

Press Release

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Manager of



Suntec REIT Distribution Income for 1QFY07 rose to S\$27.0 million, up 21.7% from 1QFY06

DPU growth up 14.5% Year-on-Year

Singapore, 29 January 2007 – 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\$27.0 million for the period 1 October 2006 to 31 December 2006 (1QFY07), an increase of 21.7% compared with the S\$22.2 million reported for the corresponding period in 2005 (1QFY06). This translates into a distribution income per unit of 1.963 cents for 1QFY07, 14.5% higher than in 1QFY06.

Commenting on Suntec REIT’s performance, Mr. Yeo See Kiat, Chief Executive Officer of ARA Suntec, said, “I’m pleased that Suntec REIT has chalked up eight straight quarters of growth since IPO and achieved a DPU growth of 14.5% over the corresponding quarter in FY06”.

Enlarged office portfolio to benefit greatly from the rising market. Sustained by a robust market demand, the overall committed occupancy for Suntec REIT’s office portfolio rose further to a post-IPO high of 98.6% as at end December 2006. Including the completed acquisition of 12,045 square feet of Suntec City office space, the committed occupancy for Suntec City Offices increased to 98.8%.

Higher retail passing rents, A&P income crossed S\$1 million. Strong rental growth for renewal and replacement leases continues to boost retail passing rents for Suntec City Mall to S\$9.59 p.s.f. per month, with passing rents at Park Mall and Chijmes up to S\$6.43 p.s.f. per month and S\$10.33 p.s.f. per month respectively as at 31 December 2006. Suntec REIT’s other income initiatives also strengthened further, as Advertising and Promotion (A&P) income grossed S\$1.01 million and together with revenue from pushcarts and kiosks, totalled S\$1.66 million for the quarter.

Improved cost management. For the quarter ended 31 December 2006, the cost-to-revenue ratio stood at 24.5%, significantly lower compared to 27.7% in 1QFY06.

Asset Enhancement Updates. Suntec City Mall's newly opened digital zone e-life@Suntec achieved average rent of close to S\$16 p.s.f. per month compared with S\$6.14 p.s.f. per month previously. The upcoming youth zone named "MY.PLAYGround", is slated for opening in early April 2007. Works for phase 1 of the Fashion zone would be commencing in early February 2007.

Summary of Suntec REIT Results for 1QFY07

From 1 October 2006 to 31 December 2006	1QFY07	1QFY06	Change
Revenue (S\$'000)	45,925	39,414	16.5%
Net property income (S\$'000)	34,685	28,505	21.7%
Income available for distribution (S\$'000)	27,037	22,210	21.7%
Distribution per unit ¹ (cents)	1.963¢	1.715¢	14.5%
Distribution yield (annualised) ²			
- based on 31 December 2006 closing price of S\$1.82	4.3%	3.7%	14.5%
- based on 26 January 2007 closing price of S\$1.86	4.2%	3.7%	14.5%

For the period 1 October 2006 to 31 December 2006, Suntec REIT recorded a gross revenue of S\$45.9 million and distribution income of S\$27.0 million, which was 16.5% and 21.7% higher than in 1QFY06 respectively. The distribution income per unit amounted to 1.963 cents per unit, which was 14.5% higher than in 1QFY06.

Pursuant to the cumulative distribution on 29 November 2006 of 2.669 cents per unit for the period from 1 July 2006 to 5 November 2006, unitholders will receive a distribution payout of 1.201 cents per unit for the period from 6 November 2006 to 31 December 2006.

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¹ 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

² 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 one of 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, Prosperity REIT and AmFirst REIT, and private equity real estate funds such as Al Islami Far Eastern Real Estate Fund Limited and China Capital Partners 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 (6 November 06 – 31 December 06)
DPU based on total number of units entitled to the distribution (cents)	1.201
DPU assuming Deferred Units were issued on the Listing Date (cents)	1.049

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