



Suntec Real Estate Investment Trust
2016 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 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 30.0 per cent interest in Park Mall. Suntec REIT holds a 100 per cent 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 2016 to 31 March 2016 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		
	1/1/16 to 31/3/16	1/1/15 to 31/3/15	Change
	S\$'000	S\$'000	%
Gross revenue	78,343	74,462	5.2%
Net property income	53,972	51,353	5.1%
Distributable income	60,003	55,998	7.2%
- from operations	56,003	55,998	0.0%
- from capital ^(a)	4,000	-	-
Distribution per unit (cents) ^(b)	2.371	2.230	6.3%
- from operations	2.213	2.230	-0.8%
- from capital ^(a)	0.158	-	-
Annualised distribution per unit (cents)	9.536	9.044	5.4%

Footnote:

- (a) This relates to a portion of the sales proceeds from 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 11 for the distribution per unit computation.

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1 (a)(i) Statements of Total Return and Statement of Distribution for the First Quarter ended 31 March 2016

Statement of total return	Group		
	1/1/16 to 31/3/16	1/1/15 to 31/3/15	Change
	S\$'000	S\$'000	%
Gross revenue ^(a)	78,343	74,462	5.2%
Maintenance charges	(5,036)	(4,973)	-1.3%
Property management fees ^(b)	(2,350)	(2,221)	-5.8%
Property tax ^(c)	(5,141)	(5,870)	12.4%
Other property expenses ^(d)	(11,844)	(10,045)	-17.9%
Property expenses	(24,371)	(23,109)	-5.5%
Net property income	53,972	51,353	5.1%
Other income ^(e)	-	2,908	-100.0%
Share of profit of joint ventures ^(f)	15,994	14,902	7.3%
Finance income ^(g)	14,130	8,998	57.0%
Finance expenses ^(g)	(34,628)	(22,036)	-57.1%
Amortisation of intangible asset ^(h)	-	(2,164)	100.0%
Asset management fees - base fee	(7,650)	(7,363)	-3.9%
Asset management fees - performance fee ⁽ⁱ⁾	(3,815)	(3,520)	-8.4%
Trust expenses	(849)	(930)	8.7%
Net income	37,154	42,148	-11.8%
Net change in fair value of financial derivatives ^(j)	(2,146)	8,069	-126.6%
Total return before tax	35,008	50,217	-30.3%
Income tax expense ^(k)	(1,283)	(1,511)	15.1%
Total return for the period after tax	33,725	48,706	-30.8%
Attributable to:			
Unitholders	32,420	47,079	-31.1%
Non-controlling interests	1,305	1,627	-19.8%
Total return for the period	33,725	48,706	-30.8%

Statement of distribution	Group		
	1/1/16 to 31/3/16	1/1/15 to 31/3/15	Change
	S\$'000	S\$'000	%
Total return for the period attributable to Unitholders before distribution	32,420	47,079	-31.1%
Non-tax deductible/(chargeable) items ^(l)	1,159	(10,737)	110.8%
Taxable income	33,579	36,342	-7.6%
Dividend income ^(m)	22,424	19,656	14.1%
Income available for distribution to Unitholders	56,003	55,998	0.0%
Unitholders' distribution:			
- from operations	56,003	55,998	0.0%
- from capital ⁽ⁿ⁾	4,000	-	-
Distributable amount to Unitholders	60,003	55,998	7.2%

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Footnotes:

- (a) Gross revenue comprises mainly rental income from retail mall and offices, convention revenue and income from rental of atrium and media spaces. The increase in Gross revenue for the current quarter was due to the opening of Suntec City mall (Phase 3) upon the completion of the asset enhancement works and stronger performance from Suntec Singapore offset by loss of revenue due to the divestment of Park Mall in December 2015. Please refer to Note 8(i) for breakdown in Gross revenue.
- (b) Property management fees for the quarter were higher compared to the corresponding period mainly due to the higher revenue.
- (c) Property tax for the quarter was lower compared to the corresponding period due to the divestment of Park Mall and the reversal of an overprovision of FY2015 property tax for Suntec Singapore.
- (d) Other property expenses for the quarter were higher compared to corresponding period mainly due to higher operating expenses for Suntec Singapore.
- (e) Included in the other income are the following:

	Group		
	1/1/16 to 31/3/16	1/1/15 to 31/3/15	Change
	S\$'000	S\$'000	%
Income support in relation to MBFC Properties ⁽¹⁾	-	2,908	-100.0%
Other Income	-	2,908	-100.0%

(1) Relates to income support received from Choicewide Group Limited. The income support ended in 4QFY15 in accordance with the Deed of Income Support.

- (f) 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") and 30.0% interest in Park Mall Pte. Ltd.
- (g) Included in the net financing costs are the following:

	Group		
	1/1/16 to 31/3/16	1/1/15 to 31/3/15	Change
	S\$'000	S\$'000	%
Finance income:			
Interest income			
- fixed deposits and current account	336	196	71.4%
- loans to joint ventures	7,578	6,068	24.9%
- progress payments ⁽¹⁾	5,111	2,697	89.5%
- interest rate swaps ⁽²⁾	1,105	37	2886.5%
	14,130	8,998	57.0%
Finance expenses:			
Interest expense			
- bank loans, notes and convertible bonds ⁽³⁾	(21,506)	(15,205)	-41.4%
- interest rate swaps	(422)	(348)	-21.3%
Amortisation and transaction costs ⁽⁴⁾	(12,647)	(2,419)	-422.8%
Net foreign currency exchange differences	(53)	(4,064)	98.7%
	(34,628)	(22,036)	-57.1%
Net financing costs	(20,498)	(13,038)	-57.2%

(1) Relates to coupon earned on progress payments made in relation to 177 Pacific Highway in North Sydney Australia which is currently under development. The year-on-year increase was due to additional progress payments paid.

(2) Interest rate swaps income increased year-on-year due to higher swap offer rate.

(3) Interest expense on bank loans, notes and convertible bonds were higher year-on-year due to additional borrowings and higher swap offer rate.

(4) Amortisation and transaction costs were higher compared to corresponding period due to one-time write-off of unamortised transaction costs in relation to the redemption of convertible bonds.

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- (h) This relates to the amortisation of the intangible asset relating to the income support receivable by Suntec REIT (please refer to note (e) above).
- (i) The asset management fees – performance fees were higher compared to the corresponding period due to higher net property income ("NPI") achieved as a result of completion of Phase 3 of the asset enhancement works in Suntec City mall and from Suntec Singapore.
- (j) This relates to the net loss arising from fair value remeasurement of the foreign currency forward contracts, interest rate swaps and convertible bonds. This has no impact on distributable income.
- (k) This relates to income tax on operating profits and non-tax transparent income received. The decrease was mainly due to the cessation of income support.
- (l) Included in the non-tax deductible/(chargeable) items are the following:

	Group		
	1/1/16 to 31/3/16	1/1/15 to 31/3/15	Change
	S\$'000	S\$'000	%
Non-tax deductible/(chargeable) items			
Amortisation of intangible asset	-	2,164	-100.0%
Amortisation of transaction costs	12,529	2,302	444.3%
Asset management fees paid/payable in units	8,496	8,045	5.6%
Net change in fair value of financial derivatives	2,146	(8,069)	-126.6%
Net foreign currency exchange differences	131	4,044	-96.8%
Temporary differences and other adjustments ⁽¹⁾	672	613	9.6%
Net profit from subsidiaries and/or joint ventures	(22,815)	(19,836)	15.0%
Total	1,159	(10,737)	-110.8%

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

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

	Group		
	1/1/16 to 31/3/16	1/1/15 to 31/3/15	Change
	S\$'000	S\$'000	%
Wholly-owned subsidiaries:			
Comina Investment Limited ⁽¹⁾	6,346	6,391	-0.7%
Suntec Harmony Pte. Ltd. ⁽²⁾	3,040	2,280	33.3%
Suntec REIT Capital Pte. Ltd.	2,800	1,500	86.7%
Suntec REIT (Australia) Trust ⁽³⁾	1,899	918	106.9%
	14,085	11,089	27.0%
Joint venture:			
BFC Development LLP ⁽⁴⁾	8,339	8,567	-2.7%
	22,424	19,656	14.1%

(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 (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 sales proceed from the disposal of Park Mall in December 2015 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 2016

	Group		Trust	
	31/3/16	31/12/15	31/3/16	31/12/15
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Plant and equipment	2,541	2,706	410	403
Investment properties	5,800,584	5,799,901	5,000,066	5,000,000
Interest in joint ventures ^(a)	2,448,497	2,456,648	1,459,496	1,467,060
Investments in subsidiaries ^(b)	-	-	1,040,293	982,650
Trade and other receivables ^(c)	295,266	237,629	-	-
Derivative assets ^(d)	-	6,955	-	5,063
Total non-current assets	8,546,888	8,503,839	7,500,265	7,455,176
Current assets				
Derivative assets ^(d)	1,035	3,040	1,035	3,040
Trade and other receivables ^(e)	30,322	12,832	29,568	5,536
Cash and cash equivalents	168,669	445,267	112,802	393,579
Total current assets	200,026	461,139	143,405	402,155
Total assets	8,746,914	8,964,978	7,643,670	7,857,331
Current liabilities				
Interest-bearing borrowings ^(f)	254,661	638,043	254,661	638,043
Trade and other payables	106,872	107,708	66,409	65,452
Current portion of security deposits	20,477	20,398	14,439	16,136
Provision for taxation	1,295	1,295	1,295	1,295
Total current liabilities	383,305	767,444	336,804	720,926
Non-current liabilities				
Interest-bearing borrowings ^(f)	2,780,398	2,574,669	2,416,121	2,210,511
Derivative liabilities ^(d)	4,321	7,895	2,973	7,895
Non-current portion of security deposits	47,875	48,686	47,875	46,922
Deferred tax liabilities	4,382	3,627	-	-
Total non-current liabilities	2,836,976	2,634,877	2,466,969	2,265,328
Total liabilities	3,220,281	3,402,321	2,803,773	2,986,254
Net assets	5,526,633	5,562,657	4,839,897	4,871,077
Represented by:				
Unitholders' funds ^(g)	5,409,905	5,444,005	4,839,897	4,871,077
Non-controlling interests	116,728	118,652	-	-
Total Equity	5,526,633	5,562,657	4,839,897	4,871,077

Footnotes:

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

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- (d) *This relates to foreign currency forward contracts and interest rate swaps at fair value through statement of total return and embedded derivatives relating to convertible bonds.*
- (e) *The increase for both the Group and Trust were mainly due to dividend receivable from joint ventures.*
- (f) *The interest-bearing borrowings are stated at amortised cost. The current portion of the interest-bearing borrowings relate to S\$5.0 million convertible bonds to be redeemed on 22 April 2016, a S\$100.0 million loan and S\$150.0 million notes due in 2016. The loan and notes will be refinanced in due course.*
- (g) *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	
	31/3/16	31/12/15	31/3/16	31/12/15
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand				
- Secured ^(a)	99,903	99,746	99,903	99,746
- Unsecured ^(b)				
(i) financial institutions	-	119,936	-	119,936
(ii) notes & convertible bonds	154,758	418,361	154,758	418,361
	254,661	638,043	254,661	638,043
Amount repayable after one year				
- Secured ^(a)	364,277	364,158	-	-
- Unsecured ^(b)				
(i) financial institutions	2,002,960	1,797,489	2,002,960	1,797,489
(ii) notes	413,161	413,022	-	-
(iii) subsidiary	-	-	413,161	413,022
	2,780,398	2,574,669	2,416,121	2,210,511
	3,035,059	3,212,712	2,670,782	2,848,554

Details of borrowings and collaterals

- (a) *The Group has in place secured facilities of S\$466.0 million term loan facilities with a panel of banks, comprising a S\$100.0 million fixed-rate loan for a term of seven years and a S\$366.0 million floating rate loan for a term of five years. As at 31 March 2016, the Group has drawn down S\$466.0 million of secured facilities.*

The facilities are secured on the following:

- A first legal mortgage on 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 2016, the Group has unsecured interest-bearing borrowings comprising S\$2,009.8 million from various institutional banks, S\$150.0 million from Suntec REIT's medium term notes, S\$5.0 million convertible bonds and S\$415.0 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	
	1/1/16 to 31/3/16	1/1/15 to 31/3/15
	S\$'000	S\$'000
Operating activities		
Net income	37,154	42,148
Adjustments for:		
Depreciation of plant and equipment	264	213
Loss on disposal of plant and equipment	11	8
Asset management fees paid/payable in units	8,496	8,045
Net financing costs ^(a)	20,499	13,038
Amortisation of intangible asset	-	2,164
(Writeback)/Allowance for doubtful receivables	(60)	140
Share of profit of joint ventures	(15,994)	(14,902)
Operating income before working capital changes	50,370	50,854
Changes in working capital		
Inventories	-	6
Trade and other receivables	(2,252)	(529)
Trade and other payables	(2,777)	2,774
Cash flows generated from operations	45,341	53,105
Income tax paid	-	-
Net cash flow from operating activities	45,341	53,105
Investing activities		
Interest received	13,025	8,912
Capital expenditure on investment properties	(1,525)	(22,236)
Purchase of plant and equipment	(111)	(95)
Progress payments on construction	(56,242)	(8,114)
Change in investment in a joint venture	7,564	-
Loan repayment from a joint venture	-	7,000
Net cash flow used in investing activities	(37,289)	(14,533)
Financing activities		
Proceeds from interest-bearing loans	205,525	31,179
Financing costs paid	(23,626)	(18,513)
Repayment of convertible bonds	(275,000)	-
Repayment of interest-bearing loans	(120,000)	(15,000)
Dividend paid to non-controlling interest	(1,960)	(1,470)
Distributions to unitholders	(69,490)	(64,592)
Net cash flow used in financing activities	(284,551)	(68,396)
Net decrease in cash and cash equivalents	(276,499)	(29,824)
Cash and cash equivalents at beginning of the period	445,267	149,536
Effect on exchange rate fluctuations on cash held	(99)	(4,786)
Cash and cash equivalents at end of the period	168,669	114,926

(a) Please refer to footnote (g) under note 1(a)(i) Statement of total return and Statement of distribution for the quarter ended 31 March 2016 on page 4.

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

	Group		Trust	
	1/1/16 to 31/3/16	1/1/15 to 31/3/15	1/1/16 to 31/3/16	1/1/15 to 31/3/15
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at the beginning of the period	5,444,005	5,305,398	4,871,077	4,844,142
Operations				
Total return for the period attributable to unitholders	32,420	47,079	32,865	43,364
Net increase in net assets resulting from operations	32,420	47,079	32,865	43,364
Effective portion of changes in fair value of cash flow hedges ^(a)	(3,868)	915	-	-
Translation differences from financial statements of foreign entities	1,393	(5,861)	-	-
Net loss recognised directly in Unitholder's fund	(2,475)	(4,946)	-	-
Unitholders' transactions				
Units to be issued				
- asset management fees payable in units ^(b)	5,445	8,045	5,445	8,045
Distributions paid to unitholders	(69,490)	(64,592)	(69,490)	(64,592)
Net decrease in net assets resulting from unitholders' transactions	(64,045)	(56,547)	(64,045)	(56,547)
Unitholders' funds as at end of period	5,409,905	5,290,984	4,839,897	4,830,959

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 units issued and to be issued to the Manager as partial satisfaction of the asset management fees incurred. The asset management base fee units for the quarter ended 31 March 2016 are to be issued within 30 days from quarter end.

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

	Group and Trust	
	1/1/16 to 31/3/16	1/1/15 to 31/3/15
	Units	Units
Issued units at the beginning of the period	2,521,238,831	2,502,245,610
Creation of units: - as payment for asset management fee	5,673,967	4,238,716
Issued units at the end of the period	2,526,912,798	2,506,484,326
Units to be issued: - asset management fee payable in units ^(a)	3,223,144	4,303,441
Issuable units at the end of the period	3,223,144	4,303,441
Total issued and issuable units	2,530,135,942	2,510,787,767

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 March 2016.

Convertible Bonds – Group & Trust

In 2013, Suntec REIT issued S\$280.0 million principal amount of Convertible Bonds (the “Bonds”) due in 2018. Subsequent to the redemption of S\$275.0 million Bonds on 18 March 2016, the following Bonds remained outstanding as at 31 March 2016:

- S\$5,000,000 of Bonds 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\$2.042 per unit. (31 March 2015 : S\$2.111 per unit).

Assuming the outstanding Bonds are fully converted based on the adjusted conversion price, the number of new units to be issued would be 2,448,579 (31 March 2015: 132,638,559), representing 0.1% (31 March 2015: 5.3%) of the total number of units of Suntec REIT in issue as at 31 March 2016.

These outstanding Bonds will be redeemed on 22 April 2016.

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 quarter ended 31 March 2016 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 2015.

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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

There is no change in the accounting policies and methods of computation adopted.

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

Earnings per unit

	Group	
	1/1/16 to 31/3/16	1/1/15 to 31/3/15
Weighted average number of issued/issuable units ^(a)	2,526,968,070	2,506,532,142
Earnings per unit for the period based on the weighted average number of units in issue (cents)	1.283	1.878
Weighted average number of units on the fully diluted basis	2,529,416,649	2,639,170,701
Earnings per unit for the period based on the fully diluted basis (cents) ^(b)	1.282	1.724

Footnote

- (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.
- (b) 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	
	1/1/16 to 31/3/16	1/1/15 to 31/3/15
Number of issued and issuable units at end of period entitled to distribution ^(a)	2,530,135,942	2,510,787,767
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	2.371 ⁽¹⁾	2.230 ⁽¹⁾

- (1) The distribution per unit for the quarter ended 31 March 2016 of **2.371** cents per unit (31 March 2015: **2.230** cents per unit) comprised a taxable income component of **2.080** cents per unit (31 March 2015: **1.963** cents per unit), tax exempt income component of **0.133** cents per unit (31 March 2015: **0.267** cents per unit) and a capital distribution of **0.158** cents per unit (31 March 2015: nil cents per unit).

Footnotes:

- (a) The computation of actual DPU for the period from 1 January 2016 to 31 March 2016 is based on the number of units entitled to the distribution:
- (i) The number of units in issue as at 31 March 2016 of 2,526,912,798; and
- (ii) The units issuable to the Manager by 30 April 2016 as partial satisfaction of management base fees incurred for the period from 1 January 2016 to 31 March 2016 of 3,223,144.

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7. Net asset value (“NAV”) and Net Tangible Asset (“NTA”) per unit as at 31 March 2016

	Group		Trust	
	31/3/16 ^(a)	31/12/15	31/3/16 ^(a)	31/12/15
NAV / NTA per unit (S\$)	2.138	2.154	1.913	1.928

Footnotes:

(a) The number of units used for computation of actual NAV per unit is 2,530,135,942. This comprised:

- (i) The number of units in issue as at 31 March 2016 of 2,526,912,798; and
- (ii) The units issuable to the Manager by 30 April 2016 as partial satisfaction of management base fees incurred for the period from 1 January 2016 to 31 March 2016 of 3,223,144.

8. Review of the performance for the First Quarter ended 31 March 2016

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

Properties	Group		
	1/1/16 to 31/3/16	1/1/15 to 31/3/15	Change
	S\$'000	S\$'000	%
Gross revenue:			
Suntec City	59,129	50,824	16.3%
Park Mall ^(a)	16	6,103	-99.7%
	59,145	56,927	3.9%
Suntec Singapore	19,198	17,535	9.5%
Total gross revenue	78,343	74,462	5.2%
Net property income:			
Suntec City	46,215	39,145	18.1%
Park Mall ^(a)	162	4,638	-96.5%
	46,377	43,783	5.9%
Suntec Singapore	7,595	7,570	0.3%
Total net property income	53,972	51,353	5.1%

Footnote:

(a) Contribution from Park Mall relates to reconciliation adjustments subsequent to the divestment on 22 December 2015.

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8(ii) Income contribution from joint ventures

	Group		
	1/1/16 to 31/3/16	1/1/15 to 31/3/15	Change
	S\$'000	S\$'000	%
Joint ventures:			
One-third interest in ORQ:			
- Interest income	580	470	23.4%
- Dividend income	6,346	6,391	-0.7%
	6,926	6,861	0.9%
One-third interest in MBFC Properties:			
- Income support	-	2,908	-100.0%
- Interest income	6,998	5,598	25.0%
- Distribution income	8,339	8,567	-2.7%
	15,337	17,073	-10.2%
Total income contribution	22,263	23,934	-7.0%

Review of performance 1Q FY16 vs 1Q FY15

Gross revenue for 1Q FY16 was S\$78.3 million, an increase of S\$3.9 million or 5.2% higher than 1Q FY15. The increase was mainly due to the opening of Suntec City mall (Phase 3) following the completion of the asset enhancement works, higher office revenue from Suntec City Office and higher revenue achieved by Suntec Singapore Convention & Exhibition Centre ("Suntec Singapore") which was offset by the divestment of Park Mall which was completed on 22 December 2015.

Gross office revenue for the quarter was S\$33.2 million, which was a marginal S\$0.5 million or 1.4% lower than 1Q FY15. This was mainly due to the divestment of Park Mall and offset by positive contribution from Suntec City Office.

Gross retail revenue for the quarter was S\$25.9 million, which was S\$2.7 million or 11.5% higher than in 1Q FY15. This was mainly due to the opening of Suntec City mall (Phase 3) and offset by the divestment of Park Mall.

Suntec Singapore's revenue contribution for the quarter was S\$19.2 million, comprising S\$13.1 million from convention and S\$6.1 million from retail. The S\$1.7 million or 9.5% increase year-on-year, was mainly due to higher convention revenue.

Property operating expenses incurred for the quarter was S\$24.4 million, which was S\$1.3 million or 5.5% higher than the corresponding period last year. This was mainly due to higher operating expenses for Suntec Singapore.

Net property income rose S\$2.6 million or 5.1% year-on-year to S\$54.0 million due mainly to the opening of Suntec City mall (Phase 3) offset by the divestment of Park Mall.

The income contribution from ORQ and MBFC Properties for the quarter of S\$22.3 million was S\$1.7 million or 7.0% lower year-on-year as the income support for MBFC Properties ended in 4Q FY15.

Net financing costs for the quarter was S\$20.5 million, an increase of S\$7.5 million or 57.2% higher year-on-year. This was mainly due to the one-time write-off of unamortised transaction costs relating to the convertible bonds which were redeemed on 18 March 2016. Excluding the write-off, the net financing cost would be S\$10.4 million, S\$2.6 million or 20.2% lower year-on-year due to higher interest income.

The overall all-in financing cost for Suntec REIT, excluding the one-time write-off of unamortised transaction costs, averaged 2.92% for the quarter, and the consolidated gearing ratio stood at 34.7% as at 31 March 2016.

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Total distributable income for the quarter was S\$60.0 million, S\$4.0 million or 7.2% higher than 1Q FY15. The distribution per unit ("DPU") for the quarter was 2.371 cents per unit, which was 6.3% higher year-on-year. This includes a capital distribution of S\$4.0 million or 0.158 cents per unit.

For the office portfolio, Suntec City Office committed occupancy was 97.5% as at 31 March 2016. ORQ and MBFC Properties committed occupancy stood at 99.8% and 99.3% respectively while Park Mall Office committed occupancy was 91.7% as at 31 March 2016.

For the retail portfolio, the committed occupancy for the entire Suntec City was 98.7% as at 31 March 2016. The committed occupancy for ORQ and Marina Bay Link Mall were 100% and 98.1% respectively while Park Mall Retail committed occupancy stood at 96.7% as at 31 March 2016.

The overall committed occupancy for the office and retail portfolio stood at 98.3% and 98.6% respectively as at 31 March 2016.

9. Variance between the forecast and actual results

The current results are broadly in line with the Trust's commentary made in the FY2015 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 2016. Based on the report released by the Ministry of Trade and Industry ("MTI") on 14 April 2016, the Singapore economy grew by 1.8% on a year-on-year basis.

The Singapore office market remained sluggish in the first quarter of 2016. According to Property Consultants¹, due to the slower global economy, businesses were cautious in their corporate real estate plans and demand was primarily for smaller spaces and relocations were mainly driven by flight to quality. For the quarter, the overall CBD rents declined by 4.4% to \$9.06psf/mth while the overall CBD occupancy remained unchanged at 95.0%.

The Singapore retail sector continued to face headwinds in the first quarter of 2016. According to Property Consultants¹, there has been an increase in pop-up stores as landlords bring in new retailers which add diversity to the offerings in the malls. However, demand for retail space remained dampened mainly due to a decline in tourists spending and high operating costs.

The overall committed occupancy for Suntec City mall as at 31 March 2016 stood at 98.7%. With the completion of the asset enhancement works for Suntec City, we expect the retail contribution from Suntec City to be stable.

Looking ahead, with Suntec REIT's strong office portfolio occupancy of 97.5% and only 6.0% of its office leases due to expire in 2016, barring any unforeseen circumstances, the Manager expects the performance of the office portfolio to remain stable.

¹ JLL, Office and Retail Market Reports 1Q 2016.

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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 2016 to 31 March 2016

Distribution Rate	Distribution Type	Distribution Rate Per Unit (cents)
	Taxable income	2.080
	Tax-exempt income	0.133
	Capital distribution	0.158
	Total	2.371

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

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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 2015 to 31 March 2015

Distribution Rate

Distribution Type	Distribution Rate Per Unit (cents)
Taxable income	1.963
Tax-exempt income	0.267
Total	2.230

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.

Remark

Nil.

(c) Date payable:

26 May 2016

(d) Books Closure Date:

29 April 2016

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

Not applicable.

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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 2015, 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

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. 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 March 2016:

- 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 March 2016,
- 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 March 2016 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.

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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
21 April 2016