Trust Management (Suntec) Limited

Suntec Real Estate Investment Trust
("Suntec REIT")

Manager of

PROPOSED DISPOSAL OF CHIJMES

1. INTRODUCTION

ARA Trust Management (Suntec) Limited, as manager of Suntec REIT (the "**Manager**"), wishes to announce that HSBC Institutional Trust Services (Singapore) Limited, as trustee of Suntec REIT (the "**Trustee**") has today entered into a property sale agreement (the "**Property Sale Agreement**") with PRE 8 Investments Pte. Ltd. (the "**Purchaser**") to divest the property located at 30 Victoria Street, Singapore 187996 and known as Chijmes ("**Chijmes**", and the divestment of Chijmes, the "**Divestment**"). The Purchaser will comprise a consortium of investors including Perennial Real Estate Pte. Ltd. The details of the **Chijmes** are set out below.

Site area	154,062 sq ft
Gross floor area (GFA)	127,793 sq ft
Net lettable area (NLA)	79,794 sq ft
Lease period	Leasehold 99 years from 1991
Committed occupancy	100%
Number of tenants	31
Major tenants by gross rental	Lei Garden Restaurant Pte Ltd, Watabe Singapore Pte Ltd and Maracana Group Pte Ltd
Carpark lots	96
Valuation **(As at 15 October 2011)**	$143.7 million by DTZ Debenham Tie Leung (SEA) Pte Ltd ("**DTZ**")

2. DETAILS OF THE DIVESTMENT

2.1 Sale Consideration and Valuation

Pursuant to the Property Sale Agreement, Suntec REIT shall divest Chijmes (inclusive of the plant and equipment) at a sale consideration of S$177.0 million, which was arrived at on a willing-buyer and willing-seller basis after taking into account the independent valuation of Chijmes. The Manager and Trustee have commissioned an independent property valuer, DTZ, to value Chijmes. DTZ in its report stated that the open market value of Chijmes is S$143.7 million as at 15 October 2011.

2.2 Net Proceeds

The current estimated net proceeds from the Divestment is approximately S$173.5 million. The following fees and costs relate to the Divestment:

(i) the divestment fee payable to the Manager of approximately S$0.9 million; and

(ii) the estimated professional and other fees and expenses incurred in connection with the Divestment of approximately S$2.6 million.

The sale proceeds will provide Suntec REIT with greater financial flexibility for fund deployment, value enhancement and/or to repay debt.

2.3 Principal Terms of the Property Sale Agreement

The principal terms of the Property Sale Agreement include, among others, the following conditions precedent:

(i) the approval of The President of Republic of Singapore as the head lessor; and

(ii) there being no material damage to Chijmes on or before completion.

The completion of the Divestment is expected to be sometime in January 2012.

3. RATIONALE FOR THE DIVESTMENT

The Manager believes that the Divestment will bring the following benefits to Unitholders.

3.1 In line with Manager's proactive management strategy

The Manager adopts a proactive approach towards managing Suntec REIT's assets with a view to enhancing their quality and value. The Divestment will allow Suntec REIT to free up capital in the form of sale proceeds to provide greater financial flexibility for fund deployment, value enhancement and/or to repay debt. The net lettable area of Chijmes of 79,794 sq ft comprises approximately 2.3% of Suntec REIT's total net lettable area of approximately 3.5 million sq ft.

3.2 Realisation of the value of Chijmes significantly above its valuation.

The Divestment is at 23.2% or S$33.3 million, above its latest valuation of S$143.7 million as at 15 October 2011 by DTZ and 38.3% or S$49.0 million higher than its purchase price of S$128.0 million.

4. METHOD OF FINANCING AND FINANCIAL EFFECTS

4.1 Assumptions

The pro forma financial effects of the Divestment presented below are strictly for illustration purposes and do not reflect the actual financial position of Suntec REIT after completion of the transaction. They have been prepared based on the audited financial statements of Suntec REIT as at 31 December 2010 taking into account the sale consideration.

4.2 Net Gain

Suntec REIT is expected to recognise an estimated gain on the Divestment of approximately S$39.5 million.

4.3 Pro Forma NAV

Assuming that the Divestment had been completed on 31 December 2010, the Divestment would have increased the adjusted net asset value ("**NAV**") per Unit by S$0.018 or 1.0%.

Adjusted NAV per Unit	As at 31 December 2010
Before adjusting for the Divestment	S$1.783
After adjusting for the Divestment	S$1.801

4.4 Pro Forma DPU

Assuming that the Divestment had been completed on 1 January 2010, the DPU would have decreased by 0.173 cents or 1.75% for the financial period 1 January 2010 to 31 December 2010.

Distribution per Unit	Year ended 31 December 2010
Before adjusting for the Divestment	9.859 cents
After adjusting for the Divestment	9.686 cents

5. INTERESTS OF DIRECTORS AND CONTROLLING UNITHOLDERS

None of the directors of the Manager or controlling Unitholders has any interest, direct or indirect, in the Divestment.

6. OTHER INFORMATION

6.1 Director's Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Divestment or any other transactions contemplated in relation to the Divestment.

6.2 Relative Figures Computed on the Bases set out in Rule 1006

The relative figures computed on the following bases set out in Rule 1006(a), 1006(b) and 1006(c) of the Listing Manual are set out below:

(i) the net asset value of the assets to be disposed of, compared with Suntec REIT's net asset value;

(ii) the net profits attributable to the assets disposed of, compared with Suntec REIT's net profits; and

(iii) the aggregate value of the consideration given, compared with Suntec REIT's market capitalisation.

Based on Suntec REIT's unaudited third quarter financial statements for the financial year ending 31 December 2011, the relative figure for the basis of comparison set out in sub-paragraph (i) above in relation to the same period is approximately 3.6%.

Based on Suntec REIT's unaudited third quarter financial statements for the financial year ending 31 December 2011, the relative figure for the basis of comparison set out in sub-paragraph (ii) above in relation to the same period is approximately 4.1%.

Based on the sale consideration of Chijmes and Suntec REIT's market capitalisation of approximately S$2.67 billion as at 25 October 2011 (being the market day preceding the date of the Property Sale Agreement), the relative figure for the basis of comparison set out in sub-paragraph (iii) above is approximately 6.6%.

7. DOCUMENTS FOR INSPECTION

A copy of the Property Sale Agreement and the valuation certificate of DTZ on Chijmes are available for inspection during normal business hours at the registered office of the Manager[1] at 6 Temasek Boulevard, #16-02 Suntec Tower Four, Singapore 038986 for a period of three months commencing from the date of this announcement.

The Trust Deed will also be available for inspection at the registered office of the Manager for so long as Suntec REIT is in existence.

BY ORDER OF THE BOARD
ARA TRUST MANAGEMENT (SUNTEC) LIMITED
(as manager of Suntec Real Estate Investment Trust)
Company Registration No. 200410976R

Yeo See Kiat
Director
27 October 2011

1 Prior appointment will be appreciated.

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, Chijmes, a one-third interest in One Raffles Quay, a one-third interest in Marina Bay Financial Centre Towers 1 and 2, the Marina Bay Link Mall and a 60.8% interest in Suntec Singapore International Convention & Exhibition Centre. 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

ARA Trust Management (Suntec) Limited, part of the ARA Asset Management Limited group ("**ARA**"), is the manager of Suntec REIT. ARA, a real estate fund management company, is an affiliate of the Cheung Kong Group, and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited. ARA's business segments comprise REIT management, private real estate fund management, and specialist equity fund management and corporate finance advisory services. For more details, please visit www.ara-asia.com.

IMPORTANT NOTICE

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

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, 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 have no right to request the Manager to redeem their Units while the Units are listed. It is intended that holders of Units may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). 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.

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in these 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 similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.