



Suntec Real Estate Investment Trust
2014 First Quarter 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 was listed on the Singapore Exchange Securities Trading Limited on 9 December 2004.

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 Park Mall, 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"). Suntec REIT holds a 100% interest in the commercial building located at 177 Pacific Highway, North Sydney Australia which is currently under development.

The financial information for the period from 1 January 2014 to 31 March 2014 has not been audited but has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements 2410.

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SUMMARY OF SUNTEC REAL ESTATE INVESTMENT TRUST RESULTS

	Group		
	1/1/14 to 31/3/14	1/1/13 to 31/3/13	Change
	S\$'000	S\$'000	%
Gross revenue	65,955	49,662	32.8%
Net property income	43,771	30,679	42.7%
Total amount available for distribution	50,884	50,270	1.2%
- from operations	50,884	47,570	7.0%
- from capital ^(a)	-	2,700	-100.0%
Distribution per unit (cents) ^{(b)(c)}	2.229	2.228	0.0%
- from operations	2.229	2.108	5.7%
- from capital ^(a)	-	0.120	-100.0%
Annualised distribution per unit (cents)	9.040	9.036	0.0%

n.m. – not meaningful

Footnote:

- (a) This relates to a portion of the sale proceeds from disposal of CHIJMES in January 2012 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 11 for the distribution per unit computation.
- (c) An advanced distribution of 2.105 cents per unit for the period 1 January 2014 to 26 March 2014 was paid on 17 April 2014. The balance distribution of 0.124 cents for the period 27 March 2014 to 31 March 2014 will be paid on 28 May 2014.

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1 (a)(i) Statements of Total Return and Statement of Distribution for the First Quarter ended 31 March 2014

Statement of total return	Group		
	1/1/14 to 31/3/14	1/1/13 to 31/3/13	Change
	S\$'000	S\$'000	%
Gross revenue ^(a)	65,955	49,662	32.8%
Maintenance charges	(4,972)	(4,972)	0.0%
Property management fees ^(b)	(1,975)	(1,690)	-16.9%
Property tax ^(b)	(5,313)	(4,330)	-22.7%
Other property expenses ^(c)	(9,924)	(7,991)	-24.2%
Property expenses	(22,184)	(18,983)	-16.9%
Net property income	43,771	30,679	42.7%
Other income ^(d)	4,067	4,220	-3.6%
Share of profit of joint ventures ^(e)	15,986	14,198	12.6%
Finance income ^(f)	7,238	5,645	28.2%
Finance expenses ^(f)	(18,374)	(19,529)	5.9%
Amortisation of intangible asset ^(g)	(3,027)	(3,141)	3.6%
Asset management fees - base fee ^(h)	(7,493)	(6,554)	-14.3%
Asset management fees - performance fee ⁽ⁱ⁾	(3,245)	(2,898)	-12.0%
Trust expenses	(796)	(759)	-4.9%
Net income	38,127	21,861	74.4%
Net change in fair value of financial derivatives ^(j)	693	4,078	-83.0%
Total return before tax	38,820	25,939	49.7%
Income tax (expense)/credit ^(k)	(628)	4,520	-113.9%
Total return for the period after tax	38,192	30,459	25.4%
Attributable to:			
Unitholders	37,029	31,897	16.1%
Non-controlling interests	1,163	(1,438)	180.9%
Total return for the period	38,192	30,459	25.4%

Statement of distribution	Group		
	1/1/14 to 31/3/14	1/1/13 to 31/3/13	Change
	S\$'000	S\$'000	%
Total return for the period attributable to Unitholders before distribution	37,029	31,897	16.1%
Non-tax chargeable items ^(l)	(5,216)	(5)	n.m.
Taxable income	31,813	31,892	-0.2%
Dividend income ^(m)	19,071	15,678	21.6%
Income available for distribution to Unitholders	50,884	47,570	7.0%
Unitholders' distribution:			
- from operations	50,884	47,570	7.0%
- from capital ⁽ⁿ⁾	-	2,700	-100.0%
Distributable amount to Unitholders	50,884	50,270	1.2%

n.m. – not meaningful

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Footnotes:

- (a) Gross revenue comprises mainly rental income from retail mall and offices, convention revenue and income from rentals of atrium spaces, push carts and media spaces. The increase in Gross revenue for the quarter was due to the re-opening of Suntec City mall and Suntec Singapore upon the completion of Phase 1 of the asset enhancement works. Please refer to Note 8(i) for breakdown in Gross revenue.
- (b) Property management fees and property tax for the quarter were higher compared to the corresponding period mainly due to the higher revenue.
- (c) Other property expenses for the current quarter was higher compared to corresponding period due to the commencement of operations in Suntec Singapore after the completion of asset enhancement works in June 2013.
- (d) Included in the other income were the following:

	Group		
	1/1/14 to 31/3/14	1/1/13 to 31/3/13	Change
	S\$'000	S\$'000	%
Income support in relation to MBFC Properties ⁽¹⁾	4,067	4,220	-3.6%
Other Income	4,067	4,220	-3.6%

(1) Relates to income support received from Choicewide Group Limited.

- (e) This relates to the Group's one-third interest in One Raffles Quay Pte Ltd ("ORQPL") and one-third interest in BFC Development LLP ("BFCD LLP").
- (f) Included in the net financing costs are the following:

	Group		
	1/1/14 to 31/3/14	1/1/13 to 31/3/13	Change
	S\$'000	S\$'000	%
Finance income:			
Interest income			
- fixed deposits and current account	155	221	-29.9%
- loans to joint ventures	5,249	5,424	-3.2%
- progress payments ⁽¹⁾	1,795	-	n.m.
Net foreign exchange differences	39	-	n.m.
	7,238	5,645	28.2%
Finance expenses:			
Interest expense			
- bank loans, notes and convertible bonds	(13,700)	(13,341)	-2.7%
- interest rate swaps	(1,531)	(2,459)	37.7%
Amortisation and transaction costs	(3,143)	(3,729)	15.7%
	(18,374)	(19,529)	5.9%
Net financing costs	(11,136)	(13,884)	19.8%

(1) Relates to coupon earned on progress payments made in relation to 177 Pacific Highway in North Sydney Australia which is currently under development.

- (g) This relates to the amortisation of the intangible asset relating to the income support receivable by Suntec REIT (please refer to note (d) above).
- (h) The asset management fees – base fees were higher compared to the corresponding period mainly due to higher deposited properties.
- (i) The asset management fees – performance fees were higher compared to the corresponding period due to higher net property income achieved as a result of completion of Phase 1 of the asset enhancement works in parts of Suntec City mall and Suntec Singapore.
- (j) This relates to the net gain arising from fair value remeasurement of the interest rate swaps and convertible bonds. This has no impact on distributable income.

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(k) This relates to income tax on operating profits and non-tax transparent income received.

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

	Group		
	1/1/14 to 31/3/14	1/1/13 to 31/3/13	Change
	S\$'000	S\$'000	%
Non-tax deductible/(chargeable) items			
Amortisation of intangible asset	3,027	3,141	-3.6%
Amortisation and transaction costs	3,405	3,443	-1.1%
Asset management fees paid/payable in units	7,941	7,134	11.3%
Net change in fair value of financial derivatives	(693)	(4,078)	-83.0%
Temporary differences and other adjustments ⁽¹⁾	1,114	2,319	-52.0%
Net profit from subsidiaries and joint ventures	(20,010)	(11,964)	67.3%
Total	(5,216)	(5)	n.m.

n.m. – not meaningful

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

(m) This relates to the dividend/distribution income received from:

	Group		
	1/1/14 to 31/3/14	1/1/13 to 31/3/13	Change
	S\$'000	S\$'000	%
Wholly-owned subsidiaries:			
Comina Investment Limited ⁽¹⁾	6,545	7,264	-9.9%
Suntec Harmony Pte. Ltd. ⁽²⁾	1,520	-	n.m.
Suntec REIT Capital Pte. Ltd.	1,200	-	n.m.
Suntec REIT (Australia) Trust ⁽³⁾	699	-	n.m.
	9,964	7,264	37.2%
Jointly-controlled entity:			
BFC Development LLP ⁽⁴⁾	9,107	8,414	8.2%
	19,071	15,678	21.6%

(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 (Australia) Trust ("SRAust") has a 100% effective interest in 177 Pacific Highway.

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

(n) This relates to a portion of the sale proceeds from disposal of CHIJMES in January 2012 and is classified as capital distribution from a tax perspective.

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1 (b)(i) Statements of Financial Position as at 31 March 2014

	Group		Trust	
	31/3/14	31/12/13	31/3/14	31/12/13
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Plant and equipment	2,528	2,798	25	29
Investment properties ^(a)	5,781,187	5,741,208	5,051,451	5,015,200
Intangible asset ^(b)	21,416	24,443	21,416	24,443
Interest in joint ventures ^(c)	2,304,592	2,304,202	1,474,417	1,474,417
Investments in subsidiaries ^(d)	-	-	788,611	773,929
Trade and other receivables ^(e)	47,602	34,142	-	-
Deferred tax asset	4,311	4,741	-	-
Derivative assets ^(f)	506	28	506	28
Total non-current assets	8,162,142	8,111,562	7,336,426	7,288,046
Current assets				
Inventories	5	5	-	-
Trade and other receivables ^(g)	51,060	29,076	35,611	11,990
Cash and cash equivalents	566,725	181,130	541,733	161,039
Total current assets	617,790	210,211	577,344	173,029
Total assets	8,779,932	8,321,773	7,913,770	7,461,075
Current liabilities				
Interest-bearing borrowings ^(h)	572,853	771,992	572,853	771,992
Trade and other payables ⁽ⁱ⁾	100,072	91,194	62,018	52,908
Derivative liabilities ^(f)	-	545	-	545
Current portion of security deposits	22,175	20,275	21,348	19,157
Total current liabilities	695,100	884,006	656,219	844,602
Non-current liabilities				
Interest-bearing borrowings ^(h)	2,702,014	2,388,776	2,419,740	2,109,261
Derivative liabilities ^(f)	18,064	17,536	17,863	17,533
Non-current portion of security deposits	46,490	46,458	40,655	40,688
Total non-current liabilities	2,766,568	2,452,770	2,478,258	2,167,482
Total liabilities	3,461,668	3,336,776	3,134,477	3,012,084
Net assets	5,318,264	4,984,997	4,779,293	4,448,991
Represented by:				
Unitholders' funds ⁽ⁱ⁾	5,177,626	4,844,464	4,779,293	4,448,991
Non-controlling interests	140,638	140,533	-	-
Total Equity	5,318,264	4,984,997	4,779,293	4,448,991

Footnotes:

- (a) The increase in Investment Properties for both the Group and the Trust were due to the capital expenditure on asset enhancement during the period.
- (b) This represents the unamortised income support provided by Choicewide Group Limited, the vendor of the one-third interest in BFCD LLP. The intangible asset will be amortised in accordance with the Deed of Income Support.
- (c) In respect of the Group's joint ventures, this relates to the one-third interest in ORQPL and one-third interest in BFCD LLP.
- (d) This relates to CIL, SHPL, Suntec REIT MTN Pte. Ltd. ("SRMTN"), Suntec REIT Capital Pte. Ltd. and SRAust, which are wholly-owned subsidiaries of Suntec REIT. Increase in investment in subsidiaries is due to advances extended to fund the progress payments in relation to 177 Pacific Highway in North Sydney Australia currently under development.

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- (e) This relates to progress payments made in relation to 177 Pacific Highway in North Sydney Australia which is currently under development. The progress payments, which yield a coupon of 6.32% per annum, will be reclassified to investment properties upon completion. The increase is due to progress payments made during the period.
- (f) This relates to the interest rate swaps at fair value through statement of total return and embedded derivative relating to convertible bonds.
- (g) The increase for both the Group and Trust were mainly due to dividend receivable from joint ventures.
- (h) The interest-bearing borrowings are stated at amortised cost. The current portion of the interest-bearing borrowings includes S\$573.5 million club loan due in June 2014. S\$110.0 million of the loan was prepaid on 11 April 2014 with the proceeds from the euro medium term notes issued on 14 March 2014. The balance of S\$463.5 million club loan will be refinanced in due course. On 11 April 2014, the Group also prepaid the secured S\$350.0 million club loan due in 2015 using the placement proceeds received.
- (i) The increase in trade and other payables for both the Group and Trust were mainly due to accrued construction costs for asset enhancement works in Suntec City.
- (j) 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	
	31/3/14	31/12/13	31/3/14	31/12/13
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand				
- Unsecured ^(b)	572,853	771,992	572,853	771,992
	572,853	771,992	572,853	771,992
Amount repayable after one year				
- Secured ^(a)	729,413	726,241	447,139	446,726
- Unsecured ^(b)				
(i) financial institutions	1,255,071	1,254,214	1,255,071	1,254,214
(ii) notes & convertible bonds	717,530	408,321	409,532	408,321
(iii) subsidiary	-	-	307,998	-
	2,702,014	2,388,776	2,419,740	2,109,261
	3,274,867	3,160,768	2,992,593	2,881,253

Details of borrowings and collaterals

- (a) The Group has in place secured facilities of S\$769.5 million Term Loan Facilities with a panel of banks, comprising a S\$350.0 million loan for a term of 5 years, a S\$100.0 million fixed-rate loan for a term of seven years and a S\$319.5 million loan for a term of 3 years. As at 31 March 2014, the Group has drawn down S\$733.5 million of secured facilities.

The facilities are secured on the following:

- A first legal mortgage on Suntec City Mall, part of Suntec City Office Tower 3 and Suntec Singapore (the "Properties");
 - A first fixed charge over the central rental collection account in relation to the Properties;
 - An assignment of the Group's rights, title and interest in the tenancy documents and the proceeds in connection with the Properties;
 - An assignment of the Group's rights, title and interest in the insurance policies in relation to the Properties;
 - A fixed and floating charge over the assets of the Group in relation to the Properties, agreements, collateral, as required by the financial institution granting the facilities; and
 - An assignment of any interest swaps facility, which may be entered into by the Group in relation to the term loan facilities
- (b) As at 31 March 2014, the Group has interest-bearing borrowings (unsecured) comprising of S\$1,837.4 million from various institutional banks, S\$150.0 million from Suntec REIT's medium term notes, S\$280.0 million of convertible bonds and S\$310.0 million euro medium term notes issued by SRMTN and on-lent to the Trust.

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1 (c) Statements of Cash Flow

	Group	
	1/1/14 to 31/3/14	1/1/13 to 31/3/13
	S\$'000	S\$'000
Operating activities		
Net income	38,127	21,861
Adjustments for:		
Depreciation of plant and equipment	242	251
Gain on disposal of plant and equipment	(22)	-
Asset management fees paid/payable in units ^(a)	7,941	7,134
Net finance costs ^(b)	11,136	13,884
Amortisation expense	3,027	3,141
Allowance for doubtful receivables	154	291
Share of profit of joint ventures	(15,986)	(14,198)
Operating income before working capital changes	44,619	32,364
Changes in working capital		
Trade and other receivables	(2,106)	(5,323)
Trade and other payables	(1,598)	6,106
Cash flows generated from operations	40,915	33,147
Income tax paid	-	(31)
Net cash flow from operating activities	40,915	33,116
Investing activities		
Interest received	7,232	5,648
Capital expenditure on investment properties	(28,950)	(45,503)
Purchase of plant and equipment	-	(1)
Proceeds from sale of plant and equipment	50	-
Progress payments on construction	(12,041)	-
Net cash flow used in investing activities	(33,709)	(39,856)
Financing activities		
Proceeds from interest-bearing loans	2,486	29,598
Proceeds from convertible bonds	-	280,000
Proceeds from euro medium term notes	310,000	-
Proceeds from issuance of units	350,001	-
Unit issue costs paid	(7,910)	-
Financing costs paid	(17,099)	(21,762)
Repayment/conversion of convertible bonds	-	(230,255)
Repayment of interest-bearing loans	(200,000)	-
Dividend paid to non-controlling interest	(980)	-
Distributions to unitholders	(58,171)	(53,480)
Net cash flow from financing activities	378,327	4,101
Net increase/(decrease) in cash and cash equivalents	385,533	(2,639)
Cash and cash equivalents at beginning of the period	181,130	199,681
Effect on exchange rate fluctuations on cash held	62	-
Cash and cash equivalents at end of the period	566,725	197,042

Footnotes:

The significant non-cash transactions for the quarter ended 31 March 2014 were as follows:

- (a) the Group will be issuing a total of 4,832,970 units to the Manager amounting to S\$7.9 million as satisfaction of asset management fees payable in units in respect of the financial quarter ended 31 March 2014.
- (b) Please refer to footnote (f) under note 1(a)(i) Statement of Total Return and Statement of Distribution for the financial quarter ended 31 March 2014 on page 4.

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

	Group		Trust	
	1/1/14 to 31/3/14	1/1/13 to 31/3/13	1/1/14 to 31/3/14	1/1/13 to 31/3/13
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at the beginning of the period	4,844,464	4,660,205	4,448,991	4,397,314
Operations				
Total return for the period attributable to unitholders	37,029	31,897	38,607	35,611
Net increase in net assets resulting from operations	37,029	31,897	38,607	35,611
Effective portion of changes in fair value of cash flow hedges ^(a)	(64)	(98)	-	-
Translation differences from financial statements of foreign entities	4,502	-	-	-
Net gain/(loss) recognised directly in Unitholder's fund	4,438	(98)	-	-
Unitholders' transactions				
Creation of units				
- private placement units ^(b)	350,001	-	350,001	-
Units to be issued				
- asset management fee payable in units ^(c)	7,941	7,134	7,941	7,134
Unit issue expenses	(8,076)	-	(8,076)	-
Distributions paid/payable to unitholders	(58,171)	(55,431)	(58,171)	(55,431)
Net increase/(decrease) in net assets resulting from unitholders' transactions	291,695	(48,297)	291,695	(48,297)
Unitholders' funds as at end of period	5,177,626	4,643,707	4,779,293	4,384,628

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 of the private placement units issued on 27 March 2014.

(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 units for the quarter are to be issued within 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	
	1/1/14 to 31/3/14	1/1/13 to 31/3/13
	Units	Units
Issued units at the beginning of the period	2,265,334,695	2,247,823,916
Creation of units:		
- as payment for asset management fee	5,205,155	4,530,318
- as units issue for private placement	218,069,000	-
Issued units at the end of the period	2,488,608,850	2,252,354,234
Units to be issued:		
- asset management fee payable in units ^(a)	4,832,970	4,078,943
Issuable units at the end of the period	4,832,970	4,078,943
Total issued and issuable units	2,493,441,820	2,256,433,177

Footnotes:

(a) These are units to be issued to the Manager as partial satisfaction of asset management fee incurred for the quarter.

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Convertible Bonds – Group & Trust

Suntec REIT has issued the following convertible bonds, which remained outstanding as at 31 March 2014:

- *S\$280,000,000 of Convertible Bonds due in 2018 which are convertible by holders into units of Suntec REIT at any time on or after 28 April 2013 at a conversion price of S\$2.111 per unit.*

There has been no conversion of any of the above convertible bonds since the date of their issue.

Assuming the bonds are fully converted based on the adjusted conversion price, the number of new units to be issued would be 132,638,559 (31 March 2013: 129,990,714), representing 5.3% (31 March 2013: 5.7%) of the total number of units of Suntec REIT in issue as at 31 March 2014.

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 quarter ended 31 March 2014 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".

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

The Group has applied the same accounting policies and methods of computation as in the audited financial statements for the year ended 31 December 2013, except for a number of new standards, amendments to standards and interpretations that are effective for annual period beginning 1 January 2014. Those which may be relevant to the Group that are expected to have significant effect on the financial statements of the Group are set out in paragraph 5 below.

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

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual period beginning 1 January 2014. Other than the adoption of FRS111 Joint Arrangements, the adoption of other new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

FRS 111 Joint Arrangements establishes the principles for classification and accounting of joint arrangements. The adoption of this standard would require the Group to re-assess and classify its joint arrangements as either joint operations or joint ventures based on its rights and obligations arising from the joint arrangements. Under this standard, interests in joint ventures will be accounted for using the equity method whilst interests in joint operations will be accounted for using the applicable FRSs relating to the underlying assets, liabilities, revenue and expense items arising from the joint operations. When making this assessment, the Group considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. Previously, the structure of the arrangement was the sole focus of classification.

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The Group has re-evaluated its involvement in its joint arrangements and has reclassified the interest in jointly controlled entities to joint ventures. Notwithstanding the reclassification, the investment would continue to be recognised by applying the equity method and there is no impact on the recognised assets, liabilities and Statement of Total Return of the Group.

6. Earnings per unit (“EPU”) and Distribution per unit (“DPU”)

Earnings per unit

	Group	
	1/1/14 to 31/3/14	1/1/13 to 31/3/13
Weighted average number of issued units	2,282,708,494	2,252,399,556
Earnings per unit for the period based on the weighted average number of units in issue (cents)	1.622	1.416
Weighted average number of units on the fully diluted basis	2,415,347,053	2,382,390,270
Earnings per unit for the period based on the fully diluted basis (cents) ^(a)	1.593	1.241

Footnote

(a) *For the purpose of calculating the diluted EPU, the weighted average number of units in issue is adjusted to take into the account the dilutive effect arising from full conversion of convertible bonds to units, with the potential units weighted for the period outstanding.*

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		
	1/1/14 to 26/3/14	27/3/14 to 31/3/14	1/1/13 to 31/3/13
Number of issued and issuable units at end of period entitled to distribution ^{(a)(b)}	2,270,539,850	2,493,441,820	2,256,433,177
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	2.105 ⁽¹⁾⁽²⁾	0.124 ⁽¹⁾	2.228

(1) *The distribution per unit for the quarter ended 31 March 2014 of 2.229 cents per unit (31 March 2013: 2.228 cents per unit) comprised a taxable income component of 2.034 cents per unit (31 March 2013: 1.861 cents per unit), a tax exempt income component of 0.195 cents per unit (31 March 2013: 0.247 cents per unit) and a capital distribution of NIL cents per unit (31 March 2013: 0.120 cents per unit).*

(2) *The advanced distribution of 2.105 cents per unit for the period 1 January 2014 to 26 March 2014 was paid on 17 April 2014.*

Footnotes:

(a) *The computation of actual DPU for the period from 1 January 2014 to 26 March 2014 is based on the number of units in issue as at 26 March 2014 of 2,270,539,850.*

(b) *The computation of actual DPU for the period from 27 March 2014 to 31 March 2014 is based on the number of units entitled to the distribution:*

(i) *The number of units in issue as at 31 March 2014 of 2,488,608,850; and*

(ii) *The units issuable to the Manager by 30 April 2014 as partial satisfaction of management fee incurred for the period from 1 January 2014 to 31 March 2014 of 4,832,970.*

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7. Net asset value ("NAV") per unit as at 31 March 2014

	Group		Trust	
	31/3/14 ^(a)	31/12/13	31/3/14 ^(a)	31/12/13
NAV per unit (S\$) ^(b)	2.076	2.134	1.917	1.959

Footnotes:

(a) The number of units used for computation of actual NAV per unit is 2,493,441,820. This comprised:

(i) The number of units in issue as at 31 March 2014 of 2,488,608,850; and

(ii) The units issuable to the Manager by 30 April 2014 as partial satisfaction of management fee incurred for the period from 1 January 2014 to 31 March 2014 of 4,832,970.

(b) The NAV as at 31 March 2014 was lower than 31 December 2013 mainly due to payment of distributions and placement units issued on 27 March 2014.

8. Review of the performance for the First Quarter ended 31 March 2014

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

Properties	Group		
	1/1/14 to 31/3/14	1/1/13 to 31/3/13	Change
	S\$'000	S\$'000	%
Gross Revenue:			
Suntec City	44,110	43,916	0.4%
Park Mall	6,065	5,732	5.8%
	50,175	49,648	1.1%
Suntec Singapore	15,780	14	n.m.
Total gross revenue	65,955	49,662	32.8%
Net Property Income:			
Suntec City	33,368	33,001	1.1%
Park Mall	4,705	4,327	8.7%
	38,073	37,328	2.0%
Suntec Singapore	5,698	(6,649)	185.7%
Total net property income	43,771	30,679	42.7%

n.m. – not meaningful

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8(ii) Income contribution from joint ventures

	Group		
	1/1/14 to 31/3/14	1/1/13 to 31/3/13	Change
	S\$'000	S\$'000	%
Joint ventures:			
One-third interest in ORQ:			
- Interest income	376	372	1.1%
- Dividend income	6,545	7,264	-9.9%
	6,921	7,636	-9.4%
One-third interest in MBFC Properties:			
- Income support	4,067	4,220	-3.6%
- Interest income	4,873	5,052	-3.5%
- Distribution income	9,107	8,414	8.2%
	18,047	17,686	2.0%
Total income contribution	24,968	25,322	-1.4%

Review of performance 1Q FY14 vs 1Q FY13

Gross revenue for 1Q FY14 was S\$66.0 million, an increase of S\$16.3 million or 32.8% over 1Q FY13. The increase was mainly due to the opening of Suntec Singapore Convention & Exhibition Centre ("Suntec Singapore") following the completion of the asset enhancement works.

Gross office revenue for the quarter was S\$33.2 million, which was S\$1.3 million or 4.1% higher than in 1Q FY13 due to positive rental reversions. Suntec City Office contributed approximately S\$30.9 million in revenue whilst Park Mall Office contributed S\$2.3 million in revenue for the quarter.

Gross retail revenue for the quarter was S\$17.0 million, which was S\$0.8 million or 4.3% lower than in 1Q FY13. This was due to the asset enhancement works in Suntec City mall. Suntec City contributed approximately S\$13.2 million in revenue, whilst Park Mall contributed S\$3.8 million in revenue for the quarter.

Suntec Singapore's revenue contribution for the quarter was S\$15.8 million, comprising of S\$9.9 million of convention revenue and S\$5.9 million of retail revenue.

Property operating expenses incurred for the quarter was S\$22.2 million, which was S\$3.2 million or 16.9% higher than the corresponding period last year. This was mainly due to higher property operating costs following the commencement of operations in Suntec Singapore after the completion of asset enhancement works in June 2013.

The net property income for the quarter of S\$43.8 million, was an increase of S\$13.1 million or 42.7% year-on-year due mainly to the opening of Suntec Singapore following the completion of the asset enhancement works.

The income contribution from ORQ and MBFC Properties for the quarter of S\$25.0 million was approximately that of 1Q FY13.

Net financing costs for the quarter was S\$11.1 million, a decrease of S\$2.7 million or 19.8% lower year-on-year. This was mainly due to interest coupon received for 177 Pacific Highway and lower interest rate swap costs.

The overall all-in financing cost for Suntec REIT averaged 2.49% for the quarter, and the consolidated gearing ratio stood at 37.3% as at 31 March 2014.

Total distribution income for the quarter was S\$50.9 million, S\$0.6 million or 1.2% higher than 1Q FY13 which included a capital distribution of S\$2.7 million. Excluding the capital distribution, distributable income from operations was S\$3.3 million or 7.0% higher year-on-year.

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The distribution per unit ("DPU") for the quarter was 2.229 cents, which was in-line with 1Q FY13 DPU of 2.228 cents which included a capital distribution of 0.120 cents. Excluding the capital distribution, DPU was 5.7% higher year-on-year.

For the office portfolio, Suntec City Office committed occupancy stood at 98.9% as at 31 March 2014. Park Mall office maintained 100% committed occupancy as at 31 March 2014.

For the retail portfolio, the committed occupancy of Suntec City Phase 1 was 100% as at 31 March 2014. Park Mall maintained 100% committed occupancy as at 31 March 2014.

For the joint ventures, ORQ and MBFC Properties continued to maintain 100% committed occupancy as at 31 March 2014.

The overall committed occupancy for the office and retail portfolio stood at 99.4% and 98.7% respectively as at 31 March 2014.

9. Variance between the forecast and actual results

The current results are broadly in line with the Trust's commentary made in the FY2013 Financial Results Announcement under item 10. The Trust has not disclosed any financial forecast to the market.

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 first quarter of 2014. Based on advanced estimates released by the Ministry of Trade and Industry ("MTI") on 14 April 2014, the economy grew 5.1% on a year-on-year basis. This was mainly supported by growth in the manufacturing and construction sectors which grew by 8.0% and 6.5% respectively.

The Singapore office market remained stable in the first quarter of 2014. According to Property Consultants¹, CBD Grade A occupancy increased 2.0% to 95.9% in 1Q 2014 with small-space occupiers supporting leasing activity. Average monthly gross rents for both Premium and Grade A office space in the CBD grew 3.2% to \$8.99 psf/mth.

The Singapore retail sector remained stable in the first quarter of 2014. According to Property Consultants¹, leasing activity was subdued as retailers adopted a watch and wait approach and focused on minimising costs. On the remaking of Suntec City, the committed occupancy of Phase 1 achieved 100% while the pre-committed occupancy for Phase 2 was 95.0% to-date.

Looking ahead, supported by Suntec REIT's high office portfolio committed occupancy of 99.4% and balance of only 9.6% of its office leases due to expire in 2014. Barring any unforeseen circumstances, the Manager expects the performance of the office portfolio to remain positive. In addition, the Manager will continue to focus on proactive asset management and the smooth execution of asset enhancement initiatives for Suntec City.

¹ Colliers International Singapore Research, 1Q 2014 Office Market Report and Jones Lang LaSalle Singapore, 1Q 2014 Retail Market Snapshot.

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11. Distributions

(a) Current financial period

Any distribution declared for the current period?

Yes

Name of distribution

Distribution for the period from 1 January 2014 to 31 March 2014

Distribution Rate

Distribution Type	Distribution Rate Per Unit (cents)
Taxable income	2.034
Tax-exempt income	0.195
Total	2.229

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.

Remark

Taxable income comprised 1.934 cents per unit for the period 1 January 2014 to 26 March 2014 and 0.100 cents per unit for the period 27 March 2014 to 31 March 2014.

Taxable exempt income comprised 0.171 cents per unit for the period 1 January 2014 to 26 March 2014 and 0.024 cents per unit for the period 27 March 2014 to 31 March 2014.

An advanced distribution of 2.105 cents per unit for the period 1 January 2014 to 26 March 2014 was paid on 17 April 2014.

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(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 January 2013 to 31 March 2013

Distribution Rate

Distribution Type	Distribution Rate Per Unit (cents)
Taxable income	1.861
Tax-exempt income	0.247
Capital distribution	0.120
Total	2.228

Distribution Type

- i) Taxable income
- ii) Tax-exempt income

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:

1/1/2014 – 26/3/2014
17 April 2014

27/3/14 – 31/3/2014
28 May 2014

(d) Books Closure Date:

1/1/2014 – 26/3/2014
26 March 2014

27/3/14 – 31/3/2014
5 May 2014

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

Not applicable.

**Financial Statements Announcement
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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

To the best of our knowledge, nothing has come to the attention of the Board of Directors of the Manager of Suntec REIT (the “Manager”) which may render the unaudited interim financial statements of the Group and Trust (comprising the statement of financial position as at 31 March 2014, statement of total return & distribution statement, cash flow statement and statement of changes in unitholders’ funds for the quarter ended on that date), together with their accompanying notes, to be false or misleading, in any material aspect.

On behalf of the Board of the Manager
ARA TRUST MANAGEMENT (SUNTEC) LIMITED

Lim Hwee Chiang, John
Director

Yeo See Kiat
Director and Chief Executive Officer

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)

Yeo See Kiat
Director
24 April 2014