

25 January 2006  
Embargoed till 5.30 p.m.



---

**Suntec REIT Outperforms Forecast<sup>1</sup> by 14%;  
Distribution Income Hits S\$22.2 million;  
Annualised Trading Yield of 6.2%<sup>2</sup>**

*Singapore, 25 January 2006* – ARA Trust Management (Suntec) Limited (“ARA Suntec”), Manager of Suntec Real Estate Investment Trust (“Suntec REIT”), is pleased to announce a distribution income of S\$22.2 million for the period 1 October 2005 to 31 December 2005 (1Q FY2006). This is an increase of S\$2.6 million or 13.5% over the Forecast<sup>1</sup> for 1<sup>st</sup> quarter FY2006. As a result, unitholders will enjoy a distribution payout of 1.72 cents per unit, which is 6.5% higher than the distribution payout for the previous quarter. Given this 1<sup>st</sup> quarter’s distribution payout, Suntec REIT’s current annualised distribution yield is 6.2%<sup>2</sup>.

Commenting on Suntec REIT’s performance, Mr Yeo See Kiat, Chief Executive Officer of ARA Suntec, said, “This strong increase in distribution payout marks an auspicious start of the new year for our unitholders. It also demonstrates our firm commitment to deliver more value to our unitholders through our proactive lease management strategies, effective asset enhancement plans and yield accretive acquisitions.”

**Occupancy at Suntec Office Towers Rises to a New High of 93%.** Occupancy at Suntec Office Towers strengthened to a post-REIT high of 93% as at 31 December 2005. Proactive leasing strategies, coupled with continued strong demand for office space, resulted in the increased take-up of office space at Suntec City. Multi-national company Datacraft is the most recent tenant to join the office community at Suntec City. The Manager is positive on the office market outlook.

**Continued Robust Retail Rental Growth.** Suntec City Mall continued to enjoy strong double-digit retail rental growth of 21.3% for leases renewed/replaced in 1Q FY2006. As at 31 December 2005, committed retail passing rents in Suntec City hit S\$9.00 psf.

---

<sup>1</sup> Based on assumptions stated in the IPO Prospectus dated 29 November 2004 which only consists of properties in Suntec City. The actual results for the period also includes Park Mall & Chijmes, the acquisitions of which were completed on 28 October 2005 and 1 December 2005 respectively.

<sup>2</sup> Based on the last traded price of S\$1.10 per unit as at 24 January 2006.

**Boosting Retail Rentals Through Repositioning & Reconfiguration Initiatives.** The Happy Kidz zone was officially launched on 23 November 2005 and is expected to contribute S\$3 million in additional retail revenue in FY2006. This is the result of a successful re-positioning of about 40,000 sq ft of retail space on the 3<sup>rd</sup> floor of Suntec City Mall for higher retail yield. The Happy Kidz zone achieved a 100% occupancy within 3 months of intensive marketing efforts.

During the 1<sup>st</sup> quarter of FY2006, ARA Suntec also repositioned and reconfigured a single unit of 2,400 sq ft retail space into 8 smaller shop units catering to young lifestyle trades. This initiative resulted in a jump in rental rates from S\$9 psf to S\$17 psf.

**Enhancing Yields Through Successful Completion of the Acquisitions of Park Mall and Chijmes.** The acquisitions of Park Mall and Chijmes were successfully completed on 28 October 2005 and 1 December 2005 respectively. In 1Q FY2006, Park Mall and Chijmes properties registered a significant growth in retail passing rents ranging between 4% – 8%.

#### Overview of Suntec REIT Results

From 1 October 2005 to 31 December 2005	Actual	Forecast <sup>3</sup>	Variance
Revenue	39,414	33,636	17.2%
Net property income (S\$'000)	28,505	24,704	15.4%
Income available for distribution (S\$'000)	22,210	19,564	13.5%
Distribution per unit <sup>4</sup> (cents)	1.72¢	1.50¢	14.0%
Distribution yield (annualized) <sup>5</sup>			
- based on 31 December 2005 closing price of S\$1.08	6.3%	5.5%	14.0%
- based on 24 January 2006 closing price of \$1.10	6.2%	5.4%	14.0%

For the period 1 October 2005 to 31 December 2005, Suntec REIT recorded a gross revenue of S\$39.4 million. This is an increase of 17.2% over the Forecast<sup>3</sup>. Distribution income rose to S\$22.2 million, which exceeded Forecast by 13.5%. Distribution payout to unitholders amounted to 1.715 cents per unit, which exceeded the Forecast by 14.0%.

-- ends --

<sup>3</sup> Based on assumptions/forecasts stated in the IPO Prospectus dated 29 November 2004 which only consists of properties in Suntec City. The actual results for the period also includes Park Mall & Chijmes, the acquisitions of which were completed on 28 October 2005 and 1 December 2005 respectively.

<sup>4</sup> Excluding 207,002,170 units ("Deferred Units") which will be issued to Suntec City Developments Pte Ltd over 6 installments, the first of which falls 42 months after 9 December 2004, as partial satisfaction of the purchase consideration for the initial portfolio of properties

<sup>5</sup> Please note that past performance is not necessarily indicative of future performance of Suntec REIT.

**ABOUT SUNTEC REIT**

Listed on 9 December 2004, Suntec REIT holds properties in Suntec City, Singapore's largest integrated commercial development (including Singapore's largest shopping mall), Park Mall and Chijmes. 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.

**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 is a member of the Cheung Kong Group. ARA is currently involved in managing the publicly listed Fortune REIT and private equity real estate funds such as Al Islami Far Eastern Real Estate Fund Limited. It is staffed by experienced professionals who have extensive experience in the real estate industry in Singapore and the region.

---

**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	
	Actual (1 Oct 05 – 31 Dec 05)	Forecast (1 Oct 05 – 31 Dec 05)
<b>DPU based on total number of units entitled to the distribution (cents)</b>	<b>1.715</b>	<b>1.504</b>
DPU assuming Deferred Units were issued on the Listing Date (cents)	1.478	1.297

---

### Media and investor contacts

Yeo See Kiat

Chief Executive Officer

Tel: +65 6835 9232

[seekiatyeo@ara.com.hk](mailto:seekiatyeo@ara.com.hk)

Ho Siang Twang, CFA

Strategic Planning & Fund Management Manager

Tel: +65 6835 9232

[siangtwangho@ara.com.hk](mailto:siangtwangho@ara.com.hk)