



**Suntec Real Estate Investment Trust
2017 Financial Year Unaudited Financial Statements & Distribution
Announcement**

Suntec Real Estate Investment Trust ("Suntec REIT") is a real estate investment trust constituted by the Trust Deed entered into on 1 November 2004 (as amended) between ARA Trust Management (Suntec) Limited as the Manager of Suntec REIT and HSBC Institutional Trust Services (Singapore) Limited as the Trustee of Suntec REIT.

Suntec REIT owns Suntec City mall and certain office units in Suntec Towers One, Two and Three and the whole of Suntec Towers Four and Five, which form part of the integrated commercial development known as "Suntec City". The property portfolio also comprises 60.8 per cent effective interest in Suntec Singapore Convention & Exhibition Centre ("Suntec Singapore"), a one-third interest in One Raffles Quay ("ORQ") and a one-third interest in Marina Bay Financial Centre Towers 1 and 2, and the Marina Bay Link Mall (collectively known as "MBFC Properties") and a 30.0 per cent interest in 9 Penang Road (formerly known as Park Mall). Suntec REIT also holds a 100 per cent interest in the commercial building located at 177 Pacific Highway, Sydney, Australia, a 25.0 per cent indirect interest in Southgate complex and a 50.0 per cent interest in a commercial building to be developed located at Olderfleet, 477 Collins Street, Melbourne, Australia.

The financial information for the period from 1 January 2017 to 31 December 2017 has not been audited but has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements 2410.

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2017**

SUMMARY OF SUNTEC REAL ESTATE INVESTMENT TRUST RESULTS

	Group					
	1/10/17 to 31/12/17	1/10/16 to 31/12/16	Change	1/1/17 to 31/12/17	1/1/16 to 31/12/16	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	87,323	88,941	-1.8%	354,196	328,595	7.8%
Net property income	59,355	60,696	-2.2%	244,457	224,575	8.9%
Income contribution from joint ventures	21,316	21,541	-1.0%	89,679	89,734	-0.1%
Distributable income	69,280	66,062	4.9%	263,017	253,726	3.7%
- from operations	59,280	58,062	2.1%	234,017	229,726	1.9%
- from capital ^(a)	10,000	8,000	25.0%	29,000	24,000	20.8%
Distribution per unit (cents) ^(b)	2.604	2.596	0.3%	10.005	10.003	0.0%
- from operations	2.228	2.282	-2.4%	8.907	9.057	-1.7%
- from capital ^(a)	0.376	0.314	19.7%	1.098	0.946	16.1%

Footnote:

(a) This relates to a portion of the sale proceeds from the disposal of Park Mall in December 2015 and is classified as capital distribution from a tax perspective. Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who hold the Units as trading assets, the amount of capital gain distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

(b) Please refer to Page 13 for the distribution per unit computation.

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2017**

1 (a)(i) Statements of Total Return and Statement of Distribution for the Fourth Quarter and Financial Year ended 31 December 2017

Statement of total return	Group					
	1/10/17 to 31/12/17	1/10/16 to 31/12/16	Change	1/1/17 to 31/12/17	1/1/16 to 31/12/16	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue ^(a)	87,323	88,941	-1.8%	354,196	328,595	7.8%
Maintenance charges	(5,036)	(5,036)	0.0%	(20,144)	(20,144)	0.0%
Property management fees	(2,402)	(2,392)	-0.4%	(9,610)	(9,407)	-2.2%
Property tax ^(b)	(6,501)	(6,369)	-2.1%	(24,361)	(22,074)	-10.4%
Other property expenses ^(c)	(14,029)	(14,448)	2.9%	(55,624)	(52,395)	-6.2%
Property expenses	(27,968)	(28,245)	1.0%	(109,739)	(104,020)	-5.5%
Net property income	59,355	60,696	-2.2%	244,457	224,575	8.9%
Share of profit of joint ventures ^(d)	25,023	31,842	-21.4%	80,340	84,902	-5.4%
Finance income ^(e)	6,165	5,197	18.6%	21,084	39,521	-46.7%
Finance expenses ^(e)	(21,955)	(19,434)	-13.0%	(96,692)	(94,226)	-2.6%
Asset management fees - base fee	(8,157)	(8,014)	-1.8%	(32,117)	(31,238)	-2.8%
Asset management fees - performance fee	(3,630)	(3,674)	1.2%	(15,198)	(15,012)	-1.2%
Trust expenses ^(f)	(727)	(574)	-26.7%	(3,688)	(3,508)	-5.1%
Net income	56,074	66,039	-15.1%	198,186	205,014	-3.3%
Net change in fair value of financial derivatives ^(g)	(5,580)	2,088	-367.2%	(5,506)	(423)	-1201.7%
Net surplus from revaluation of investment properties	54,624	70,898	-23.0%	54,624	70,898	-23.0%
Total return before tax	105,118	139,025	-24.4%	247,304	275,489	-10.2%
Income tax expense ^(h)	(11,769)	(9,820)	-19.8%	(18,290)	(14,196)	-28.8%
Total return for the period after tax	93,349	129,205	-27.8%	229,014	261,293	-12.4%
Attributable to:						
Unitholders	87,303	118,532	-26.3%	220,298	246,546	-10.6%
Non-controlling interests	6,046	10,673	-43.4%	8,716	14,747	-40.9%
Total return for the period	93,349	129,205	-27.8%	229,014	261,293	-12.4%

Statement of distribution	Group					
	1/10/17 to 31/12/17	1/10/16 to 31/12/16	Change	1/1/17 to 31/12/17	1/1/16 to 31/12/16	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period attributable to Unitholders before distribution	87,303	118,532	-26.3%	220,298	246,546	-10.6%
Non-tax chargeable items ⁽ⁱ⁾	(54,559)	(86,859)	37.2%	(95,399)	(118,740)	19.7%
Taxable income	32,744	31,674	3.4%	124,899	127,807	-2.3%
Dividend income ^(j)	26,536	26,388	0.6%	109,118	101,919	7.1%
Income available for distribution to Unitholders	59,280	58,062	2.1%	234,017	229,726	1.9%
Unitholders' distribution:						
- from operations	59,280	58,062	2.1%	234,017	229,726	1.9%
- from capital ^(k)	10,000	8,000	25.0%	29,000	24,000	20.8%
Distributable amount to Unitholders	69,280	66,062	4.9%	263,017	253,726	3.7%

Financial Statements Announcement For Fourth Quarter and Financial Year ended 31 December 2017

Footnotes:

- (a) Gross revenue comprises mainly rental income from retail mall and offices, convention revenue and income from rental of atrium and media spaces. Please refer to Note 8(i) for breakdown in Gross revenue.
- (b) Property tax for the financial year ended 31 December 2017 was higher compared to the corresponding period mainly due to a reversal of overprovision of prior year in 2016.
- (c) Other property expenses for the financial year ended 31 December 2017 was higher compared to the corresponding period mainly due to the opening of 177 Pacific Highway upon its completion in August 2016.
- (d) This relates to the Group's one-third interest in One Raffles Quay Pte Ltd ("ORQPL"), one-third interest in BFC Development LLP ("BFCD LLP"), 30.0% interest in Park Mall Pte. Ltd and 50.0% interest in Southgate Trust.
- (e) Included in the net financing costs are the following:

	Group					
	1/10/17 to 31/12/17	1/10/16 to 31/12/16	Change	1/1/17 to 31/12/17	1/1/16 to 31/12/16	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Finance income:						
Interest income						
- fixed deposits and current account	229	180	27.2%	536	686	-21.9%
- loans to joint ventures	5,072	4,539	11.7%	19,661	23,090	-14.9%
- progress payments ⁽¹⁾	-	117	-100.0%	-	13,195	-100.0%
- interest rate swaps	-	22	-100.0%	-	1,676	-100.0%
Net foreign currency exchange differences	864	339	154.9%	887	874	1.5%
	6,165	5,197	18.6%	21,084	39,521	-46.7%
Finance expenses:						
Interest expense						
- bank loans, notes and convertible bonds ⁽³⁾	(17,822)	(15,021)	-18.6%	(65,974)	(71,663)	7.9%
- interest rate swaps ⁽²⁾	(2,228)	(2,468)	9.7%	(9,966)	(5,070)	-96.6%
Amortisation and transaction costs ⁽⁴⁾	(1,905)	(1,945)	2.1%	(20,752)	(17,493)	-18.6%
	(21,955)	(19,434)	-13.0%	(96,692)	(94,226)	-2.6%
Net financing costs	(15,790)	(14,237)	-10.9%	(75,608)	(54,705)	-38.2%

(1) Relates to coupon earned on progress payments made in relation to 177 Pacific Highway in North Sydney Australia during the development stage.

(2) Interest rate swaps costs for the financial year increased year-on-year due to higher hedging costs.

(3) Interest expense on bank loans, notes and convertible bonds for the current quarter was higher quarter-on-quarter due to increased interest rates whilst it was lower for the financial year ended 31 December 2017 due to savings on refinancing.

(4) Amortisation and transaction costs for the financial year ended 31 December 2017 were higher due to a one-time write-off of unamortised transaction costs in relation to the conversion and redemption of convertible bonds due 2021.

- (f) Trust expenses for the current quarter ended 31 December 2017 was higher compared to the corresponding period mainly due to higher legal and professional fees incurred.
- (g) This relates to the net loss arising from fair value remeasurement of the foreign currency forward contracts, interest rate swaps and convertible bonds. These have little impact on distributable income.
- (h) This relates to income tax on operating profits and non-tax transparent income received as well as deferred tax provision. The income tax was higher for the current quarter and financial year ended 31 December 2017 mainly due to a subsidiary's underprovision of prior year deferred tax.

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2017**

(i) Included in the non-tax deductible/(chargeable) items are the following:

	Group					
	1/10/17 to 31/12/17	1/10/16 to 31/12/16	Change	1/1/17 to 31/12/17	1/1/16 to 31/12/16	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Non-tax deductible/(chargeable) items						
Amortisation of transaction costs	1,785	1,825	-2.2%	20,276	17,017	19.2%
Asset management fees paid/payable in units	8,716	8,667	0.6%	35,022	34,278	2.2%
Net change in fair value of financial derivatives	5,908	(2,088)	-383.0%	5,404	423	1177.5%
Net foreign currency exchange differences	159	(247)	-164.4%	36	(596)	-106.0%
Temporary differences and other adjustments ⁽¹⁾	3,291	286	1050.7%	3,467	1,986	74.6%
Deferred tax recognised at group level	8,670	11,032	-21.4%	8,670	11,032	-21.4%
Net surplus from revaluation of investment property	(54,624)	(70,898)	-23.0%	(54,624)	(70,898)	-23.0%
Net profit from subsidiaries and/or joint ventures	(28,464)	(35,436)	-19.7%	(113,650)	(111,982)	1.5%
Total	(54,559)	(86,859)	-37.2%	(95,399)	(118,740)	-19.7%

(1) This relates mainly to non-deductible expenses and chargeable income.

(j) This relates to the dividend/distribution income received and receivable from:

	Group					
	1/10/17 to 31/12/17	1/10/16 to 31/12/16	Change	1/1/17 to 31/12/17	1/1/16 to 31/12/16	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Wholly-owned subsidiaries:						
Comina Investment Limited ⁽¹⁾	5,980	6,102	-2.0%	26,826	27,137	-1.1%
Suntec Harmony Pte. Ltd. ⁽²⁾	2,280	2,500	-8.8%	9,120	11,620	-21.5%
Suntec REIT Capital Pte. Ltd. ⁽³⁾	5,650	4,500	25.6%	20,100	13,900	44.6%
Suntec REIT (Australia) Trust ⁽⁴⁾	4,286	4,312	-0.6%	17,132	11,681	46.7%
	18,196	17,414	4.5%	73,178	64,338	13.7%
Joint venture:						
BFC Development LLP ⁽⁵⁾	8,340	8,974	-7.1%	35,940	37,581	-4.4%
	26,536	26,388	0.6%	109,118	101,919	7.1%

(1) Comina Investment Limited ("CIL") has a one-third interest in ORQ.

(2) Suntec Harmony Pte. Ltd. ("SHPL") has a 60.8% effective interest in Suntec Singapore.

(3) Suntec REIT Capital Pte. Ltd provides shareholder loans to Suntec REIT (Australia) Trust ("SRAust") for its investments in Australia.

(4) SRAust has a 100% effective interest in 177 Pacific Highway, a 25.0% effective interest in Southgate complex and a 50.0% effective interest in Olderfleet, 477 Collins Street.

(5) BFCD LLP has a one-third interest in MBFC Properties.

(k) This relates to a portion of the sales proceed from the disposal of Park Mall in December 2015 and is classified as capital distribution from a tax perspective.

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2017**

1 (b)(i) Statements of Financial Position as at 31 December 2017

	Group		Trust	
	31/12/17	31/12/16	31/12/17	31/12/16
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Plant and equipment	2,109	2,284	382	383
Investment properties ^(a)	6,387,338	6,247,771	5,011,000	5,008,300
Interest in joint ventures ^(b)	2,660,234	2,642,904	1,463,696	1,461,496
Investments in subsidiaries ^(c)	-	-	1,367,549	1,293,935
Derivative assets ^(d)	803	3,202	170	3,202
Total non-current assets	9,050,484	8,896,161	7,842,797	7,767,316
Current assets				
Derivative assets ^(d)	243	-	243	-
Trade and other receivables ^(e)	18,232	14,765	13,413	9,935
Cash and cash equivalents	172,655	182,450	120,801	133,754
Total current assets	191,130	197,215	134,457	143,689
Total assets	9,241,614	9,093,376	7,977,254	7,911,005
Current liabilities				
Interest-bearing borrowings ^(f)	237,004	99,798	237,004	99,798
Trade and other payables ^(g)	108,889	93,465	56,395	52,769
Derivative liabilities ^(d)	456	160	456	160
Current portion of security deposits	25,387	14,546	23,211	11,903
Total current liabilities	371,736	207,969	317,066	164,630
Non-current liabilities				
Interest-bearing borrowings ^(f)	2,993,867	3,206,001	2,628,756	2,841,366
Derivative liabilities ^(d)	40,141	22,030	40,141	20,783
Non-current portion of security deposits	39,899	51,090	37,079	48,690
Deferred tax liabilities ^(h)	28,996	13,022	-	-
Total non-current liabilities	3,102,903	3,292,143	2,705,976	2,910,839
Total liabilities	3,474,639	3,500,112	3,023,042	3,075,469
Net assets	5,766,975	5,593,264	4,954,212	4,835,536
Represented by:				
Unitholders' funds ⁽ⁱ⁾	5,639,074	5,468,935	4,954,212	4,835,536
Non-controlling interests	127,901	124,329	-	-
Total Equity	5,766,975	5,593,264	4,954,212	4,835,536

Footnotes:

(a) The increase was mainly due to the acquisition of 50.0% interest in Olderfleet, 477 Collins Street, Melbourne, Australia and net surplus from revaluation of investment properties in December 2017.

(b) In respect of the Group's joint ventures, this relates to the one-third interest in ORQPL, one-third interest in BFCD LLP, 30.0% interest in Park Mall Investment Limited ("PMIL") and 50.0% interest in Southgate Trust. In respect of the Trust's joint ventures, this relates to the one-third interest in BFCD LLP.

(c) This relates to CIL, SHPL, Suntec REIT MTN Pte. Ltd. ("SRMTN"), Suntec REIT Capital Pte. Ltd., SRAust and Suntec (PM) Pte. Ltd., which are wholly-owned subsidiaries of Suntec REIT.

(d) This relates to the foreign currency forward contracts and interest rate swaps at fair value through profit or loss and the embedded derivative relating to convertible bonds.

Financial Statements Announcement For Fourth Quarter and Financial Year ended 31 December 2017

- (e) The increase for both the Group and the Trust were mainly due to higher trade receivables recorded by subsidiaries and dividend receivables from subsidiaries as at 31 December 2017 respectively.
- (f) The interest-bearing borrowings are stated at amortised cost. The current portion of the interest-bearing borrowings as at 31 December 2017 relates to a S\$500 million loan facility and S\$105 million euro medium term notes due in the fourth quarter of 2018. On 20 December 2017, S\$296.2 million in principal relating to the S\$500 million loan facility had been refinanced with S\$300 million convertible bonds due 2024 issued on 30 November 2017. The remaining loan and notes will be refinanced in due course.
- (g) The increase in trade and other payables mainly relate to accrued progress payments for Olderfleet, 477 Collins Street and higher deferred income recorded by a subsidiary.
- (h) The increase in deferred tax liabilities mainly relate to a subsidiary's underprovision of prior year deferred tax recorded in the financial year ended 31 December 2017.
- (i) Please refer to statement of movements in unitholders' funds item 1(d)(i) for details.

1 (b)(ii) Aggregate amount of borrowings and debt securities

	Group		Trust	
	31/12/17	31/12/16	31/12/17	31/12/16
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand				
- Unsecured ^(b)				
(i) financial institutions	132,138	99,798	132,138	99,798
(ii) notes	104,866	-	-	-
(iii) subsidiary	-	-	104,866	-
	237,004	99,798	237,004	99,798
Amount repayable after one year				
- Secured ^(a)	365,111	364,635	-	-
- Unsecured ^(b)				
(i) financial institutions	1,765,013	2,148,229	1,765,013	2,148,229
(ii) notes & convertible bonds	863,743	693,137	355,237	279,590
(iii) subsidiary	-	-	508,506	413,547
	2,993,867	3,206,001	2,628,756	2,841,366
	3,230,871	3,305,799	2,865,760	2,941,164

Details of borrowings and collaterals

- (a) The Group has in place a secured S\$366.0 million term loan facility for a term of five years. As at 31 December 2017, the Group has drawn down S\$366.0 million.

The facility is secured on the following:

- A first legal mortgage on Suntec Singapore (the "Property");
 - A first fixed charge over the central rental collection account in relation to the Property;
 - An assignment of the subsidiary's rights, title and interest in the tenancy documents and the proceeds in connection with the Property;
 - An assignment of the subsidiary's rights, title and interest in the insurance policies in relation to the Property;
 - A fixed and floating charge over the assets of the subsidiary in relation to the Property, agreements, collateral, as required by the financial institution granting the facility; and
 - An assignment of any interest rate swaps facility, which may be entered into by the subsidiary in relation to the term loan facility.
- (b) As at 31 December 2017, the Group has unsecured interest-bearing borrowings comprising S\$1,902.3 million from various institutional banks, S\$388.0 million of convertible bonds and S\$615.0 million euro medium term notes issued by SRMTN and on-lent to the Trust.

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2017**

1 (c) Statements of Cash Flow

	Group			
	1/10/17 to 31/12/17	1/10/16 to 31/12/16	1/1/17 to 31/12/17	1/1/16 to 31/12/16
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Net income	56,074	66,039	198,186	205,014
Adjustments for:				
Depreciation of plant and equipment	318	283	1,189	1,091
Loss on disposal of plant and equipment	-	-	15	11
Asset management fees paid/payable in units	8,716	8,667	35,022	34,278
Net financing costs ^(a)	15,790	14,237	75,608	54,705
Allowance for doubtful receivables	(43)	246	1,901	627
Share of profit of joint ventures	(25,023)	(31,842)	(80,340)	(84,902)
Operating income before working capital changes	55,832	57,630	231,581	210,824
Changes in working capital				
Trade and other receivables	(427)	10,468	(7,419)	(2,513)
Trade and other payables	249	(6,005)	2,432	(6,937)
Cash flows generated from operations	55,654	62,093	226,594	201,374
Income tax paid	(1)	(2,814)	(1)	(3,690)
Net cash flow from operating activities	55,653	59,279	226,593	197,684
Investing activities				
Interest received	5,288	4,835	20,171	36,970
Dividend received from joint ventures	32,985	34,608	71,781	64,718
Change in investment in joint ventures	-	(156,055)	(5,128)	(156,055)
Capital expenditure on investment properties	(1,317)	(8,177)	(8,405)	(10,769)
Acquisition of an investment property ^(b)	-	-	(53,093)	-
Purchase of plant and equipment	(495)	(341)	(1,077)	(681)
Progress payments on construction ^(c)	(3,722)	-	(16,292)	(129,388)
Loans to joint ventures	(2,200)	(21,951)	(2,200)	(16,387)
Net cash flow from/(used in) investing activities	30,539	(147,081)	5,757	(211,592)
Financing activities				
Proceeds from interest-bearing loans	-	-	600,000	561,756
Proceeds from euro medium term notes	-	-	200,000	-
Unit issue costs paid	-	-	(33)	-
Financing costs paid	(19,330)	(14,522)	(82,348)	(83,541)
Proceeds from convertible bonds	300,000	-	300,000	300,000
Repayment of convertible bonds	-	-	(45,500)	(280,000)
Repayment of interest-bearing loans	(296,200)	-	(951,200)	(482,500)
Dividend paid to non-controlling interest	(1,470)	(1,960)	(5,880)	(7,840)
Distributions to unitholders	(65,880)	(64,304)	(257,184)	(257,142)
Net cash flow used in financing activities	(82,880)	(80,786)	(242,145)	(249,267)
Net increase/(decrease) in cash and cash equivalents	3,312	(168,588)	(9,795)	(263,175)
Cash and cash equivalents at beginning of the period	169,078	353,115	182,450	445,267
Effect on exchange rate fluctuations on cash held	265	(77)	-	358
Cash and cash equivalents at end of the period	172,655	184,450	172,655	182,450

Footnote:

(a) Please refer to footnote (e) under note 1(a)(i) Statement of Total Return and Statement of Distribution for the quarter and financial year ended 31 December 2017 on page 4.

(b) This relates to the acquisition of 50.0% interest in Olderfleet, 477 Collins Street, Melbourne, Australia.

(c) This relates to progress payments made in relation to Olderfleet, 477 Collins Street in Melbourne, Australia which is currently under development. (2016: progress payments made in relation to 177 Pacific Highway in North Sydney, Australia).

Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2017

1 (d)(i) Statements of Movements in Unitholders' Funds

	Group			
	1/10/17 to 31/12/17	1/10/16 to 31/12/16	1/1/17 to 31/12/17	1/1/16 to 31/12/16
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at the beginning of the period	5,610,299	5,397,239	5,468,935	5,444,005
Operations				
Total return for the period attributable to unitholders	87,303	118,532	220,298	246,546
Net increase in net assets resulting from operations	87,303	118,532	220,298	246,546
Effective portion of changes in fair value of cash flow hedges ^(a)	1,788	1,754	861	(4,607)
Translation differences from financial statements of foreign entities	(12,426)	(2,023)	(271)	5,855
Net (loss)/gain recognised directly in Unitholder's funds	(10,638)	(269)	590	1,248
Unitholders' transactions				
Creation of units				
- conversion of convertible bonds ^(b)	-	-	174,155	-
- asset management fee paid in units ^(c)	-	-	17,051	16,541
Units to be issued				
- asset management fee payable in units ^(c)	17,970	17,737	17,970	17,737
Unit issue expenses	-	-	(33)	-
Distributions paid/payable to unitholders	(65,860)	(64,304)	(259,892)	(257,142)
Net decrease in net assets resulting from unitholders' transactions	(47,890)	(46,567)	(50,749)	(222,864)
Unitholders' funds as at end of period	5,639,074	5,468,935	5,639,074	5,468,935

Footnotes:

(a) This represents the share of fair value change of the cash flow hedges as a result of interest rate swaps entered into by a subsidiary and a joint venture.

(b) This represents the value at closing market price, of 95,689,646 units issued on conversion of convertible bonds on 29 May 2017.

(c) This represents the value of units issued and to be issued to the Manager as partial satisfaction of the asset management fee incurred for the quarter. The asset management base fee units for the quarter ended 31 December 2017 and asset management performance fee units for the financial year ended 31 December 2017 are to be issued with 30 days from quarter end.

Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2017

	Trust			
	1/10/17 to 31/12/17	1/10/16 to 31/12/16	1/1/17 to 31/12/17	1/1/16 to 31/12/16
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at the beginning of the period	4,968,799	4,826,005	4,835,536	4,871,077
Operations				
Total return for the period attributable to unitholders	33,303	56,098	169,425	187,323
Net increase in net assets resulting from operations	33,303	56,098	169,425	187,323
Unitholders' transactions				
Creation of units				
- conversion of convertible bonds ^(a)	-	-	174,155	-
- asset management fee paid in units ^(b)	-	-	17,051	16,541
Units to be issued				
- asset management fee payable in units ^(b)	17,970	17,737	17,970	17,737
Unit issue expenses	-	-	(33)	-
Distributions paid/payable to unitholders	(65,860)	(64,304)	(259,892)	(257,142)
Net decrease in net assets resulting from unitholders' transactions	(47,890)	(46,567)	(50,749)	(222,864)
Unitholders' funds as at end of period	4,954,212	4,835,536	4,954,212	4,835,536

Footnotes:

(a) This represents the value at closing market price, of 95,689,646 units issued on conversion of convertible bonds on 29 May 2017.

(b) This represents the value of units issued and to be issued to the Manager as partial satisfaction of the asset management fee incurred for the quarter. The asset management base fee units for the quarter ended 31 December 2017 and asset management performance fee units for the financial year ended 31 December 2017 are to be issued with 30 days from quarter end.

1 (d)(ii) Details of any changes in the units since the end of the previous period reported on

	Group and Trust			
	1/10/17 to 31/12/17	1/10/16 to 31/12/16	1/1/17 to 31/12/17	1/1/16 to 31/12/16
	Units	Units	Units	Units
Issued units at the beginning of the period	2,649,334,617	2,533,341,360	2,536,662,773	2,521,238,831
Creation of units:				
- as units issued for conversion of convertible bonds	-	-	95,689,646	-
- as payment for asset management fee	3,100,835	3,321,413	20,083,033	15,423,942
Issued units at the end of the period	2,652,435,452	2,536,662,773	2,652,435,452	2,536,662,773
Units to be issued:				
- asset management fee payable in units ^(a)	8,415,529	10,784,575	8,415,529	10,784,575
- conversion of convertible bonds	121,359	-	121,359	-
Issuable units at the end of the period	8,536,888	10,784,575	8,536,888	10,784,575
Total issued and issuable units	2,660,972,340	2,547,447,348	2,660,972,340	2,547,447,348

Footnotes:

(a) These are units to be issued to the Manager as partial satisfaction of asset management base fee incurred for the quarter ended 31 December 2017 and asset management performance fees incurred for the financial year ended 31 December 2017.

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2017**

Convertible Bonds – Group & Trust

(a) Convertible Bonds due 2021

On 5 September 2016, Suntec REIT issued S\$300.0 million in principal amount of Convertible Bonds due in 2021 ("CB 2021").

On 12 April 2017, Suntec REIT had announced an occurrence of a Change of Control Event within the meaning of condition 7.5(d)(ii)(A) of the terms and conditions of CB 2021 (the "Terms and Conditions"). Pursuant to condition 7.5(a) of the Terms and Conditions, the conversion price was adjusted from S\$2.061 to S\$1.743.

During the Change of Control Period, (i) conversion notices for the conversion of S\$166.5 million in principal amount of CB 2021 were received pursuant to Condition 7.5(a) of the Terms and Conditions and (ii) redemption notices for the redemption of S\$45.5 million in principal amount of CB 2021 were received pursuant to Condition 7.6 of the Terms and Conditions.

Pursuant to the aforementioned conversion notices received, 95,689,646 new units have been issued on 29 May 2017 at a conversion price of S\$1.74 per new unit.

Accordingly, S\$212.0 million in principal amount of the CB 2021 had been converted or redeemed as the case may be and cancelled in accordance with the Terms and Conditions.

As at 31 December 2017, S\$88.0 million of CB 2021 remained outstanding which are convertible by holders into units of Suntec REIT at any time on or after 16 October 2016 at an adjusted conversion price of S\$2.06 per unit. (31 December 2016: S\$300.0 million of CB 2021 remained outstanding which are convertible by holders into units of Suntec REIT at any time on or after 16 October 2016 at a conversion price of S\$2.101 per unit).

On 15 January 2018, conversion notice for the conversion of \$250,000 in principal amount of CB 2021 was received pursuant to condition 5.2(c)(i) of the Terms and Conditions. Pursuant to the aforementioned conversion note received, 121,359 new units will be issued on or around 25 January 2018 at a conversion price of S\$2.06 per new unit.

(b) Convertible Bonds due 2024

On 30 November 2017, Suntec REIT issued S\$300.0 million in principal amount of Convertible Bonds due in 2024 ("CB 2024") which are convertible by holders into units of Suntec REIT at any time on or after 9 January 2018 at an initial conversion price of S\$2.189 per unit.

There is no conversion of CB 2024 since the date of the issue.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures for the financial year ended 31 December 2017 have not been audited but have been reviewed by the auditors in accordance with Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2017**

3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Please see attached review report.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

On 1 January 2017, the Group adopted the revised Statement of Recommended Accounting Practice 7 issued by the Institute of Singapore Chartered Accountants which had no significant impact to the financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

On 1 January 2017, the Group adopted the revised Statement of Recommended Accounting Practice 7 issued by the Institute of Singapore Chartered Accountants which had no significant impact to the financial statements.

6. Earnings per unit ("EPU") and Distribution per unit ("DPU")

Earnings per unit

	Group			
	1/10/17 to 31/12/17	1/10/16 to 31/12/16	1/1/17 to 31/12/17	1/1/16 to 31/12/16
Weighted average number of issued units ^(a)	2,652,526,924	2,536,779,997	2,609,077,704	2,531,837,023
Earnings per unit for the period based on the weighted average number of units in issue (cents)	3.291	4.672	8.444	9.738
Weighted average number of units on a fully diluted basis	2,660,850,980	2,690,236,495	2,622,050,795	2,586,201,160
Earnings per unit for the period based on a fully diluted basis (cents) ^(b)	3.281	4.601	8.402	9.346

Footnotes:

- (a) *For the purpose of calculating the basic EPU, the weighted average number of units issued/issuable took into account the asset management fees – base and performance fees paid/payable in units and new units issued from the conversion of S\$166.5 million of the convertible bonds.*
- (b) *For the purpose of calculating the diluted EPU, the weighted average number of units in issue is adjusted to take into account the asset management fees – base and performance fees payable in units and dilutive effect arising from full conversion of convertible bonds to units.*

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2017**

Distribution per Unit

In computing the DPU, the number of units as at the end of each period is used for the computation. The DPU for the Group and Trust are the same.

	Group			
	1/10/17 to 31/12/17	1/10/16 to 31/12/16	1/1/17 to 31/12/17	1/1/16 to 31/12/16
Number of issued and issuable units at end of period entitled to distribution ^(a)	2,660,972,340	2,547,447,348	2,660,972,340	2,547,447,348
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	2.604 ⁽¹⁾	2.596 ⁽¹⁾	10.005 ⁽²⁾	10.003 ⁽²⁾

- (1) The distribution per unit for the quarter ended 31 December 2017 of **2.604** cents per unit (31 December 2016: **2.596** cents per unit) comprised a taxable income component of **1.787** cents per unit (31 December 2016: **1.896** cents per unit), a tax exempt income component of **0.441** cents per unit (31 December 2016: **0.386** cents per unit) and a capital distribution of **0.376** cents per unit (31 December 2016: **0.314** cents per unit).
- (2) The distribution per unit for the year ended 31 December 2017 of **10.005** cents per unit (31 December 2016: **10.003** cents per unit) comprised a taxable income component of **7.540** cents per unit (31 December 2016: **7.593** cents per unit), a tax exempt income component of **1.367** cents per unit (31 December 2016: **1.464** cents per unit) and a capital distribution of **1.098** cents per unit (31 December 2016: **0.946** cents per unit).

Footnotes:

- (a) The computation of actual DPU for the period from 1 October 2017 to 31 December 2017 is based on the number of units entitled to the distribution:
- (i) The number of units in issue as at 31 December 2017 of 2,652,435,452;
- (ii) The units issuable to the Manager by 30 January 2018 as partial satisfaction of asset management base fees incurred for the period from 1 October 2017 to 31 December 2017 of 2,721,824 and asset management performance fees incurred for the period from 1 January 2017 to 31 December 2017 of 5,693,705; and
- (iii) Conversion units in relation to Convertible Bonds due 2021 issuable on or around 25 January 2018 of 121,359.

7. Net asset value (“NAV”) and Net Tangible Asset (“NTA”) per unit as at 31 December 2017

	Group		Trust	
	31/12/17 ^(a)	31/12/16	31/12/17 ^(a)	31/12/16
NAV / NTA per unit (S\$)	2.119	2.147	1.862	1.898

Footnotes:

- (a) The number of units used for computation of actual NAV per unit is 2,660,972,340. This comprised:
- (i) The number of units in issue as at 31 December 2017 of 2,652,435,452;
- (ii) The units issuable to the Manager by 30 January 2018 as partial satisfaction of asset management base fees incurred for the period from 1 October 2017 to 31 December 2017 of 2,721,824 and asset management performance fees incurred for the period from 1 January 2017 to 31 December 2017 of 5,693,705; and
- (iii) Conversion units in relation to Convertible Bonds due 2021 issuable on or around 25 January 2018 of 121,359.

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2017**

8. Review of the performance for the Fourth Quarter and Financial Year ended 31 December 2017

8(i) Gross revenue and Net Property Income contribution by properties

Properties	Group					
	1/10/17 to 31/12/17	1/10/16 to 31/12/16	Change	1/1/17 to 31/12/17	1/1/16 to 31/12/16	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross Revenue:						
Suntec City	57,868	57,938	-0.1%	234,988	233,384	0.7%
Park Mall ^(a)	-	405	-100.0%	-	455	-100.0%
177 Pacific Highway ^(b)	8,715	8,823	-1.2%	40,870	14,591	180.1%
Suntec Singapore	20,740	21,775	-4.8%	78,338	80,165	-2.3%
Total gross revenue	87,323	88,941	-1.8%	354,196	328,595	7.8%
Net Property Income:						
Suntec City	43,978	43,350	1.4%	179,918	178,737	0.7%
Park Mall ^(a)	-	1,044	-100.0%	-	1,348	-100.0%
177 Pacific Highway ^(b)	7,550	7,866	-4.0%	35,364	13,099	170.0%
Suntec Singapore	7,827	8,436	-7.2%	29,175	31,391	-7.1%
Total net property income	59,355	60,696	-2.2%	244,457	224,575	8.9%

Footnote:

- (a) Contribution from Park Mall relates to reconciliation adjustments subsequent to the divestment on 22 December 2015.
- (b) 177 Pacific Highway obtained practical completion on 1 August 2016. Prior to practical completion, the Group received coupon on progress payments made during the development stage. Please refer to 1(a)(i) note (e) on page 4.

8(ii) Income contribution from joint ventures

	Group					
	1/10/17 to 31/12/17	1/10/16 to 31/12/16	Change	1/1/17 to 31/12/17	1/1/16 to 31/12/16	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Joint ventures:						
One-third interest in ORQ:						
- Interest income	510	471	8.3%	1,988	2,018	-1.5%
- Dividend income	5,980	6,102	-2.0%	26,826	27,137	-1.1%
	6,490	6,573	-1.3%	28,814	29,155	-1.2%
One-third interest in MBFC Properties:						
- Interest income	4,562	4,068	12.1%	17,673	21,072	-16.1%
- Distribution income	8,340	8,974	-7.1%	35,940	37,581	-4.4%
	12,902	13,042	-1.1%	53,613	58,653	-8.6%
25% interest in Southgate Complex:						
- Dividend/Distribution income	1,924	1,926	-0.1%	7,252	1,926	276.5%
	1,924	1,926	-0.1%	7,252	1,926	276.5%
Total income contribution	21,316	21,541	-1.0%	89,679	89,734	-0.1%

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2017**

Review of performance 4Q FY17 vs 4Q FY16

For 4Q FY17, the gross revenue was S\$87.3 million, a decrease of S\$1.6 million or 1.8% lower year-on-year. The decrease was contributed by lower revenue from Suntec Singapore (by S\$1.0 million to S\$20.7 million, 4.8% lower) and a decrease in office revenue (by S\$1.2 million, or 2.8% lower), partially offset by higher retail revenue from Suntec City mall (by S\$0.9 million to S\$24.9 million, 3.7% higher).

The decrease in office revenue was mainly from Suntec City Office as some of the leases committed in 4Q FY17 will commence only in 2018.

Suntec Singapore's revenue contribution for the quarter of S\$20.7 million comprises S\$16.0 million from convention and S\$4.7 million from retail. The decrease was due to lower convention revenue achieved for the quarter.

The net property income for 4Q FY17 was S\$59.4 million, 2.2% lower year-on-year. This was mainly attributable to lower contribution from Suntec Singapore.

The total income contribution from joint ventures comprising ORQ, MBFC Properties and Southgate Complex for the quarter was S\$21.3 million, 1.0% lower due to one-offs in 4Q FY16 from MBFC Properties.

Net financing costs for the quarter was S\$15.8 million, an increase of S\$1.6 million mainly due to higher interest rates. The all-in financing cost for Suntec REIT was 2.62% per annum for the quarter and the consolidated gearing stood at 35.0% as at 31 December 2017.

Total distributable income for the quarter of S\$69.3 million was S\$3.2 million or 4.9% higher year-on-year. The distribution per unit ("DPU") for the quarter was 2.604 cents per unit, 0.31% higher than 4Q FY16 DPU of 2.596 cents per unit. This includes a capital distribution of S\$10.0 million or 0.376 cents per unit.

The overall committed occupancy for the office and retail portfolios stood at 99.2% and 98.8% respectively as at 31 December 2017.

For the Singapore office portfolio, Suntec City Office committed occupancy improved to 99.5% as at 31 December 2017. ORQ committed occupancy achieved 100% while MBFC Properties committed occupancy stood at 99.5% as at 31 December 2017. In Australia, the committed occupancy for 177 Pacific Highway and Southgate Complex was 100% and 90.7% respectively as at 31 December 2017.

For the Singapore retail portfolio, the committed occupancy for the entire Suntec City was 99.0%, while the committed occupancy for Marina Bay Link Mall improved to 99.5% as at 31 December 2017. In Australia, the committed occupancy for Southgate Complex (retail) was 91.7% as at 31 December 2017.

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2017**

Review of performance FY17 vs FY16

For FY17, the gross revenue was S\$354.2 million, an increase of S\$25.6 million or 7.8% higher. The increase was contributed by an increase in office revenue (by S\$28.2 million to S\$175.7 million, 19.1% higher), partially offset by lower revenue from Suntec Singapore (by S\$1.8 million to S\$78.3 million, 2.3% lower).

The increase in office revenue was mainly from 177 Pacific Highway which has also largely contributed to the increase in property expenses that resulted in an overall increase of property expenses by S\$5.7 million to S\$109.7 million, 5.5% higher year-on-year.

Suntec Singapore's revenue of S\$78.3 million comprises S\$59.7 million from convention and S\$18.6 million from retail. The decline was due to lower retail revenue for FY17.

Net property income increased by \$19.9 million to S\$244.5 million, 8.9% higher year-on-year.

The total income contribution from joint ventures for FY17 was S\$89.7 million, a marginal decline of 0.1%. This was mainly due to lower contribution from MBFC Properties which was offset by the full year contribution from Southgate Complex.

Net financing costs for FY17 was S\$75.6 million, an increase of S\$20.9 million or 38.2% higher. This was mainly due to the cessation of the coupon earned on progress payments following the completion of 177 Pacific Highway and higher interest rates. The all-in financing cost for Suntec REIT was 2.50% for FY17.

Total distributable income for FY17 of S\$263.0 million, was S\$9.3 million or 3.7% higher. The DPU for FY17 was 10.005 cents per unit, which was in line with FY16. This includes a capital distribution of S\$29.0 million or 1.098 cents per unit.

9. Variance between the forecast and actual results

The current results are broadly in line with the Trust's commentary made in the FY2016 Financial Results Announcement under item 10. The Trust has not disclosed any financial forecast to the market.

Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2017

10. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Singapore economy improved in the fourth quarter of 2017. Based on the report released by the Ministry of Trade and Industry ("MTI") on 2 January 2018, the Singapore economy grew by 3.1% in the fourth quarter of 2017 on a year-on-year basis. For the whole of 2017, Singapore's economy grew 3.5%, in line with the MTI's estimate of between 3% to 3.5%.

The Singapore office market improved in the fourth quarter of 2017 as occupier demand continued to pick up on the back of a stronger economic growth. The overall CBD occupancy strengthened by 1.1% to 89.2% while the overall CBD rents increased by 4.2% to S\$9.23 psf/mth driven by the higher occupancy rates and signing rents in quality buildings.¹

Looking ahead, the Manager will continue its proactive asset management to maintain its high occupancy level for its Singapore office portfolio notwithstanding the remaining vacant space in the recently completed buildings and the secondary stock in the market.

Despite the improvement in consumer sentiments, retailers remained cautious in their expansion plans.¹

Suntec City mall posted stronger operational performance in the fourth quarter of 2017. The committed occupancy stood at 99% as at 31 December 2017 while footfall and tenant sales per square foot registered 12.8% and 4.8% year-on-year growth respectively in 2017. The Manager will continue its strategy of increasing asset utilisation and active tenant adjustment to further strengthen the positioning of Suntec City mall.

According to the Australian Bureau of Statistics, the Australian economy on a year-on-year basis, grew by 2.8% in the third quarter of 2017. On 5 December 2017, the Reserve Bank of Australia maintained the cash rate unchanged at 1.5%, in line with sustainable growth in the economy and achieving the inflation target over time.

In Australia, the national office CBD occupancy increased marginally by 0.1% to 89.2% in the third quarter of 2017. Occupier demand continues to be positive in the Sydney, North Shore and Melbourne office markets on the back of centralisation and expansionary activities. Looking ahead, occupancy and rents are expected to improve given the strong occupier demand coupled with limited new supply.²

¹ JLL, Office and Retail Market Reports 4Q 2017.

² JLL, Australia Office Overview and Outlook, Sydney CBD Office, North Shore Office and Melbourne CBD Office Market Reports 3Q 2017.

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2017**

11. Distributions

(a) Current financial period

Any distribution declared for the current period? Yes

Name of distribution Distribution for the period from 1 October 2017 to 31 December 2017

Distribution Rate	Distribution Type	Distribution Rate Per Unit (cents)
	Taxable income	1.787
	Tax-exempt income	0.441
	Capital distribution	0.376
	Total	2.604

Distribution Type

i) Taxable income
ii) Tax-exempt income
iii) Capital distribution

Par value of units Not meaningful

Tax Rate

Taxable income
These distributions are made out of Suntec REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through partnership or as trading assets).

Tax-exempt income
Tax-exempt income distribution is exempt from tax in the hands of all Unitholders.

Capital distribution
Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who hold the Units as trading assets, the amount of capital gain distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

Remark Nil

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2017**

(b) Corresponding period of the immediately preceding financial period

Any distribution declared for the corresponding period of the immediately preceding financial year? Yes

Name of distribution Distribution for the period from 1 October 2016 to 31 December 2016

Distribution Rate

Distribution Type	Distribution Rate Per Unit (cents)
Taxable income	1.896
Tax-exempt income	0.386
Capital distribution	0.314
Total	2.596

Distribution Type
i) Taxable income
ii) Tax-exempt income
iii) Capital distribution

Par value of units Not meaningful

Tax Rate
Taxable income
These distributions are made out of Suntec REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through partnership or as trading assets).

Tax-exempt income
Tax-exempt income distribution is exempt from tax in the hands of all Unitholders.

Capital distribution
Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who hold the Units as trading assets, the amount of capital gain distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

Remark Nil

(c) Date paid/payable: 27 February 2018

(d) Books Closure Date: 1 February 2018

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2017**

12. If no distribution has been declared/(recommended), a statement to that effect

Not applicable.

13. Aggregate value of Interested Person Transactions under Rule 920(1)(a)(ii)

Suntec REIT does not have in place a general mandate for interested person transactions.

14. Negative confirmation pursuant to Rule 705(5) of the Listing Manual

Not applicable.

15. Confirmation pursuant to Appendix 7.7 under Rule 720(1) of the Listing Manual

The Board of Directors of ARA Trust Management (Suntec) Limited (as Manager for Suntec REIT) hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

16. Segmented revenue and results for business or geographical segments (of the group)

Business segments

As at 31 December 2017, Suntec REIT's portfolio comprises office and retail properties in Suntec City, a 30.0% interest in 9 Penang Road (formerly known as Park Mall), 60.8% interest in Suntec Singapore, one-third interest in ORQ, one-third interest in MBFC Properties, strategically located within Singapore's Marina Bay Precinct and Civic and Cultural Precinct. Suntec REIT also holds a 100.0% interest in the commercial building located at 177 Pacific Highway, North Sydney, a 25.0% interest in Southgate complex, Melbourne and a 50.0% interest in the commercial building to be developed located at Olderfleet, 477 Collins Street, Melbourne, Australia.

Suntec REIT's interest in Suntec City includes 100% of Suntec City mall comprising 809,395 sq ft of net lettable area, 59% of Suntec Office Towers, and 60.8% of Suntec Singapore.

	Office Actual 1/1/17 to 31/12/17 \$'000	Retail Actual 1/1/17 to 31/12/17 \$'000	Convention Actual 1/1/17 to 31/12/17 \$'000	Total Actual 1/1/17 to 31/12/17 \$'000
2017				
Property income and expenses				
Gross revenue	175,653	118,834	59,709	354,196
Property expenses	(31,743)	(33,074)	(44,922)	(109,739)
Segment net property income	143,910	85,760	14,787	244,457
	Office Actual 1/1/16 to 31/12/16 \$'000	Retail Actual 1/1/16 to 31/12/16 \$'000	Convention Actual 1/1/16 to 31/12/16 \$'000	Total Actual 1/1/16 to 31/12/16 \$'000
2016				
Property income and expenses				
Gross revenue	147,518	121,728	59,349	328,595
Property expenses	(28,389)	(31,925)	(43,706)	(104,020)
Segment net property income	119,129	89,803	15,643	224,575

Suntec REIT's interest in 9 Penang Road (formerly known as Park Mall), ORQ, MBFC Properties and Southgate complex are held through joint ventures and are equity accounted for.

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2017**

17. In the review of performance, the factors leading to any changes in contributions to turnover and earnings by the business or geographical segments

Please refer to Section 8 for the review of the actual performance.

18. Breakdown of sales

	Group		
	FY17	FY16	Change
	S\$'000	S\$'000	%
Gross revenue reported for period from 1 January to 30 June	175,741	157,281	11.7%
Total return after tax for the period from 1 January to 30 June	80,794	78,519	2.9%
Gross revenue reported for the period from 1 July to 31 December	178,455	171,314	4.2%
Total return after tax for the period from 1 July to 31 December	148,220	182,774	-18.9%

19. Breakdown of the total distribution for the financial year ended 31 December 2017

Annual distribution paid/payable to Unitholders

	Actual 1/1/17 to 31/12/17	Actual 1/1/16 to 31/12/16
	S\$'000	S\$'000
1 July 2017 to 30 September 2017	65,860	-
1 April 2017 to 30 June 2017	66,048	-
1 January 2017 to 31 March 2017	61,852	-
1 October 2016 to 31 December 2016	66,132	-
1 July 2016 to 30 September 2016	-	64,304
1 April 2016 to 30 June 2016	-	63,358
1 January 2016 to 31 March 2016	-	59,990
1 October 2015 to 31 December 2015	-	69,490
	259,892	257,142

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Pursuant to Rule 704(13) of the Listing Manual, we confirm that there is no person occupying managerial positions in ARA Trust Management (Suntec) Limited (the "Company") or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2017**

21. Certificate pursuant to Paragraph 7.3 of the Property Funds Appendix

The Manager hereby certifies that in relation to the distribution to the Unitholders of Suntec REIT for the quarter ended 31 December 2017:

- a. Suntec REIT will declare a distribution which is classified as capital distribution from a tax perspective, being derived from a portion of the sales proceeds from the sale of Park Mall in December 2015, in addition to the income available for distribution for the quarter ended 31 December 2017,
- b. The Manager is satisfied on reasonable grounds that, immediately after making the distributions, Suntec REIT will be able to fulfill, from its deposited properties, its liabilities as they fall due.

The distribution is computed based on the accounts of Suntec REIT for the quarter ended 31 December 2017 and is verified by our external tax consultant.

Suntec REIT's current distribution policy is to distribute at least 90.0% of its taxable income to Unitholders.

This release 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 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 costs), 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. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current views of management on future events.

The value of units in Suntec REIT ("**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 Singapore Exchange Securities Trading Limited (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.

BY ORDER OF THE BOARD
ARA TRUST MANAGEMENT (SUNTEC) LIMITED
AS MANAGER OF SUNTEC REAL ESTATE INVESTMENT TRUST
(Company registration no. 200410976R)

Chan Kong Leong
Director
24 January 2018