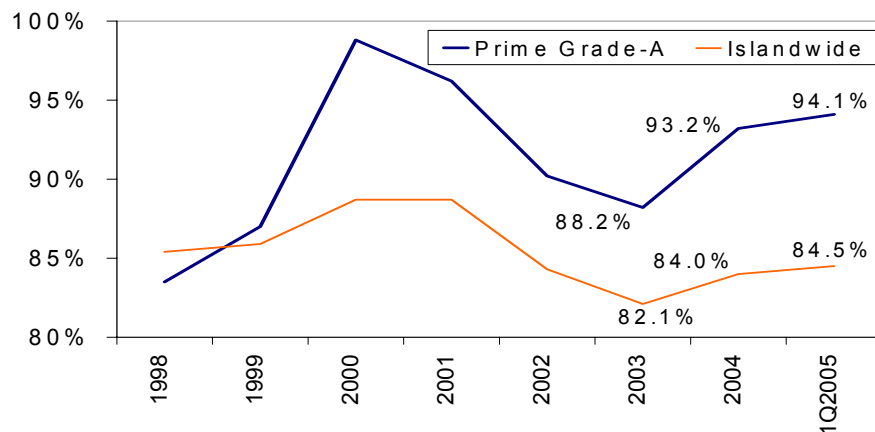
❖ Rentals and occupancies on the uptrend; driven by tight supply and economic growth

Rising Rentals



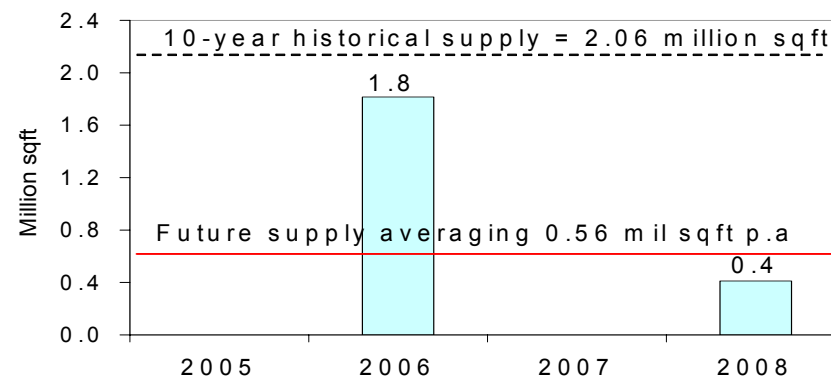
- In line with the economic expansion and the limited supply of good quality space, prime office rents bottomed out in 1Q2004 and continued its uptrend in 1Q2005 to \$4.65 per sqft from \$4.40 per sqft in end-2004.
- Occupancy rates for Grade-A office space rose to 94.1% in 1Q2005 compared to 93.2% achieved in 4Q2004. Islandwide occupancy also increased to 84.5% from 84% in the preceding quarter.
- Going forward, the limited supply from 2005 to 2008 averaging 0.56 mil sqft p.a. should provide support for further rental and occupancy increases.

Rising Occupancy



Source: URA, CBRE

Limited Office Supply (2005-2008)



Increasing occupancy rates via aggressive tenant acquisition and retention initiatives

- Exploring expansionary needs with existing tenants
- Securing new leases by working with property manager/commercial brokers
- Advancing lease renewals
- Increasing visibility of Suntec City office properties overseas

Increasing office rental in tandem with rising office market

- Capitalising on buoyant market & limited supply to raise rents
- Actively conducting market research activities to benchmark market rates
- Adopting a disciplined approach to rental negotiations
- Minimizing vacancy periods

Strong Leasing Performance Exceeds Forecast

As at 9 Dec 2004, the actual occupancy of Suntec City Office Towers was 75%

Renewals/New Leases since 9 Dec 04	No. of Tenants	Net Leased Area
Leases commenced Prior to 01 Apr 05	19	146,718 sq ft
Additional leases commencing from 01 Apr 05	17	86,039 sq ft

Occupancy as at 31 Mar 05	
Actual	79%
Committed	85%

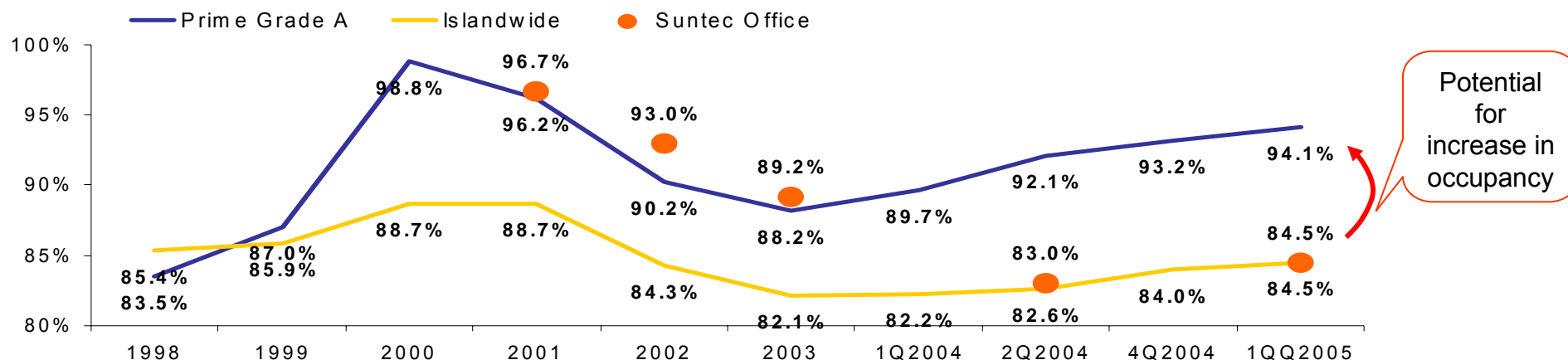
+1.9%

higher than forecast occupancy of 77.5% as at 31 Mar 05

+9.0%

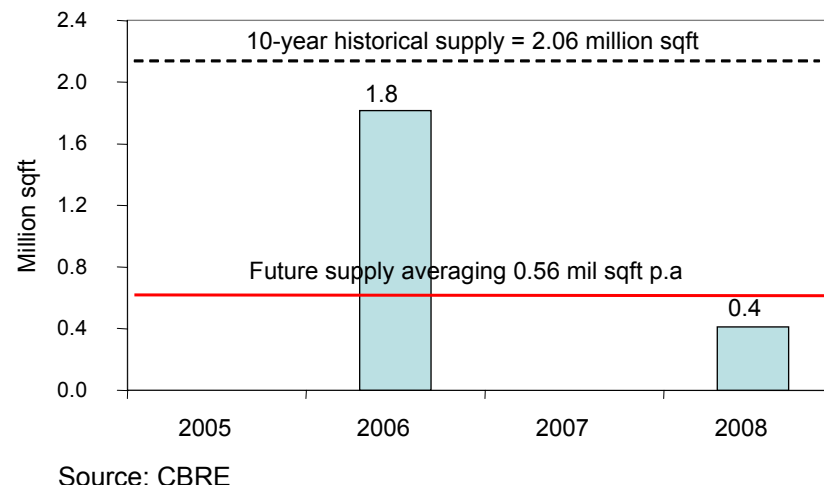
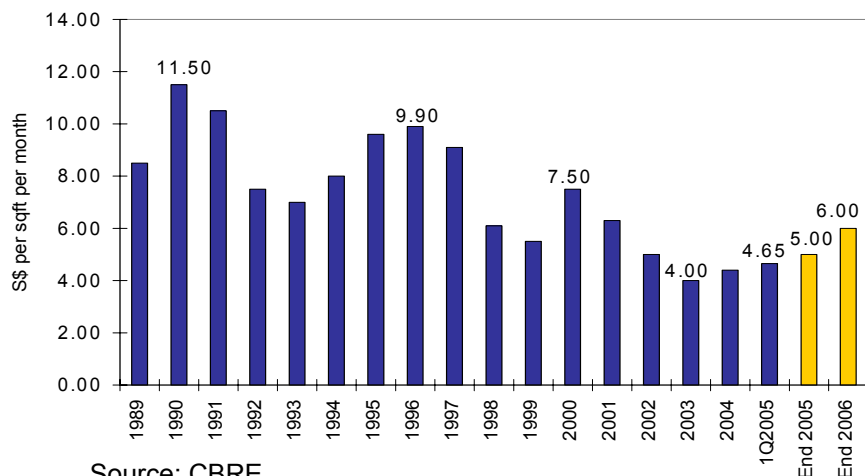
higher than forecast occupancy of 77.5% as at 31 Mar 05

Potential to catch up with Prime Grade A Occupancy of 94%



Improving Average Rental Rates

Taking Advantage of Rising Rents & Tight Supply



Potential to Negotiate for Higher Rents Than Assumed in Forecast

Property	As at 31 Mar 05		9 Dec 04 to 31 Mar 05
	No. of Tenants	Net Leased Area	Increase/(Decrease) vs Forecast ¹
Suntec City Office Towers	93	968,199 sq ft	+5.4%

5.4%

higher than average forecast rental rate for FY05

Source: ARATMS

Notes:

1. Leases that were contracted and came into effect from 9 Dec 04 to 31 Mar 05

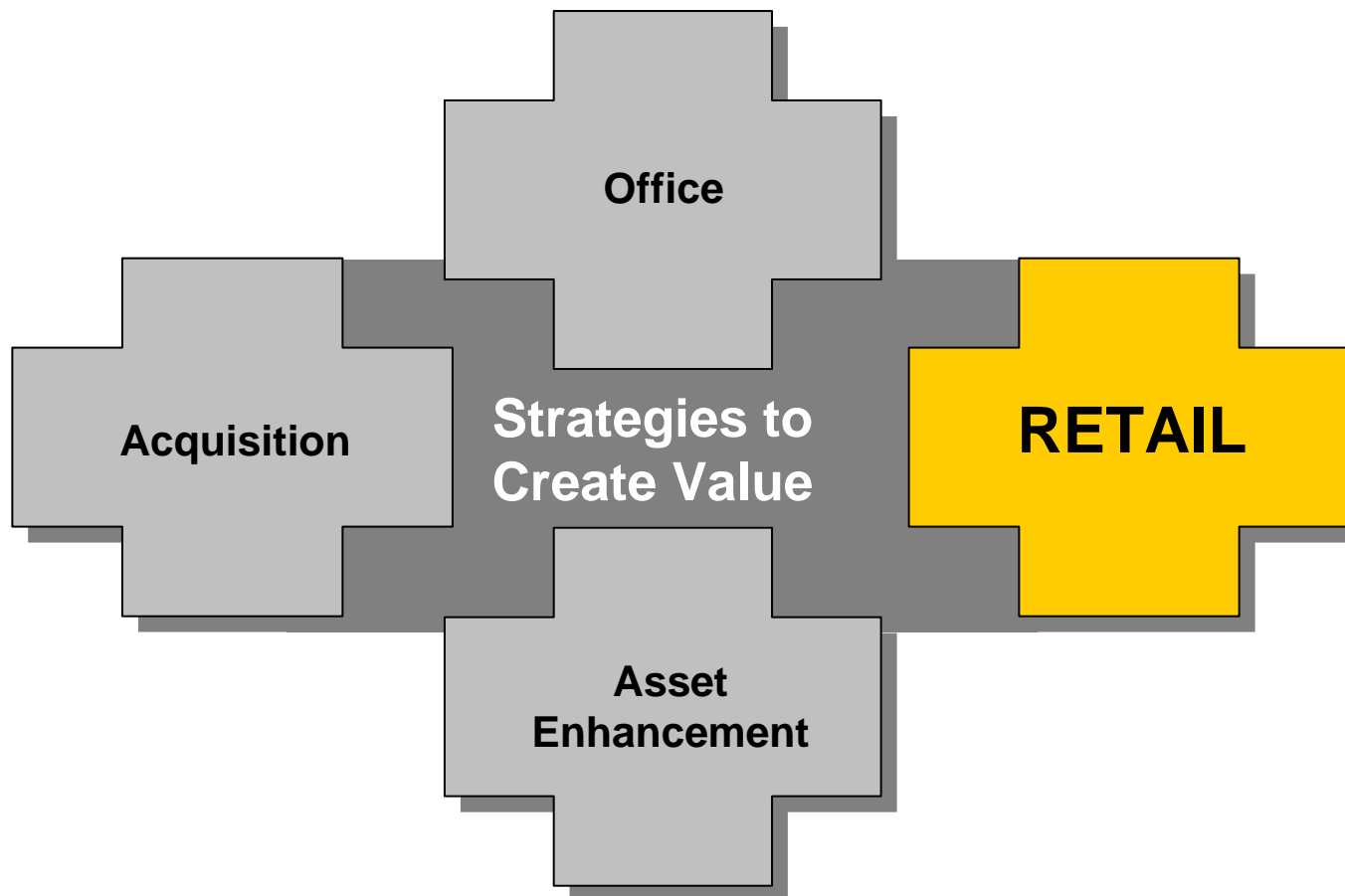
Office Leases Expiry Profile

Lease Expiry Profile by Financial Year as at 31 Mar 05

	No. of leases	Leased Area	
		Sq. ft.	% of total
Balance FY05	14	85,520	8.8
FY06	26	140,921	14.6
FY07	40	305,439	31.5
Beyond FY07	20	436,319	45.1

Source: ARATMS

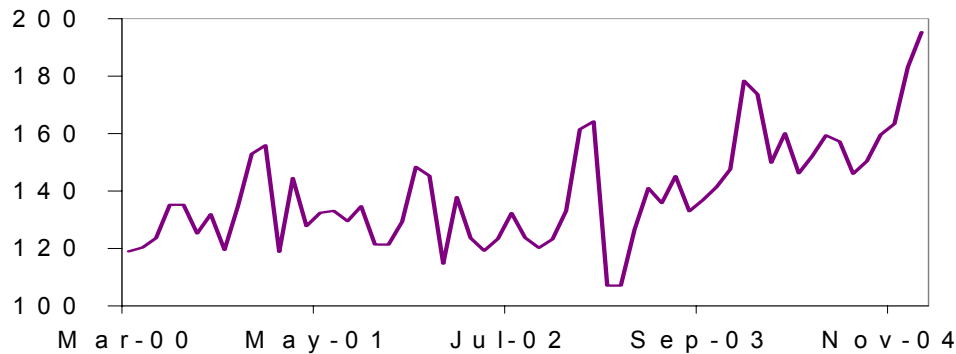
Focus on Our Core Strategies and Goals



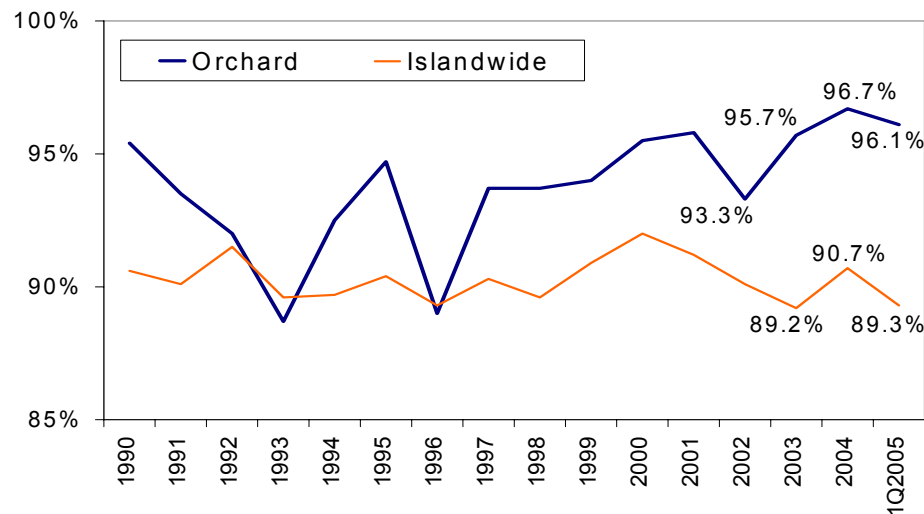
Singapore retail market update

❖ Exciting year for retail with active leasing activity and stable growth potential

Retail Sales Index

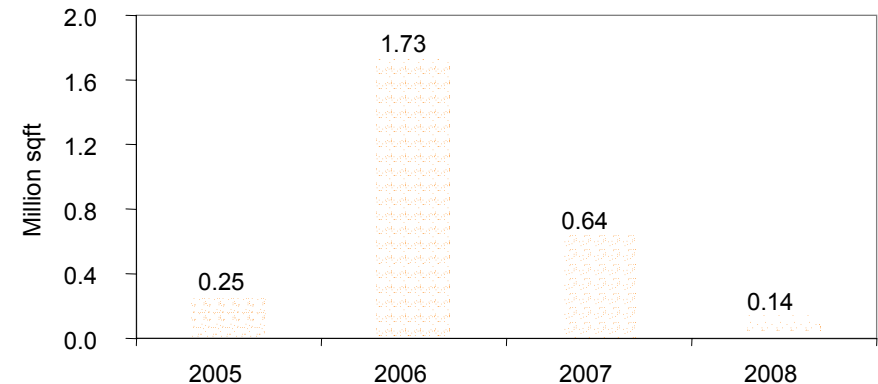


Retail Occupancy Rates



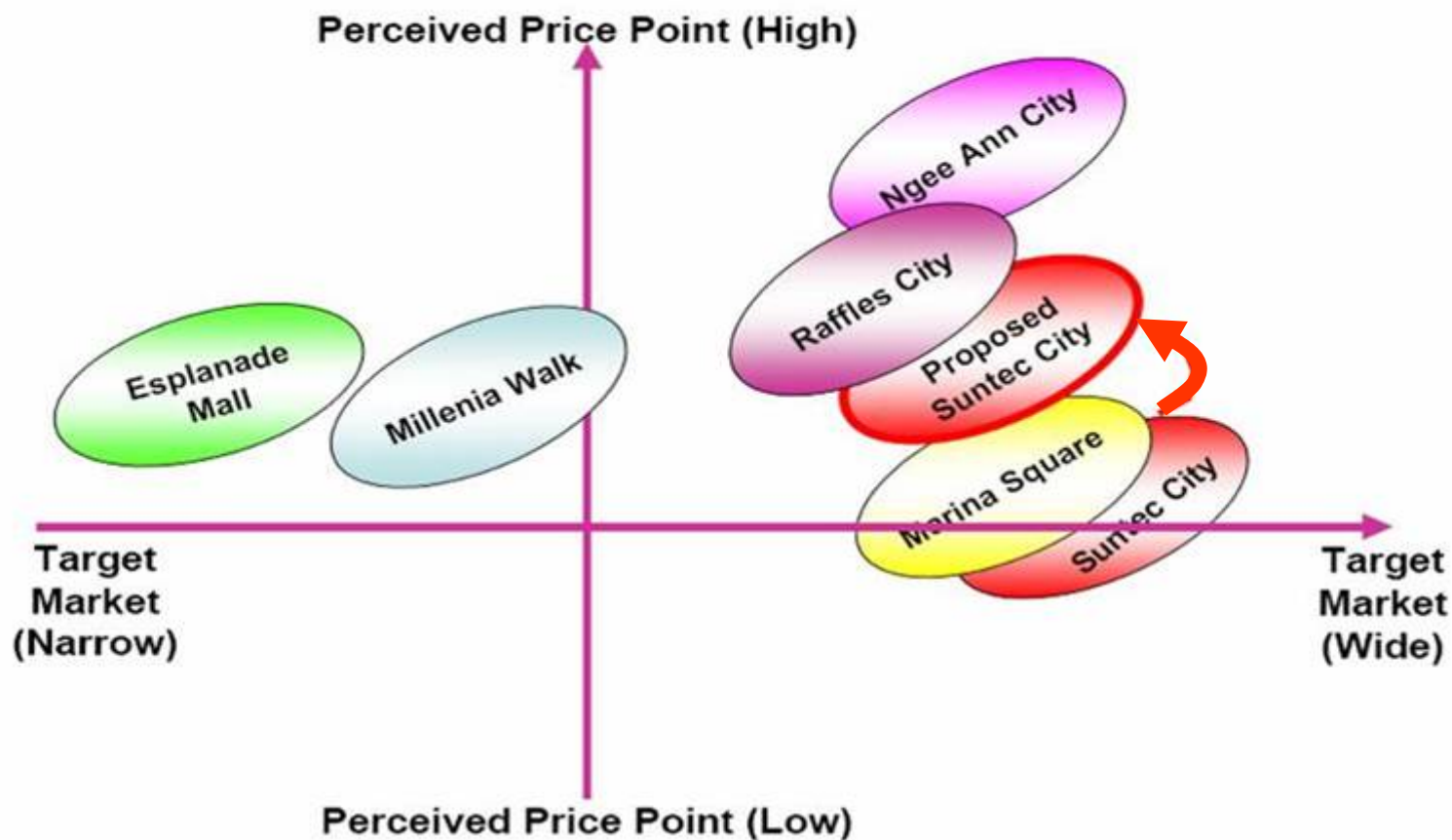
- Retail sales continued to gain momentum in 1Q2005 with the index rising by 12.4% in 2004, supported by the Chinese New Year, festive season and improving consumer sentiments on the back of positive economic growth and limited supply of private retail space.
- Rentals for retail space remained firm in 1Q2005. Occupancy rates in Orchard and islandwide were reported by the URA to be at 96.1% and 89.3% respectively as at 1Q2005.
- The limited supply of new retail space, the government's continuing efforts to promote the tourism industry together with sustained economic growth should underpin the growth of the retail sector.
- A moderate rise in islandwide rentals and occupancies is expected this year.

Future Retail Supply (2005-2008)



Source: Ministry of Trade & Industry, URA, CBRE

Strengthen the Retail Position / Branding



Source: Knight Frank

Increase the proportion of higher paying trades

- ◆ Retail rents vary depending on the type of retail trade
- ◆ Jewellery/watches and fashion are among the highest paying retail trades

Trade Sub-Sector	Present Trade Mix			Illustrative Trade Mix ¹		
	Average Gross Rent (\$/psf/month)	Percentage of Total lease Area	Weighted Average Gross Rent (\$/psf/month)	Average Gross Rent (\$/psf/month)	Percentage of Total lease Area	Weighted Average Gross Rent (\$/psf/month)
Jewelry & Watches	25.99	1%	0.31	25.99	5% ↑	1.30
Fashion	15.92	15%	2.42	15.92	35% ↑	5.57
Gifts & Speciality Shops	15.62	3%	0.47	15.62	20% ↑	3.12
Others	6.43	81%	5.18	6.43	40% ↓	2.57
		100%	8.38		100%	12.57

Potential 50% increase in average retail rent

- A sensitivity analysis indicate that average retail rents could potentially increase by around 50% by increasing the proportion of higher paying trades alone

Source: ARATMS

Notes:

1. For illustration purposes only. Eventual trade mix could be different upon finalizing the asset enhancement plans.

Re-configuration of Retail Space

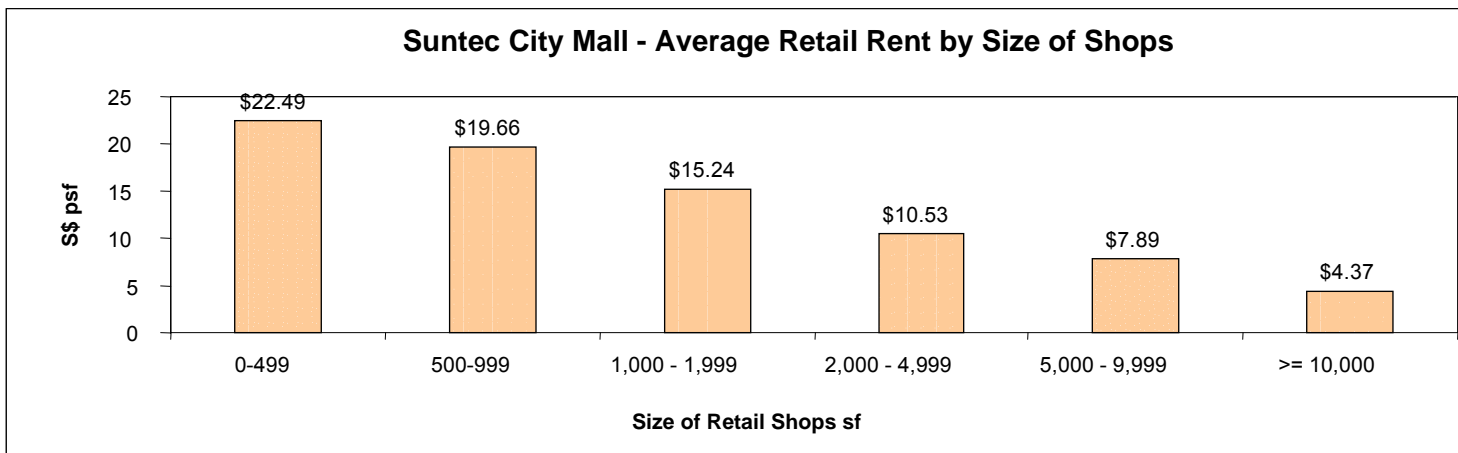
Significant potential to reduce the average shop size

- Increasing the number of shops will provide a wider variety of product offering which will enhance the shopping experience, and raise average retail rents
- Suntec City Mall is the largest mall in Singapore with about only 288 shops as at 31 March 2005

	NLA sq ft	Approx. No. of Shops	Approx Avg sq ft per shop
Tampines Mall	324,283	180 - 190	1,800
Junction 8	244,964	130 - 140	1,900
Plaza Singapura	486,113	180 - 200	2,600
Marina Square	736,000	390 - 410	1,900
Suntec City Mall	835,659	288	2,902

Source: ARATMS estimates

Suntec City Mall has a disproportionately low number of shops!



Smaller shops pay higher rents!

Source: ARATMS

Re-configuration of Retail Space

- A sensitivity analysis indicate that average retail rents could potentially increase by around 38% by re-configuring retail space into smaller units alone

Distribution of Shop Sizes	Present Configuration			Illustrative Configuration ¹		
	% NLA	Average Rentals	Weighted Average Rent	% NLA	Average Rentals	Weighted Average Rent
		(\$ /psf/month)	(\$ /psf/month)		(\$ /psf/month)	(\$ /psf/month)
0 - 499	3%	22.49	0.63	8% ↑	22.49	1.80
500 - 999	7%	19.66	1.29	15% ↑	19.66	2.95
1,000 - 1,999	10%	15.24	1.57	20% ↑	15.24	3.05
2,000 - 4,999	16%	10.53	1.67	16%	10.53	1.69
5,000 - 9,999	11%	7.89	0.89	6% ↓	7.89	0.47
>10,000	53%	4.51	2.39	35% ↓	4.51	1.58
	100%		8.38	100%		11.53

Potential 38% increase in average retail rent

Source: ARATMS

Notes:

- For illustration purposes only. Eventual configuration could be different upon finalizing the asset enhancement plans.

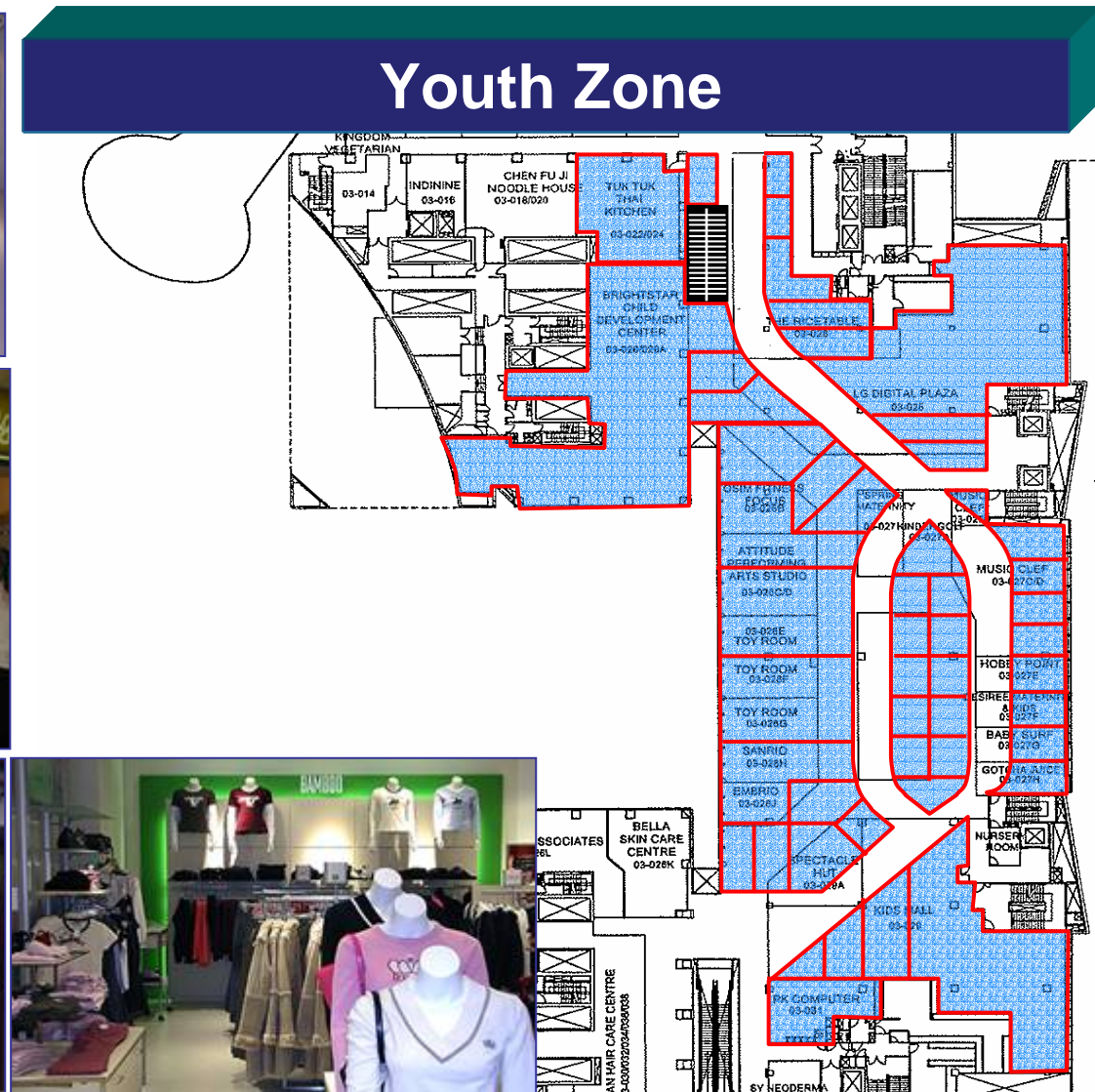
3rd Level Tropics Zone Repositioning for Higher Yield

Children & Infants



Source: ARATMS & Knight Frank

3rd Level Entertainment Zone Repositioning for Higher Yield



Source: ARATMS & Knight Frank

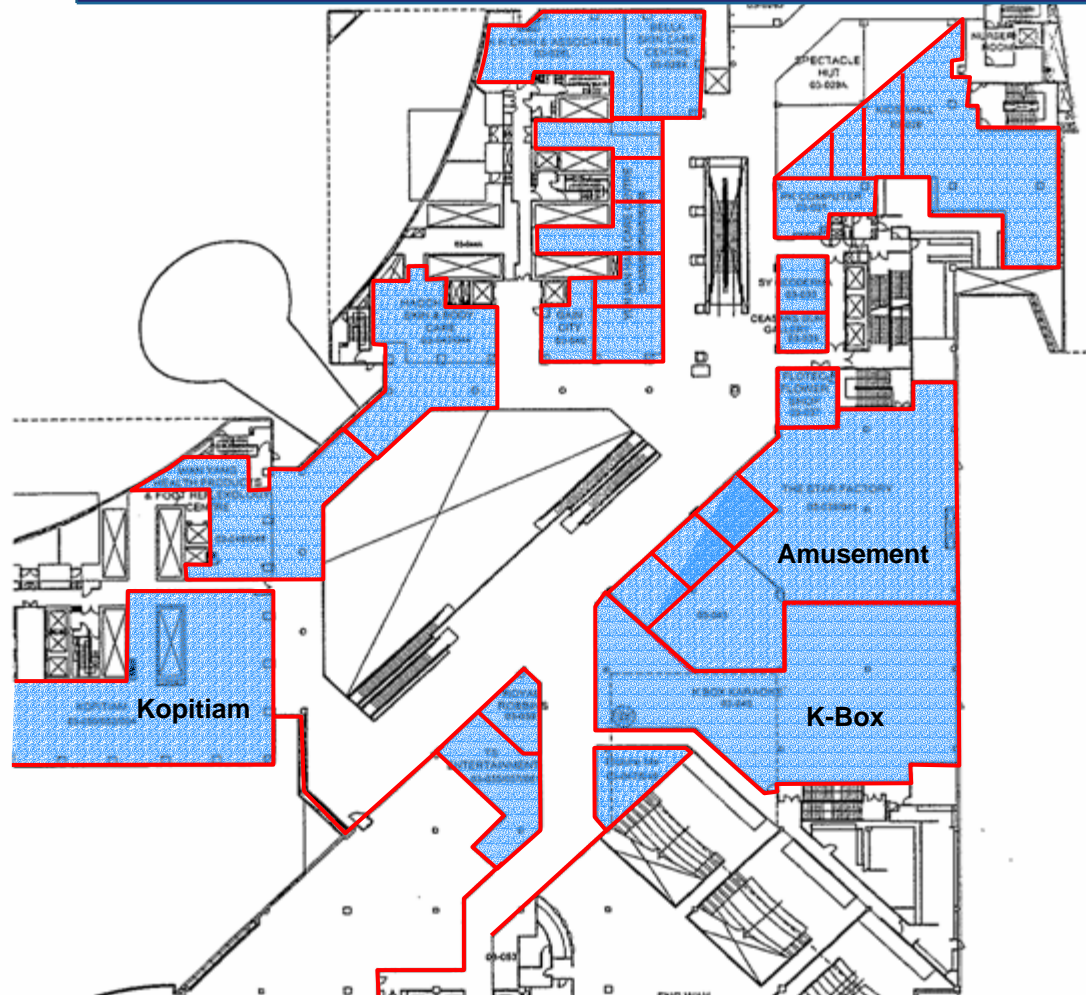
3rd Level Entertainment Zone

Repositioning for Higher Yield



Source: ARATMS & Knight Frank

Youth Zone



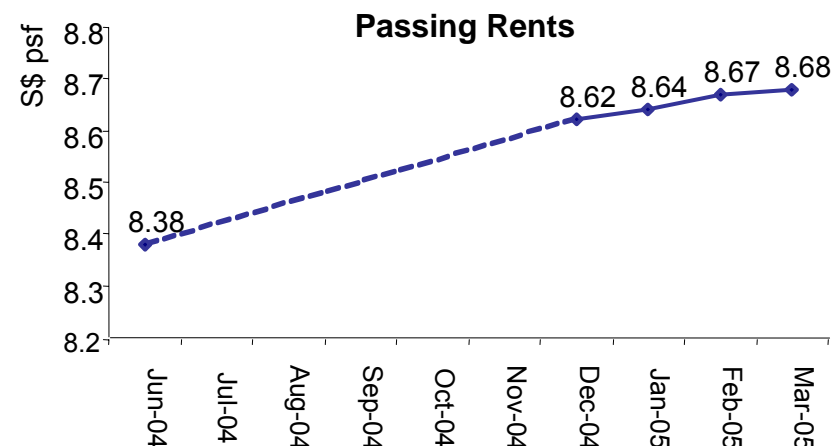
Catching Up with Market Rental Rates

Continued Strong Growth in Retail Rents

For the Period
9 Dec 04 to 31 Mar 05

	Increase/(Decrease) Versus	
	Forecast Rent psf/month	Preceding Rent psf/month
Suntec City Mall	+6.2%	+13.7%

- Retail rents continue to enjoy double digit growth from preceding levels
- Higher than island wide average growth in rent is due to the mall's "under-rented" situation



Temporary Drop in Occupancy

As at 31 Mar 05	No. of Tenants	Net Leased Area	Occupancy	
			Forecast	Actual
Suntec City Mall	288	782,048 sq ft	99.2%	93.6%

- "Frictional" vacancy due to deliberate delay in leasing 39,317 sq ft of space on the 3rd floor of the Tropics zone
- 3rd floor the Tropics zone to be re-positioned as part of strategic initiatives to enhance retail yield and improve shopping traffic
- Provides prime opportunity to introduce a cluster of trade that pays good market rents

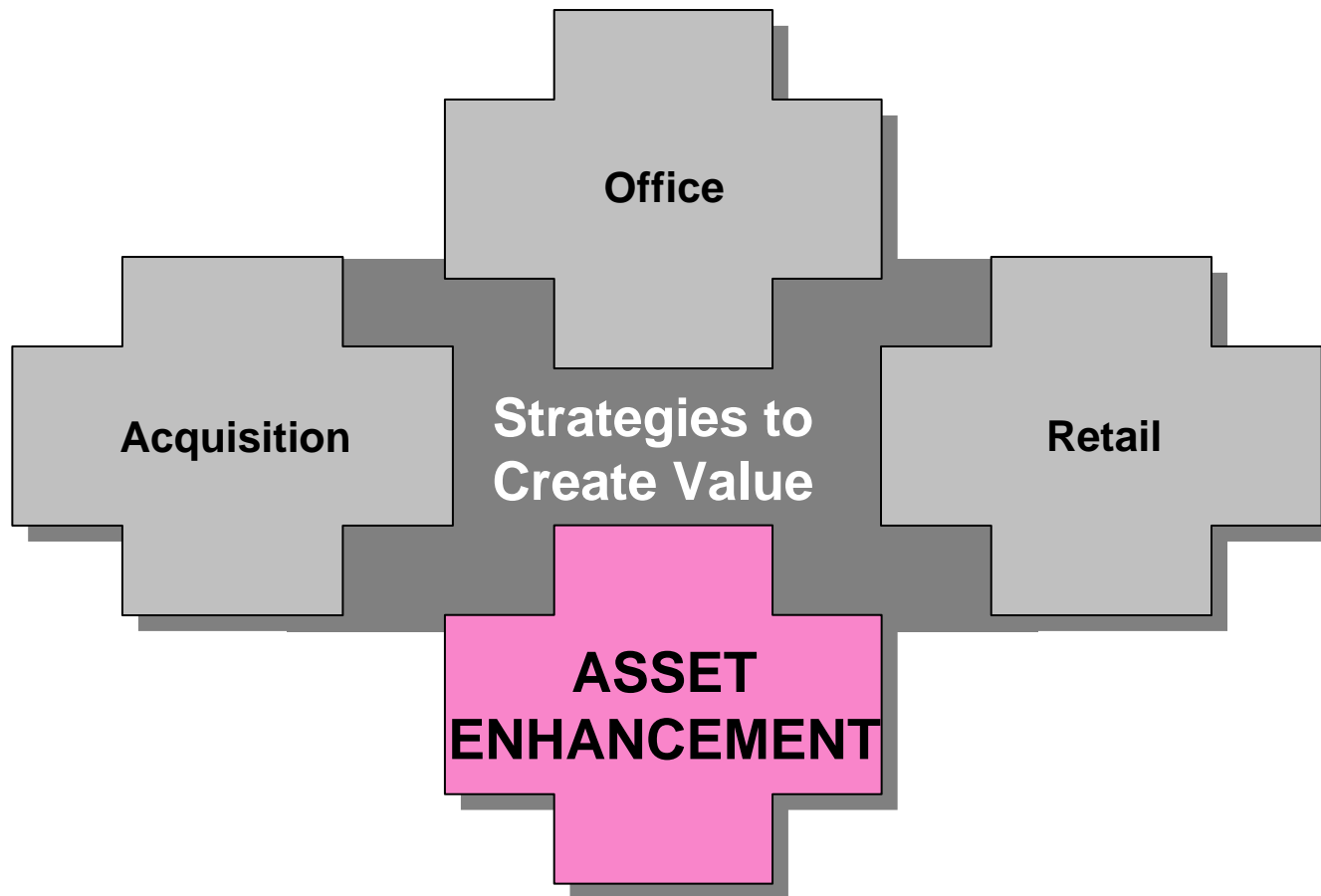
Retail Leases Expiry Profile

Lease Expiry Profile by Financial Year as at 31 Mar 05

	No. of leases	Leased Area	
		Sq. ft.	% of total
Balance FY05	75	155,624	19.9
FY06	76	109,029	13.9
FY07	78	286,956	36.7
Beyond FY07	58	230,439	29.5

Source: ARATMS

Focus on Our Core Strategies and Goals



Overview

For reference only



For reference only



A) Optimising the use of retail space

- pushcarts & kiosks
- leasing of atrium space for promotional activities

B) Increase use of promotional tools

- advertisement media spaces

C) Usage of Common Areas as retail space

- extending shop fronts into the corridors
- alfresco dining

D) Enhance the shopping experience through

- refreshment of interior design
- zoning & clustering
- creative & individualistic shopfronts
- outward expression of the Mall

E) Decant space

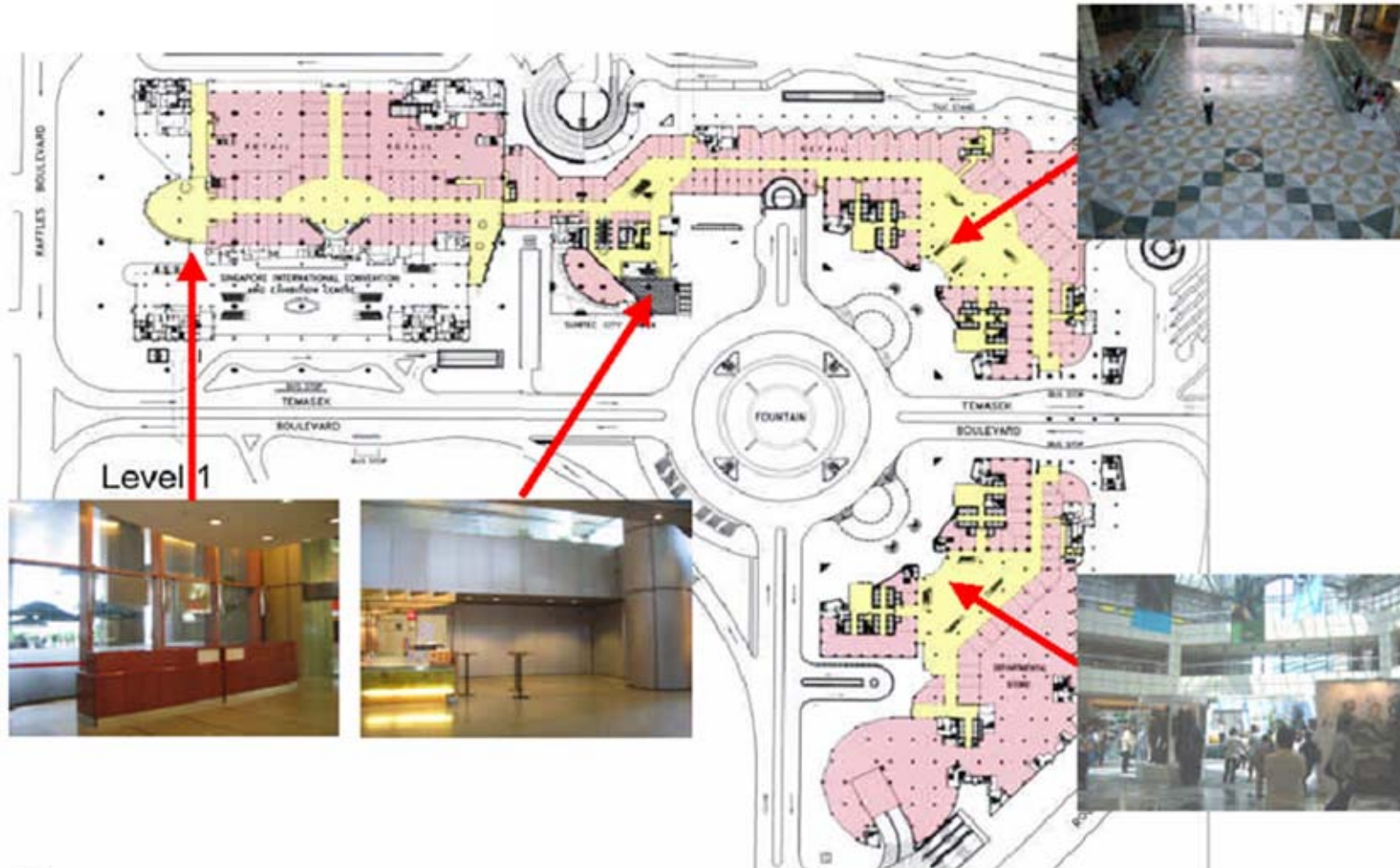
(A) Optimising the Use of Retail Space

Increase Retail Revenue by Introducing Pushcarts and Kiosks



(A) Optimising the Use of Retail Space

Pushcarts and Kiosks – Possible Locations at Level 1 of the Mall



(A) Optimising the Use of Retail Space

8 Pushcarts Leased As at 31 March 2005



- Plans underway to construct & lease an additional ~ 50 pushcarts over the next 12 months



New Pushcart Design

(A) Optimising the Use of Retail Space

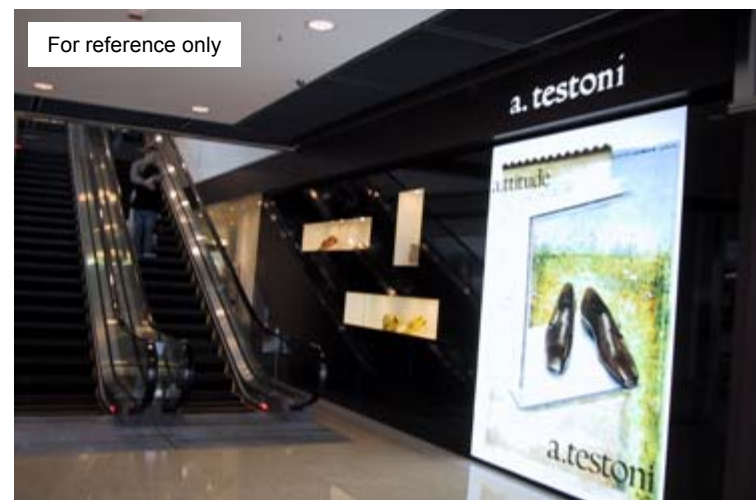
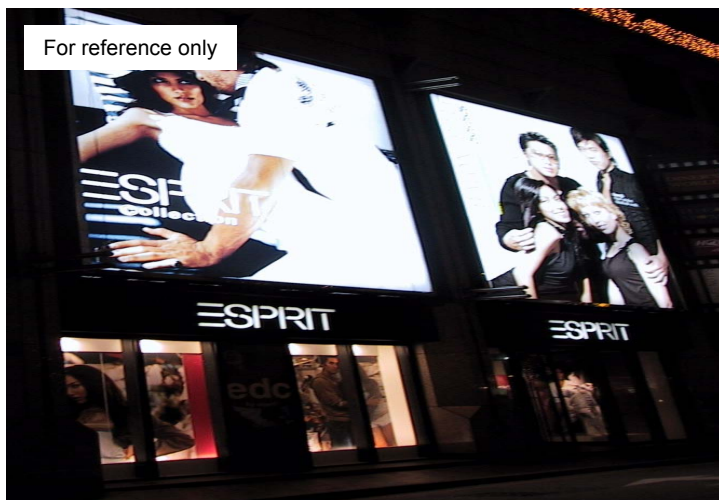
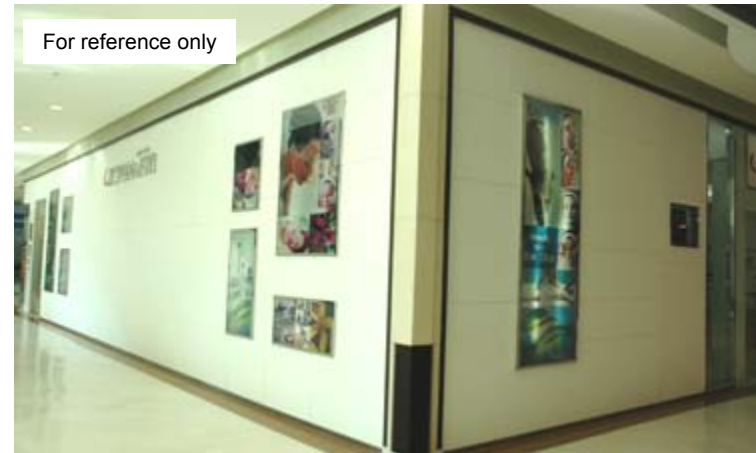
Maximising Rental of Atrium Space for Promotional Activities

- Such promotional activities bring in additional revenue and lots of shoppers to the mall



(B) Increase Use of Promotional Tools

Increase Retail Revenue Thru' Leasing of Advertisement Media Spaces



(C) Using Common Areas as Retail Space

Extension of Retail Frontage into Common Areas



Additional Retail Space



Alfresco Dining

(D) Enhance Shopping Experience

Refreshment of Interior Design



(D) Enhance Shopping Experience

Zonal differentiation & Retail Clustering at Atriums



Visual sameness thru'out mall



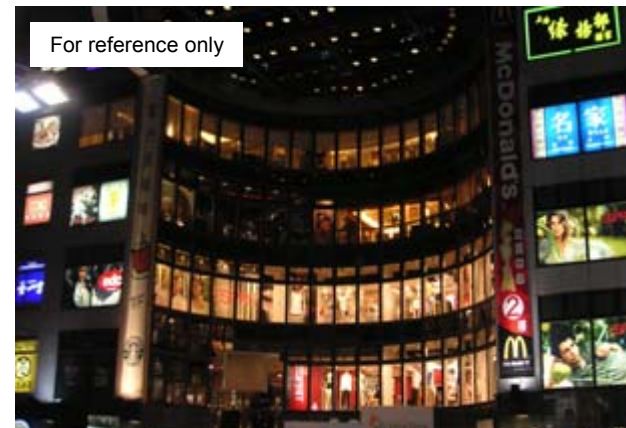
(D) Enhance Shopping Experience

Encouraging more Creative & Individualistic Shopfronts



(D) Enhance Shopping Experience

Bring Outward Expression to the Mall by Changing External Façade & Increasing Alfresco Dining



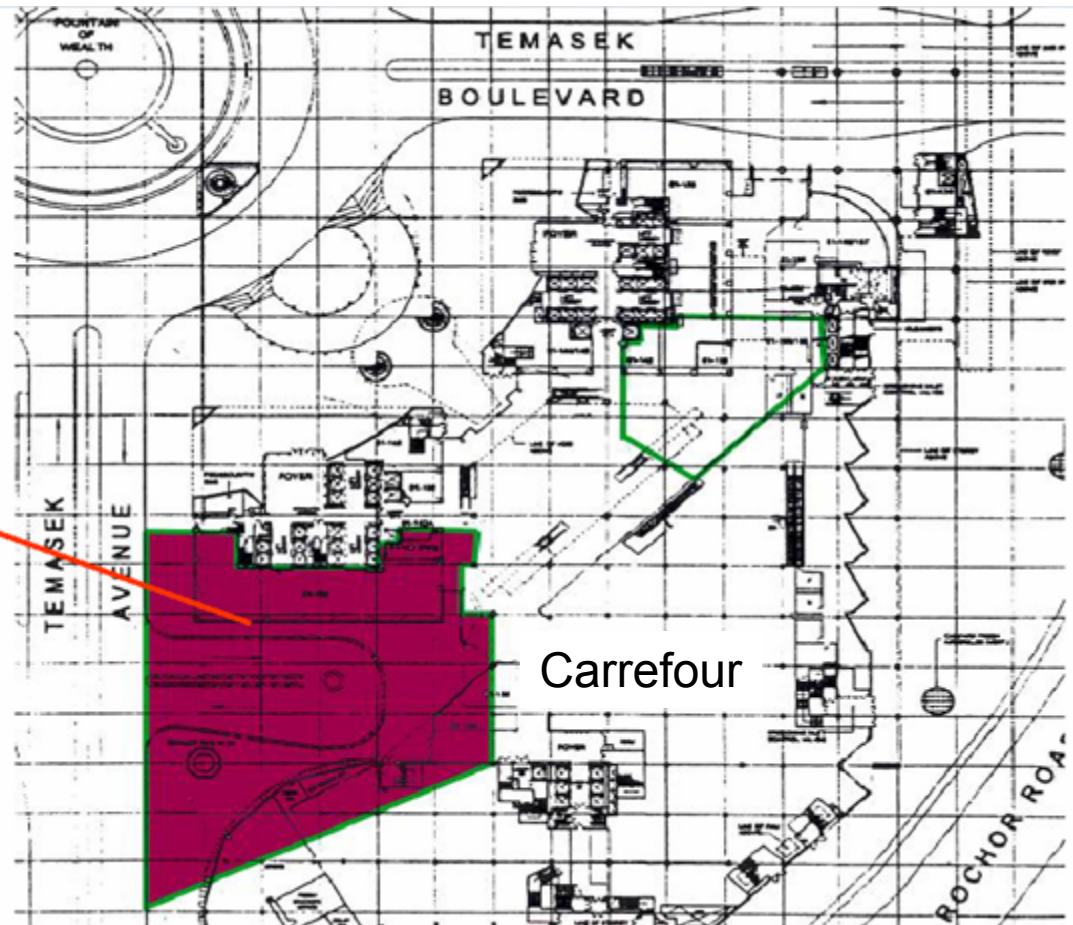
(E) Decanting

Potential to decant lower floor of office block to higher yielding retail space

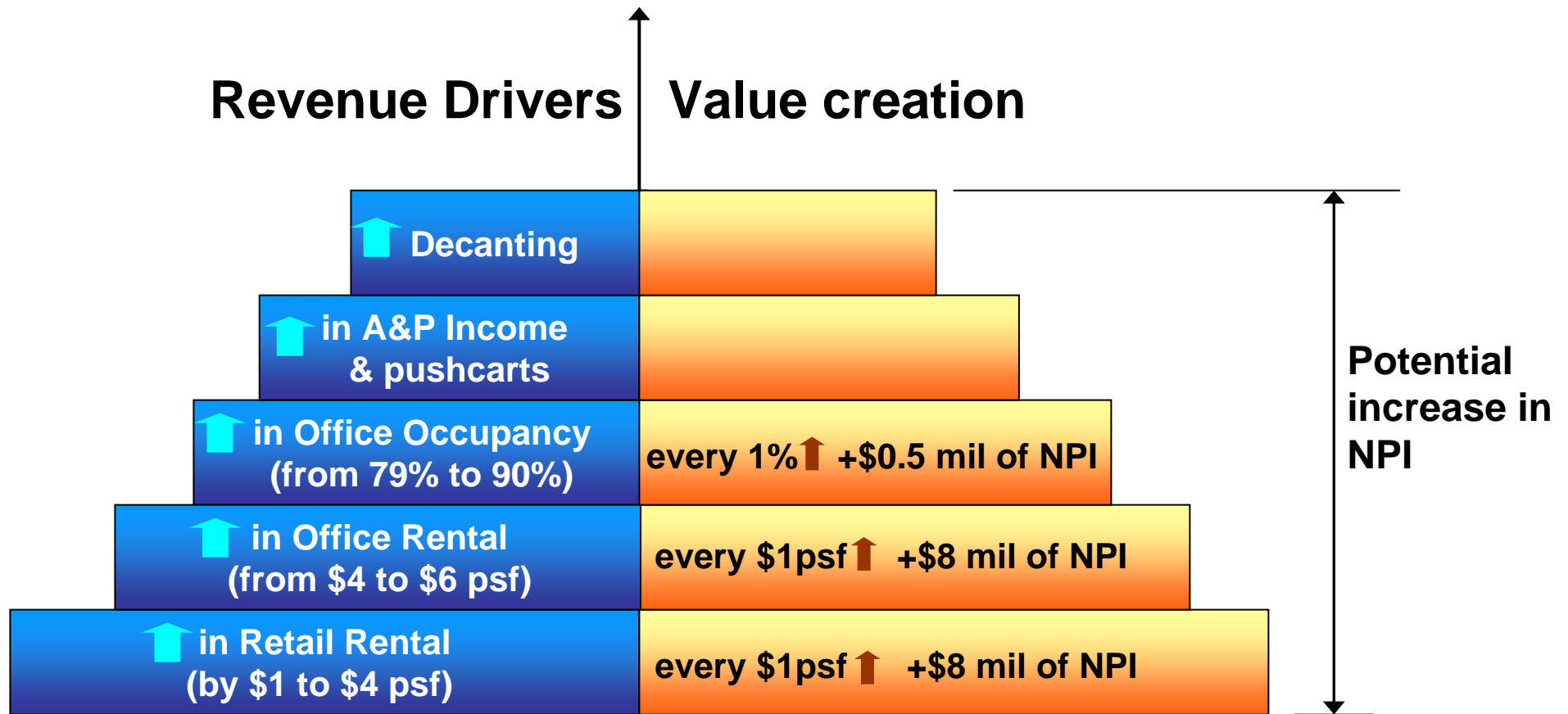
e.g.



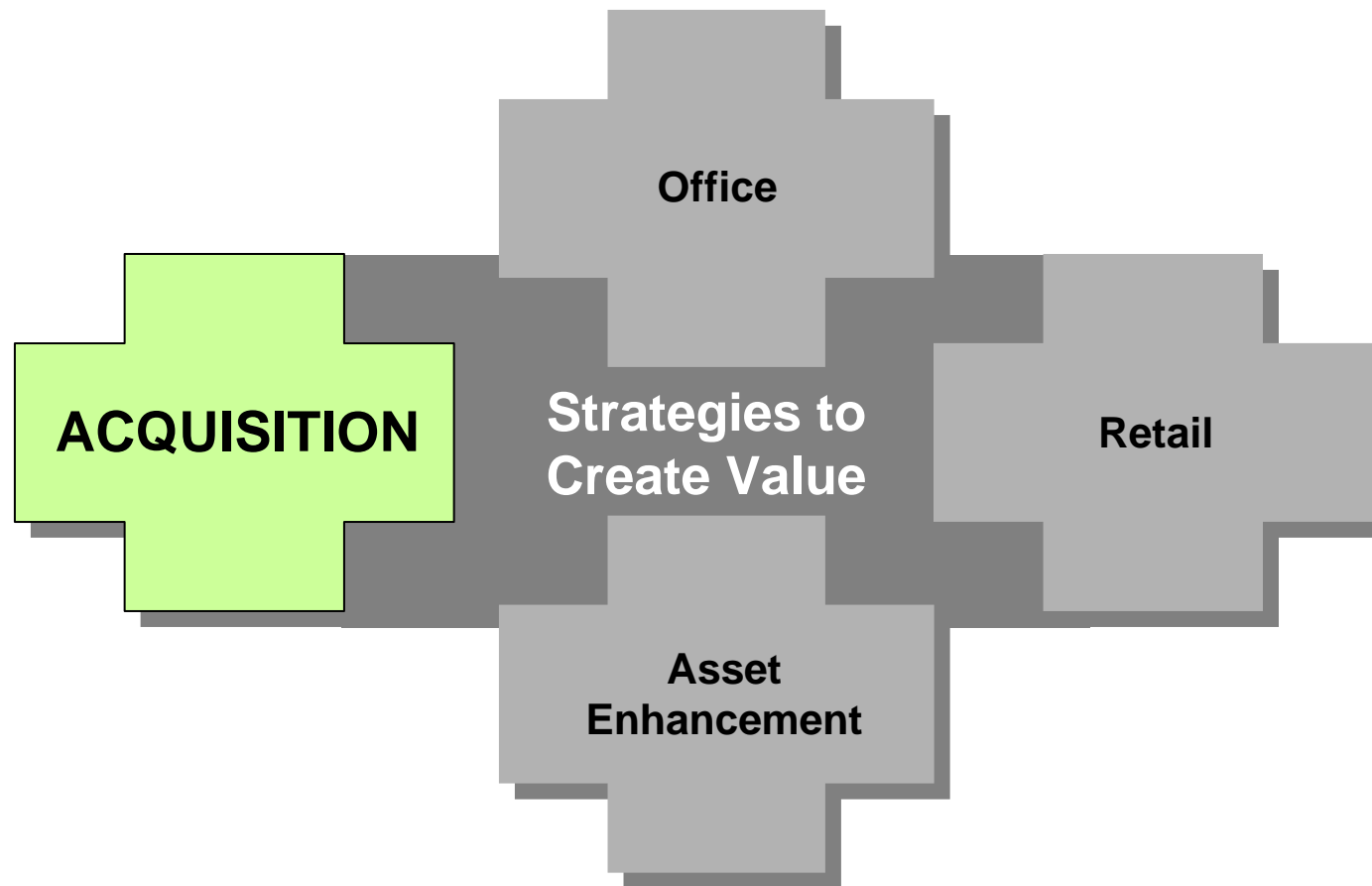
New Building
Structure



Organic Growth Strategies



Focus on Our Core Strategies and Goals



Growing through Acquisitions

Wide mandate expands acquisition opportunities

- Retail properties
- Office properties
- Mixed commercial properties comprising retail and office components

Critical mass facilitates acquisitions

- S\$2,150 m initial portfolio

Explicit criteria for target properties

- Strategic and popular locations – “Landmark Properties”
- Yield accretive
- Strong tenant mix and occupancy levels
- Growth opportunities



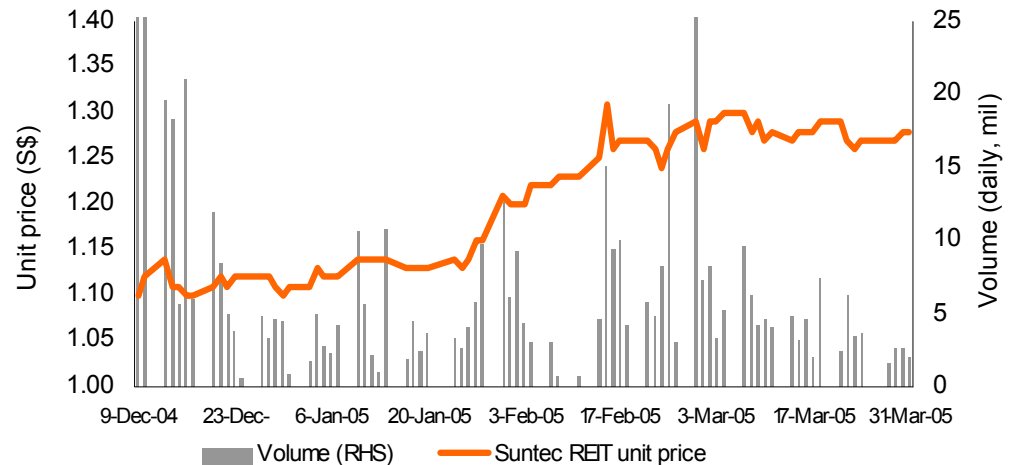
Unit Performance

Unit Performance

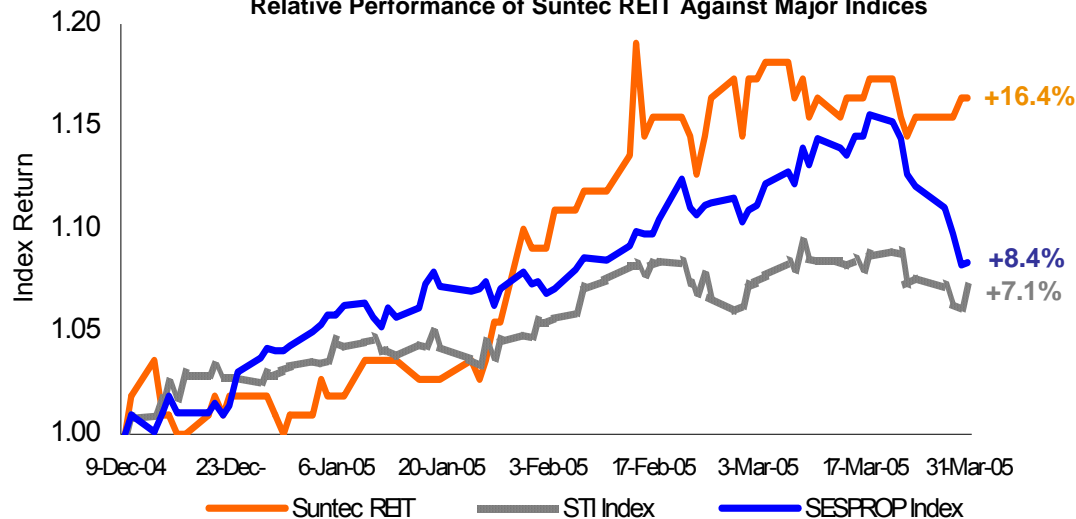
Achievements

- Included in the MSCI Singapore Free Index since March 1st, 2005
- Fitch rated CMBS backed by Suntec REIT properties 'AAA'
- Appreciated by 28% since listing in Dec '04
- Outperformed the STI Index & S'pore Properties Equities (SESPROP) Index

Suntec REIT Share Price Performance & Trading Liquidity



Relative Performance of Suntec REIT Against Major Indices



Source: Bloomberg

Liquidity Statistics

20-day volume as percentage of free float	10.1%
Free float	65 %
Market cap	US\$ 1.0 bn

Contact



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Thank You!

Disclaimer



This presentation is focused on comparing actual results versus forecasts outlined in the Suntec REIT Prospectus dated 29 Nov 2004. It should be read in conjunction with Paragraph 9 of Suntec REIT's financial results for the period 9 Dec 2004 to 31 Mar 2005 announced on SGXNET.

The information included in this release does not constitute an offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for units in Suntec REIT ("Units") in Singapore or any other jurisdiction.

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in the expected levels of occupancy rates, property rental income, changes in operating expenses, including employee wages, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Past performance is not necessarily indicative of future performance. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of Suntec REIT. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

Disclaimer

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.

Pro Forma Impact of Deferred Units Issuance

Suntec City Development Pte Ltd, the vendor of Suntec City Mall and Suntec City Office Towers (both as defined in the prospectus dated 29 November 2004 (the “Prospectus”) issued in connection with the initial public offering of units in Suntec REIT (“Units”) in November/December 2004 and together, the “Properties”), will be issued with 207,002,170 additional Units (the “Deferred Units”) in satisfaction of the deferred payment consideration for the purchase of the Properties. The Deferred Units will be issued in six equal instalments, with the first instalment to be issued on the date falling 42 months after 9 December 2004 (being the date of completion of the sale and purchase of the Properties) and the rest semi-annually thereafter. Any change in rental rates, occupancy rates and distributable income of Suntec REIT can affect the impact of any dilution in the yields of Suntec REIT arising from the issuance of the Deferred Units in the future. The table below illustrates the pro forma impact under the scenario where the Deferred Units were entirely issued on 9 December 2004, the date of admission of Suntec REIT to the Official List of the SGX-ST (the “Listing Date”):

	Distribution per unit (“DPU”) under the scenario that all Deferred Units are issued on the Listing Date	
	Forecast	Actual
	(9 Dec 04 – 31 Mar 05)	(9 Dec 04 – 31 Mar 05)
DPU based on total number of units entitled to the distribution (cents)	1.759	1.858
DPU assuming Deferred Units were issued on the Listing Date (cents)	1.516	1.601