



## ANNOUNCEMENT

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### COMPLETION OF ACQUISITION OF MANAGING AGENT OF SUNTEC CITY MCST AND APPOINTMENT AS PROPERTY MANAGER FOR SUNTEC REIT'S SUNTEC CITY PROPERTIES<sup>1</sup>

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ARA Asset Management Limited ("ARA") wishes to announce that further to its announcement dated 8 October 2009, in connection with its acquisition of 100% of the issued share capital of Suntec City Management Pte. Ltd. ("SCM") from Suntec City Development Pte. Ltd. ("SCD"):

- (i) the acquisition of SCM, the managing agent of the Management Corporation Strata Title Plan No. 2179, responsible for the management and maintenance of the common property of the Suntec City complex, by APM (Holdings) Pte. Ltd., which is an indirect wholly-owned subsidiary of ARA, for a consideration of S\$1.45 million has been completed (the "Completion"); and
- (ii) following the Completion, SCM has been renamed as "APM Property Management Pte. Ltd." ("APM").

APM has also today entered into a property management agreement ("PMA") with ARA Trust Management (Suntec) Limited, as manager of Suntec REIT (the "Suntec REIT Manager") and HSBC Institutional Trust Services (Singapore) Limited, as trustee of Suntec REIT, to provide property management services for the Suntec City Properties. The consideration for the acquisition of SCM is funded through internal resources and was arrived at on an arms-length basis. The net asset value of SCM as at Completion is immaterial<sup>2</sup>.

#### Details of the PMA

The term of the PMA is for a period of five years commencing from 9 December 2009 with an option to renew for a further term of five years on substantially the same terms and conditions save for the revision of all fees payable to APM (as property manager for the Suntec City Properties) based on

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1 "Suntec City Properties" means the Suntec City Mall and the Suntec City Offices held by Suntec REIT.  
2 Based on the latest management accounts of SCM as at Completion, with certain adjustments pursuant to the sale and purchase agreement dated 7 October 2009.

prevailing market rates. The fees payable to APM under the PMA are as follows:

- (i) a management fee of 3.0% of the gross revenue of the Suntec City Properties for each fiscal year<sup>3</sup>;
- (ii) a marketing services commission for new tenancies and renewal of tenancies under the following lease terms:
  - (a) in respect of new tenancies, half month's gross rent for tenancies with a term of one year or more but not exceeding two years, and one month's gross rent for tenancies with a term of two years or more;
  - (b) in respect of renewal of tenancies, one quarter month's gross rent for tenancies with a term of one year or more; and
  - (c) in respect of both new tenancies and renewal of tenancies, a pro-rated commission for tenancies with a term of less than 12 months; and
- (iii) a commission of 10.0% of the aggregate of the licence fees, media sales and other advertising and promotion income derived from the Suntec City Properties which exceeds S\$5,520,000 for each fiscal year.

The appointment of APM as the property manager for the Suntec City Properties and the acquisition of the managing agent of the Suntec City MCST are expected to contribute approximately 0.5 Singapore cents per share<sup>4</sup> to ARA's earnings per share ("EPS") for the financial year ending 31 December 2010.

As at the date of this announcement, ARA has an interest in 34.5 million units in Suntec REIT, and certain of the directors of ARA collectively have an aggregate direct and indirect interest in 214.0 million shares in ARA and certain of the directors of ARA collectively have an aggregate direct and indirect interest in 34.6 million units in Suntec REIT. Mr Chiu Kwok Hung, Justin is the chairman and a non-executive director of ARA and the chairman and a director of the Suntec REIT Manager and a wholly-owned subsidiary of ARA. Mr Lim Hwee Chiang is the group chief executive officer and executive director of ARA, a director of the Suntec REIT Manager and a director of APM. Mr Ip Tak Chuen, Edmond is a non-executive director of ARA, a director of the Suntec REIT Manager and an alternate director of SCD. Save as disclosed above and based on the information available to ARA as at the date of this announcement, none of the directors or substantial shareholders of ARA has any interest, direct or indirect, in the above transactions.

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3 Fiscal year means any period of 12 months commencing on 1 January and ending on 31 December except that the first fiscal year shall commence on the commencement date and shall end on 31 December of the following year, and the last fiscal year shall end on the earlier of (i) the date of expiry of the term and (ii) the date of termination of PMA.

4 Based on ARA's issued share capital of 582,060,000 shares as at 9 December 2009.

By Order of the Board

Lim Hwee Chiang  
Director  
9 December 2009

## About ARA Asset Management Limited

ARA, an affiliate of the Cheung Kong group, is a real estate fund management company listed on the main board of the Singapore Exchange. ARA's business is focused on the following primary segments:

- (a) REITs – The Group is one of the largest REIT managers in Asia ex-Japan and currently manages four REITs listed in three countries namely, Fortune REIT and Suntec REIT listed in Singapore, Prosperity REIT listed in Hong Kong and AmFIRST REIT listed in Malaysia;
- (b) Private funds – The Group manages several private funds investing in real estate and real estate-related securities in Asia;
- (c) Real estate management services – The Group provides property management services and manages the award-winning Suntec Singapore International Convention & Exhibition Centre; and
- (d) Corporate finance advisory services – The Group has an in-house advisory arm providing corporate finance advisory services to the Group and the various REITs we manage.

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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 forward-looking statements as a result of a number of uncertainties, risks and assumptions. Representative examples of these factors include but are not limited to general market and economic conditions, interest rate trends, competition from other real estate investors, changes in operating expenses including employee wages and benefits, changes in government policies, and the continued availability of financing in the amounts and terms necessary to support future business. You are cautioned not to place undue reliance on any of the forward-looking statements in this announcement, which are based on the current view of management on future events.