



**Suntec Real Estate Investment Trust
2018 Third Quarter and Nine Months 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 50.0 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 2018 to 30 September 2018 has not been audited but has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements 2410.

Financial Statements Announcement
For Third Quarter and Nine Months ended 30 September 2018

SUMMARY OF SUNTEC REAL ESTATE INVESTMENT TRUST RESULTS

	Group					
	1/7/18 to 30/9/18	1/7/17 to 30/9/17	Change	1/1/18 to 30/9/18	1/1/17 to 30/9/17	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	88,811	91,132	-2.5%	270,051	266,873	1.2%
Net property income	56,544	63,852	-11.4%	180,251	185,102	-2.6%
Income contribution from joint ventures	23,159	22,254	4.1%	68,496	68,364	0.2%
Distributable income	66,529	65,858	1.0%	197,352	193,737	1.9%
- from operations	56,529	57,858	-2.3%	170,852	174,737	-2.2%
- from capital ^(a)	10,000	8,000	25.0%	26,500	19,000	39.5%
Distribution per unit (cents) ^(b)	2.491	2.483	0.3%	7.398	7.401	0.0%
- from operations	2.117	2.181	-2.9%	6.405	6.679	-4.1%
- from capital ^(a)	0.374	0.302	23.8%	0.993	0.722	37.5%
Annualised distribution per unit (cents)	9.883	9.851	0.3%	9.891	9.895	0.0%

Footnotes:

(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 Third Quarter and Nine Months ended 30 September 2018

1 (a)(i) Statements of Total Return and Statement of Distribution for the Third Quarter and Nine Months ended 30 September 2018

Statement of total return	Group					
	1/7/18 to 30/9/18	1/7/17 to 30/9/17	Change	1/1/18 to 30/9/18	1/1/17 to 30/9/17	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue ^(a)	88,811	91,132	-2.5%	270,051	266,873	1.2%
Maintenance charges ^(b)	(9,850)	(5,036)	-95.6%	(21,527)	(15,108)	-42.5%
Property management fees	(2,429)	(2,428)	0.0%	(7,369)	(7,208)	-2.2%
Property tax	(5,936)	(5,983)	0.8%	(17,675)	(17,860)	1.0%
Other property expenses ^(c)	(14,052)	(13,833)	-1.6%	(43,229)	(41,595)	-3.9%
Property expenses	(32,267)	(27,280)	-18.3%	(89,800)	(81,771)	-9.8%
Net property income	56,544	63,852	-11.4%	180,251	185,102	-2.6%
Share of profit of joint ventures ^(d)	17,540	18,136	-3.3%	64,150	55,316	16.0%
Finance income ^(e)	6,739	4,869	38.4%	18,158	14,919	21.7%
Finance expenses ^(e)	(25,255)	(20,920)	-20.7%	(68,940)	(74,737)	7.8%
Asset management fees - base fee	(8,287)	(8,037)	-3.1%	(24,429)	(23,960)	-2.0%
Asset management fees - performance fee	(3,613)	(3,918)	7.8%	(11,206)	(11,568)	3.1%
Trust expenses ^(f)	(885)	(852)	-3.9%	(2,869)	(2,960)	3.1%
Net income	42,783	53,130	-19.5%	155,115	142,112	9.1%
Net change in fair value of financial derivatives ^(g)	(4,961)	3,274	-251.5%	7,659	74	n.m.
Total return before tax	37,822	56,404	-32.9%	162,774	142,186	14.5%
Income tax expense ^(h)	(1,643)	(1,533)	-7.2%	(5,144)	(6,521)	21.1%
Total return for the period after tax	36,179	54,871	-34.1%	157,630	135,665	16.2%
Attributable to:						
Unitholders	34,924	53,177	-34.3%	152,519	132,995	14.7%
Non-controlling interests	1,255	1,694	-25.9%	5,111	2,670	91.4%
Total return for the period	36,179	54,871	-34.1%	157,630	135,665	16.2%

Statement of distribution	Group					
	1/7/18 to 30/9/18	1/7/17 to 30/9/17	Change	1/1/18 to 30/9/18	1/1/17 to 30/9/17	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period attributable to Unitholders before distribution	34,924	53,177	-34.3%	152,519	132,995	14.7%
Non-tax chargeable items ⁽ⁱ⁾	(5,519)	(22,934)	75.9%	(62,846)	(40,840)	-53.9%
Taxable income	29,405	30,243	-2.8%	89,673	92,155	-2.7%
Dividend income ⁽ⁱ⁾	27,124	27,615	-1.8%	81,179	82,582	-1.7%
Income available for distribution to Unitholders	56,529	57,858	-2.3%	170,852	174,737	-2.2%
Unitholders' distribution:						
- from operations	56,529	57,858	-2.3%	170,852	174,737	-2.2%
- from capital ^(k)	10,000	8,000	25.0%	26,500	19,000	39.5%
Distributable amount to Unitholders	66,529	65,858	1.0%	197,352	193,737	1.9%

Financial Statements Announcement For Third Quarter and Nine Months ended 30 September 2018

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) Maintenance charges for the current quarter and the nine months ended 30 September 2018 was higher year-on-year due to sinking fund contribution for the upgrading works of the common area for all Suntec Office Towers with effect from 1 June 2018.
- (c) Other property expenses for the current quarter and the nine months ended 30 September 2018 was higher compared to the corresponding period mainly due to expenditures from more convention events held during the quarter.
- (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. The decrease for the current quarter ended 30 September 2018 was mainly due to lower share of profit from BFCD LLP.
- (e) Included in the finance income and finance expenses are the following:

	Group					
	1/7/18 to 30/9/18	1/7/17 to 30/9/17	Change	1/1/18 to 30/9/18	1/1/17 to 30/9/17	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Finance income:						
Interest income						
- fixed deposits and current account	293	106	176.4%	500	307	62.9%
- loans to joint ventures	6,072	4,763	27.5%	17,080	14,589	17.1%
- interest rate swaps	374	-	n.m.	568	-	n.m.
Net foreign currency exchange differences	-	-	n.m.	10	23	-56.5%
	6,739	4,869	38.4%	18,158	14,919	21.7%
Finance expenses:						
Interest expense						
- bank loans, notes and convertible bonds ⁽¹⁾	(22,416)	(16,646)	-34.7%	(60,294)	(48,152)	-25.2%
- interest rate swaps ⁽²⁾	(228)	(2,739)	91.7%	(2,223)	(7,738)	71.3%
Amortisation and transaction costs ⁽³⁾	(2,263)	(1,207)	-87.5%	(6,423)	(18,847)	65.9%
Net foreign currency exchange differences	(348)	(328)	-6.1%	-	-	n.m.
	(25,255)	(20,920)	-20.7%	(68,940)	(74,737)	7.8%
Net financing costs	(18,516)	(16,051)	-15.4%	(50,782)	(59,818)	15.1%

(1) Interest expense on bank loans, notes and convertible bonds for the current quarter was higher year-on-year due to increased borrowings and higher interest rates.

(2) Interest rate swaps costs for the current quarter decreased year-on-year due to higher interest rates.

(3) Amortisation and transaction costs for the nine months ended 30 September 2018 were lower year-on-year due to a one-time write-off of unamortised transaction costs in relation to the conversion and redemption of convertible bonds in the corresponding period.

- (f) Trust expenses for the current quarter ended 30 September 2018 was higher compared to the corresponding period mainly due to the reversal of trust expenses in prior year. Trust expenses for the nine months ended 30 September 2018 was lower compared to the corresponding period mainly due to lower legal and professional fees incurred.
- (g) This relates to the net gain/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 for current quarter ended 30 September 2018 was higher due to higher withholding tax. The income tax was lower for the nine months ended 30 September 2018 mainly due to an underprovision of deferred tax made by a subsidiary in the quarter ended 31 March 2017.

**Financial Statements Announcement
For Third Quarter and Nine Months ended 30 September 2018**

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

Non-tax deductible/(chargeable) items	Group					
	1/7/18 to 30/9/18	1/7/17 to 30/9/17	Change	1/1/18 to 30/9/18	1/1/17 to 30/9/17	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Amortisation of transaction costs	2,143	1,087	97.1%	6,066	18,491	-67.2%
Asset management fees paid/payable in units	8,800	8,915	-1.3%	26,369	26,306	0.2%
Net change in fair value of financial derivatives	4,961	(3,550)	-239.7%	(7,798)	(504)	1447.2%
Net foreign currency exchange differences	599	(191)	-413.6%	198	(123)	-261.0%
Temporary differences and other adjustments ⁽¹⁾	5,271	1,010	421.9%	8,082	176	4492.0%
Net profit from subsidiaries and/or joint ventures	(27,293)	(30,205)	-9.6%	(95,763)	(85,186)	12.4%
Total	(5,519)	(22,934)	-75.9%	(62,846)	(40,840)	53.9%

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

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

	Group					
	1/7/18 to 30/9/18	1/7/17 to 30/9/17	Change	1/1/18 to 30/9/18	1/1/17 to 30/9/17	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Wholly-owned subsidiaries:						
Comina Investment Limited ⁽¹⁾	5,182	6,112	-15.2%	17,612	20,846	-15.5%
Suntec Harmony Pte. Ltd. ⁽²⁾	2,736	2,280	20.0%	8,208	6,840	20.0%
Suntec REIT Capital Pte. Ltd. ⁽³⁾	6,000	4,850	23.7%	16,350	14,450	13.1%
Suntec REIT (Australia) Trust ⁽⁴⁾	5,327	5,032	5.9%	13,831	12,846	7.7%
	19,245	18,274	5.3%	56,001	54,982	1.9%
Joint venture:						
BFC Development LLP ⁽⁵⁾	7,879	9,341	-15.7%	25,178	27,600	-8.8%
	27,124	27,615	-1.8%	81,179	82,582	-1.7%

(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 50.0% effective interest in Southgate Complex with effect from 31 May 2018 (30 September 2017 : 25.0%) 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 Third Quarter and Nine Months ended 30 September 2018**

1 (b)(i) Statements of Financial Position as at 30 September 2018

	Group		Trust	
	30/9/18	31/12/17	30/9/18	31/12/17
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Plant and equipment	1,826	2,109	267	382
Investment properties	6,391,767	6,387,338	5,012,682	5,011,000
Interest in joint ventures ^(a)	2,827,544	2,660,234	1,463,696	1,463,696
Investments in subsidiaries ^(b)	-	-	1,534,939	1,367,549
Derivative assets ^(c)	2,047	803	2,047	170
Total non-current assets	9,223,184	9,050,484	8,013,631	7,842,797
Current assets				
Derivative assets ^(c)	829	243	829	243
Trade and other receivables ^(d)	35,134	18,232	27,846	13,413
Cash and cash equivalents	133,119	172,655	86,688	120,801
Total current assets	169,082	191,130	115,363	134,457
Total assets	9,392,266	9,241,614	8,128,994	7,977,254
Current liabilities				
Interest-bearing borrowings ^(e)	988,035	237,004	988,035	237,004
Trade and other payables ^(f)	117,273	108,889	60,855	56,395
Derivative liabilities ^(c)	7,063	456	7,063	456
Current portion of security deposits	19,888	25,387	17,753	23,211
Total current liabilities	1,132,259	371,736	1,073,706	317,066
Non-current liabilities				
Interest-bearing borrowings ^(e)	2,468,068	2,993,867	2,102,601	2,628,756
Non-current portion of security deposits	48,058	39,899	44,778	37,079
Derivative liabilities ^(c)	23,474	40,141	23,474	40,141
Deferred tax liabilities ^(g)	31,888	28,996	-	-
Total non-current liabilities	2,571,488	3,102,903	2,170,853	2,705,976
Total liabilities	3,703,747	3,474,639	3,244,559	3,023,042
Net assets	5,688,519	5,766,975	4,884,435	4,954,212
Represented by:				
Unitholders' funds ^(h)	5,561,047	5,639,074	4,884,435	4,954,212
Non-controlling interests	127,472	127,901	-	-
Total Equity	5,688,519	5,766,975	4,884,435	4,954,212

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, 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. The increase is mainly due to the acquisition of an additional 25.0% effective interest in Southgate Complex in May 2018.

(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.

(c) 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.

(d) The increase for both the Group and the Trust was mainly due to dividend receivable from joint ventures.

**Financial Statements Announcement
For Third Quarter and Nine Months ended 30 September 2018**

- (e) *The interest-bearing borrowings are stated at amortised cost. The current portion of the interest-bearing borrowings as at 30 September 2018 relates to a S\$105 million euro medium term notes due in the fourth quarter of 2018, S\$800 million loan facility due in the second quarter of 2019 and S\$87.5 million convertible bonds due in 2021 which will be redeemable on 5 September 2019. The S\$105 million euro medium term notes and part of the S\$800 million loan facility will be repaid in the fourth quarter of 2018. The remaining loan facility will be refinanced in due course.*
- (f) *The increase in trade and other payables mainly relate to higher accruals of progress billings for Olderfleet, 477 Collins Street.*
- (g) *The increase in deferred tax liabilities mainly relate to a subsidiary's provision of deferred tax for the quarter ended 30 September 2018.*
- (h) *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	
	30/9/18	31/12/17	30/9/18	31/12/17
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand				
- Unsecured ^(b)				
(i) financial institutions	799,398	132,138	799,398	132,138
(ii) notes & convertible bonds	188,637	104,866	83,654	-
(iii) subsidiary	-	-	104,983	104,866
	988,035	237,004	988,035	237,004
Amount repayable after one year				
- Secured ^(a)	365,467	365,111	-	-
- Unsecured ^(b)				
(i) financial institutions	989,864	1,765,013	989,864	1,765,013
(ii) notes & convertible bonds	1,112,737	863,743	274,752	355,237
(iii) subsidiary	-	-	837,985	508,506
	2,468,068	2,993,867	2,102,601	2,628,756
	3,456,103	3,230,871	3,090,636	2,865,760

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 30 September 2018, 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; and*
- 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.*

- (b) *As at 30 September 2018, the Group has unsecured interest-bearing borrowings comprising S\$1,794.9 million from various institutional banks, S\$387.5 million of convertible bonds and S\$945.0 million euro medium term notes issued by SRMTN and on-lent to the Trust.*

**Financial Statements Announcement
For Third Quarter and Nine Months ended 30 September 2018**

1 (c) Statements of Cash Flow

	Group			
	1/7/18 to 30/9/18	1/7/17 to 30/9/17	1/1/18 to 30/9/18	1/1/17 to 30/9/17
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Net income	42,783	53,130	155,115	142,112
Adjustments for:				
Depreciation of plant and equipment	202	283	851	871
Loss on disposal of plant and equipment	1	1	11	15
Asset management fees paid/payable in units	8,800	8,915	26,369	26,306
Net financing costs ^(a)	18,516	16,051	50,782	59,818
Allowance for doubtful receivables	236	657	1,280	1,944
Share of profit of joint ventures	(17,540)	(18,136)	(64,150)	(55,316)
Operating income before working capital changes	52,998	60,901	170,258	175,750
Changes in working capital				
Trade and other receivables	(2,759)	(1,227)	(866)	(6,992)
Trade and other payables	5,128	(2,743)	(7,548)	2,182
Cash flows generated from operations	55,367	56,931	161,844	170,940
Income tax paid	-	-	-	-
Net cash flow from operating activities	55,367	56,931	161,844	170,940
Investing activities				
Interest received	6,359	4,865	17,563	14,883
Dividend received from joint ventures	16,063	19,453	34,739	38,796
Change in investment in joint ventures ^(b)	(2,520)	(5,128)	(166,756)	(5,128)
Capital expenditure on investment properties	(1,537)	(6,536)	(3,010)	(7,088)
Purchase of plant and equipment	(63)	(126)	(628)	(582)
Proceeds from disposal of plant and equipment	-	(53,093)	1	(53,093)
Progress payments on construction ^(c)	(12,294)	(12,570)	(30,378)	(12,570)
Net cash flow from/(used in) investing activities	6,008	(53,135)	(148,469)	(24,782)
Financing activities				
Proceeds from interest-bearing loans	13,574	-	24,896	600,000
Proceeds from euro medium term notes	150,000	100,000	330,000	200,000
Unit issue costs paid	-	(3)	(30)	(33)
Financing costs paid	(24,199)	(22,319)	(69,382)	(63,018)
Repayment of convertible bonds	-	-	-	(45,500)
Repayment of interest-bearing loans	(132,342)	-	(132,342)	(655,000)
Dividend paid to non-controlling interest	(1,764)	(1,470)	(5,292)	(4,410)
Distributions to unitholders	(66,220)	(63,320)	(200,239)	(191,304)
Net cash flow (used in)/from financing activities	(60,951)	12,888	(52,389)	(159,265)
Net increase/(decrease) in cash and cash equivalents	424	16,684	(39,014)	(13,107)
Cash and cash equivalents at beginning of the period	132,448	153,010	172,655	182,450
Effect on exchange rate fluctuations on cash held	247	(616)	(522)	(265)
Cash and cash equivalents at end of the period	133,119	169,078	133,119	169,078

Footnotes:

(a) Please refer to footnote (e) under note 1(a)(i) Statement of Total Return and Statement of Distribution for the quarter ended 30 September 2018 on page 4.

(b) This relates mainly to the acquisition of an additional 25.0% effective interest in Southgate Complex, Australia in May 2018 and capital call for a joint venture in August 2018.

(c) This relates to progress payments made in relation to Olderfleet, 477 Collins Street in Australia which is currently under development.

Financial Statements Announcement
For Third Quarter and Nine Months ended 30 September 2018

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

	Group			
	1/7/18 to 30/9/18	1/7/17 to 30/9/17	1/1/18 to 30/9/18	1/1/17 to 30/9/17
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at the beginning of the period	5,604,968	5,613,879	5,639,074	5,468,935
Operations				
Total return for the period attributable to unitholders	34,924	53,177	152,519	132,995
Net increase in net assets resulting from operations	34,924	53,177	152,519	132,995
Effective portion of changes in fair value of cash flow hedges ^(a)	(371)	346	708	(927)
Translation differences from financial statements of foreign entities	(18,391)	3,168	(49,027)	12,155
Net (loss)/gain recognised directly in Unitholders' funds	(18,762)	3,514	(48,319)	11,228
Unitholders' transactions				
Creation of units				
- conversion of convertible bonds ^(b)	-	-	500	174,155
- asset management fees payable in units ^(c)	-	-	11,495	11,271
Units to be issued				
- asset management fees payable in units ^(c)	5,910	5,780	5,910	5,780
Unit issue expenses	-	(3)	(30)	(33)
Distributions paid to unitholders ^(d)	(65,993)	(66,048)	(200,102)	(194,032)
Net decrease in net assets resulting from unitholders' transactions	(60,083)	(60,271)	(182,227)	(2,859)
Unitholders' funds as at end of period	5,561,047	5,610,299	5,561,047	5,610,299

**Financial Statements Announcement
For Third Quarter and Nine Months ended 30 September 2018**

	Trust			
	1/7/18 to 30/9/18	1/7/17 to 30/9/17	1/1/18 to 30/9/18	1/1/17 to 30/9/17
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at the beginning of the period	4,919,677	4,977,049	4,954,212	4,835,536
Operations				
Total return for the period attributable to unitholders	24,841	52,021	112,450	136,122
Net increase in net assets resulting from operations	24,841	52,021	112,450	136,122
Unitholders' transactions				
Creation of units				
- conversion of convertible bonds ^(b)	-	-	500	174,155
- asset management fees payable in units ^(c)	-	-	11,495	11,271
Units to be issued				
- asset management fees payable in units ^(c)	5,910	5,780	5,910	5,780
Unit issue expenses	-	(3)	(30)	(33)
Distributions paid to unitholders ^(d)	(65,993)	(66,048)	(200,102)	(194,032)
Net decrease in net assets resulting from unitholders' transactions	(60,083)	(60,271)	(182,227)	(2,859)
Unitholders' funds as at end of period	4,884,435	4,968,799	4,884,435	4,968,799

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 prices of 242,718 units issued on conversion of convertible bonds on 25 January 2018 and 28 February 2018.
- (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 30 September 2018 are to be issued within 30 days from quarter end.
- (d) This includes tax withheld in relation to distribution paid during the quarter.

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

	Group and Trust			
	1/7/18 to 30/9/18	1/7/17 to 30/9/17	1/1/18 to 30/9/18	1/1/17 to 30/9/17
	Units	Units	Units	Units
Issued units at the beginning of the period	2,664,063,791	2,646,291,648	2,652,435,452	2,536,662,773
Creation of units:				
- conversion of convertible bonds in Units	-	-	242,718	95,689,646
- as payment for asset management fee	3,417,014	3,042,969	14,802,635	16,982,198
Issued units at the end of the period	2,667,480,805	2,649,334,617	2,667,480,805	2,649,334,617
Units to be issued:				
- asset management fee payable in units ^(a)	3,151,946	3,100,835	3,151,946	3,100,835
Issuable units at the end of the period	3,151,946	3,100,835	3,151,946	3,100,835
Total issued and issuable units	2,670,632,751	2,652,435,452	2,670,632,751	2,652,435,452

Footnotes:

- (a) These are units to be issued to the Manager as partial satisfaction of asset management base fee incurred for the quarter ended 30 September 2018.

**Financial Statements Announcement
For Third Quarter and Nine Months ended 30 September 2018**

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"), with \$88.0 million of CB 2021 outstanding at the beginning of the period.

On 15 January 2018 and 20 February 2018, conversion notices for the conversion of \$500,000 in principal amount of CB 2021 were received pursuant to condition 5.2(c)(i) of the Terms and Conditions. Pursuant to the aforementioned conversion notices received, a total of 242,718 new units were issued on 25 January 2018 and 28 February 2018 at a conversion price of S\$2.06 per new unit. Accordingly, S\$500,000 in principal amount of CB 2021 had been converted and cancelled in accordance with the Terms and Conditions.

As at 30 September 2018, S\$87.5 million (30 September 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. (30 September 2017: S\$2.06 per unit).

Unless previously redeemed by the bondholders on 5 September 2019, or by the Trust at any time on or after 5 September 2019 and not less than 7 business days prior to 5 September 2021, the final redemption date of the bonds will be 5 September 2021.

Assuming CB 2021 are fully converted based on the adjusted conversion price, the number of new units to be issued would be 42,475,728 (30 September 2017: 42,718,446), representing 1.59% (30 September 2017: 1.61%) of the total number of units of Suntec REIT in issue as at 30 September 2018.

(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.

Unless previously redeemed by the bondholders on 30 November 2020, or by the Trust at any time on or after 30 November 2020 and not less than 7 business days prior to 30 November 2024, the final redemption date of the bonds will be 30 November 2024.

Assuming CB 2024 are fully converted based on the adjusted conversion price, the number of new units to be issued would be 137,048,880, representing 5.14% of the total number of units of Suntec REIT in issue as at 30 September 2018.

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 and nine months ended 30 September 2018 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.

**Financial Statements Announcement
For Third Quarter and Nine Months ended 30 September 2018**

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2017.

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 has adopted new Financial Reporting Standards in Singapore ("FRSs") and interpretations effective for the financial period beginning 1 January 2018 as follows:

(i) FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

There was no significant impact to the financial statements of the Group arising from the adoption of FRS 115.

(ii) FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets, and hedge accounting.

FRS 109 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements.

There was no significant change in measurement basis arising from the adoption of the new classification and measurement model. In assessing for impairment losses on financial assets, the Group has adopted the simplified approach and recorded lifetime expected losses on all trade receivables using the expected credit loss model. This did not have any significant impact to the financial statements of the Group. Accordingly, the Group did not recognise any adjustments to the opening unitholders' funds on 1 January 2018.

The Group's existing hedges that are designated in effective hedging relationships continue to qualify for hedge accounting under FRS 109.

**Financial Statements Announcement
For Third Quarter and Nine Months ended 30 September 2018**

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

Earnings per unit

	Group			
	1/7/18 to 30/9/18	1/7/17 to 30/9/17	1/1/18 to 30/9/18	1/1/17 to 30/9/17
Weighted average number of issued/issuable units ^(a)	2,667,515,065	2,649,368,321	2,664,234,651	2,594,435,475
Earnings per unit for the period based on the weighted average number of units in issue (cents)	1.309	2.007	5.725	5.126
Weighted average number of units on the fully diluted basis	2,675,413,860	2,700,119,151	2,854,938,468	2,605,524,998
Earnings per unit for the period based on the fully diluted basis (cents) ^(b)	1.305	1.965	5.315	5.104

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 fees paid/payable in units and new units issued from the conversion of \$500,000 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.

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			
	1/7/18 to 30/9/18	1/7/17 to 30/9/17	1/1/18 to 30/9/18	1/1/17 to 30/9/17
Number of issued and issuable units at end of period entitled to distribution ^(a)	2,670,632,751	2,652,435,452	2,670,632,751	2,652,435,452
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	2.491 ⁽¹⁾	2.483 ⁽¹⁾	7.398 ⁽²⁾	7.401 ⁽²⁾

- (1) The distribution per unit for the quarter ended 30 September 2018 of **2.491** cents per unit (30 September 2017: **2.483** cents per unit) comprised a taxable income component of **1.800** cents per unit (30 September 2017: **1.859** cents per unit), a tax exempt income component of **0.317** cents per unit (30 September 2017: **0.322** cents per unit) and a capital distribution of **0.374** cents per unit (30 September 2017: **0.302** cents per unit).
- (2) The distribution per unit for the nine months ended 30 September 2018 of **7.398** cents per unit (30 September 2017: **7.401** cents per unit) comprised a taxable income component of **5.432** cents per unit (30 September 2017: **5.753** cents per unit), a tax exempt income component of **0.973** cents per unit (30 September 2017: **0.926** cents per unit) and a capital distribution of **0.993** cents per unit (30 September 2017: **0.722** cents per unit).

Footnotes:

- (a) The computation of actual DPU for the period from 1 July 2018 to 30 September 2018 is based on the number of units entitled to the distribution:
- (i) The number of units in issue as at 30 September 2018 of 2,667,480,805; and
- (ii) The units issuable to the Manager by 30 October 2018 as partial satisfaction of asset management base fees incurred for the period from 1 July 2018 to 30 September 2018 of 3,151,946.

**Financial Statements Announcement
For Third Quarter and Nine Months ended 30 September 2018**

7. Net asset value (“NAV”) and Net Tangible Asset (“NTA”) per unit as at 30 September 2018

	Group		Trust	
	30/9/18 ^(a)	31/12/17	30/9/18 ^(a)	31/12/17
NAV / NTA per unit (S\$)	2.082	2.119	1.829	1.862

Footnotes:

(a) The number of units used for computation of actual NAV per unit is 2,670,632,751. This comprised:

- (i) The number of units in issue as at 30 September 2018 of 2,667,480,805; and
- (ii) The units issuable to the Manager by 30 October 2018 as partial satisfaction of asset management base fees incurred for the period from 1 July 2018 to 30 September 2018 of 3,151,946.

8. Review of the performance for the Third Quarter and Nine Months ended 30 September 2018

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

Properties	Group					
	1/7/18 to 30/9/18	1/7/17 to 30/9/17	Change	1/1/18 to 30/9/18	1/1/17 to 30/9/17	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross Revenue:						
Suntec City	58,259	58,258	0.0%	174,662	177,120	-1.4%
177 Pacific Highway	9,482	12,191	-22.2%	29,556	32,155	-8.1%
Suntec Singapore	21,070	20,683	1.9%	65,833	57,598	14.3%
Total gross revenue	88,811	91,132	-2.5%	270,051	266,873	1.2%
Net Property Income:						
Suntec City	40,914	44,698	-8.5%	128,643	135,939	-5.4%
177 Pacific Highway	8,194	10,495	-21.9%	25,426	27,814	-8.6%
Suntec Singapore	7,436	8,659	-14.1%	26,182	21,349	22.6%
Total net property income	56,544	63,852	-11.4%	180,251	185,102	-2.6%

8(ii) Income contribution from joint ventures

	Group					
	1/7/18 to 30/9/18	1/7/17 to 30/9/17	Change	1/1/18 to 30/9/18	1/1/17 to 30/9/17	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Joint ventures:						
One-third interest in ORQ:						
- Interest income	582	487	19.5%	1,657	1,478	12.1%
- Dividend income	5,182	6,112	-15.2%	17,612	20,846	-15.5%
	5,764	6,599	-12.7%	19,269	22,324	-13.7%
One-third interest in MBFC Properties:						
- Interest income	5,490	4,277	28.4%	15,422	13,112	17.6%
- Distribution income	7,879	9,341	-15.7%	25,178	27,600	-8.8%
	13,369	13,618	-1.8%	40,600	40,712	-0.3%
50% interest in Southgate Complex ^(a) :						
- Dividend/Distribution income	4,026	2,037	97.6%	8,627	5,328	61.9%
	4,026	2,037	97.6%	8,627	5,328	61.9%
Total income contribution	23,159	22,254	4.1%	68,496	68,364	0.2%

Footnote:

(a) The effective interest was increased from 25.0% to 50.0% after the completion of the acquisition of an additional 25.0% effective interest in May 2018.

**Financial Statements Announcement
For Third Quarter and Nine Months ended 30 September 2018**

Review of performance 3Q FY18 vs 3Q FY17

For 3Q FY18, the gross revenue was S\$88.8 million, a decrease of S\$2.3 million or 2.5% lower year-on-year. The decrease was mainly due to lower revenue from 177 Pacific Highway (by S\$2.7 million to S\$9.5 million, 22.2% lower) as a result of the weakened Australian dollar, partially offset by higher revenue from Suntec Singapore (by S\$0.4 million to S\$21.1 million, 1.9% higher).

Suntec City's gross revenue was flat year-on-year as the increase in retail revenue (by S\$1.5 million to S\$25.9 million, 5.9% higher) was negated by lower office revenue (by S\$1.4 million to S\$32.3 million, 4.3% lower). The decrease was primarily due to transitory downtime from replacement office leases which will commence operations by end 2018 and negative rental reversion.

Suntec Singapore's revenue contribution for the quarter of S\$21.1 million comprises S\$16.2 million from convention and S\$4.9 million from retail. The increase was due to higher convention and retail revenue achieved for the quarter.

The net property income for 3Q FY18 was S\$56.5 million, 11.4% lower year-on-year. This was mainly attributable to the sinking fund contribution for Suntec City office upgrading works and lower contribution from 177 Pacific Highway. Excluding the sinking fund contribution which has no impact on distributable income, the net property income for 3Q FY18 of S\$61.4 was S\$2.5 million or 3.9% lower year-on-year.

The total income contribution from joint ventures comprising ORQ, MBFC Properties and Southgate Complex for the quarter was S\$23.2 million, 4.1% higher year-on-year due to the acquisition of the additional 25.0% interest in Southgate Complex which was completed on 31 May 2018.

Net financing costs for the quarter was S\$18.5 million, an increase of S\$2.5 million mainly due to higher borrowings and interest rates. The all-in financing cost for Suntec REIT was 2.86% per annum for the quarter and the consolidated gearing stood at 36.8% as at 30 September 2018.

Total distributable income for the quarter of S\$66.5 million was S\$0.7 million or 1.0% higher year-on-year. The distribution per unit ("DPU") for the quarter was 2.491 cents per unit, 0.3% higher than 3Q FY17 DPU of 2.483 cents per unit. This includes a capital distribution of S\$10.0 million or 0.374 cents per unit.

The overall committed occupancy for the office and retail portfolios stood at 98.9% and 98.1% respectively as at 30 September 2018.

For the Singapore office portfolio, the committed occupancy of Suntec City Office was 99.6%, while ORQ and MBFC Properties committed occupancies were 96.1% and 100% respectively as at 30 September 2018. In Australia, the committed occupancy for 177 Pacific Highway maintained at 100% while the committed occupancy for Southgate Complex improved to 96.8% as at 30 September 2018.

For the Singapore retail portfolio, the committed occupancy for the entire Suntec City was 98.5%, while the committed occupancy for Marina Bay Link Mall achieved 100% as at 30 September 2018. In Australia, the committed occupancy for Southgate Complex (retail) was 90.0% as at 30 September 2018.

Review of performance 9M FY18 vs 9M FY17

For 9M FY18, the gross revenue was S\$270.1 million, an increase of S\$3.2 million or 1.2% higher year-on-year. The increase was contributed by higher revenue from Suntec Singapore (by S\$8.2 million to S\$65.8 million) and an increase in retail revenue from Suntec City mall (by S\$2.3 million to S\$77.6 million, 3.0% higher), partially offset by lower office revenue (by S\$7.3 million to S\$126.6 million, 5.5% lower).

The decrease in office revenue was similarly due to the transitory downtime from replacement leases at Suntec City Office and the weakened Australian dollar.

Financial Statements Announcement
For Third Quarter and Nine Months ended 30 September 2018

Suntec Singapore's revenue contribution for 9M FY18 of S\$65.8 million comprises S\$51.1 million from convention and S\$14.7 million from retail. The increase was similarly due to higher convention revenue achieved for the period.

The net property income for 9M FY18 was S\$180.3 million, 2.6% lower year-on-year mainly due to the sinking fund contribution amounting to S\$6.4 million.

The total income contribution from joint ventures comprising ORQ, MBFC Properties and Southgate Complex for 9M FY18 was S\$68.5 million, 0.2% higher due to higher contribution from Southgate Complex due to the increased stake and offset by one-offs in 1Q FY17 from ORQ.

Net financing costs for 9M FY18 was S\$50.8 million, a decrease of S\$9.0 million mainly due to a one-time write-off of unamortised transaction costs in relation to the convertible bonds in 2Q FY17. The all-in financing cost for Suntec REIT was 2.78% per annum for 9M FY18.

Total distributable income for 9M FY18 of S\$197.4 million was S\$3.6 million or 1.9% higher year-on-year. The distribution per unit ("DPU") for 9M FY18 was 7.398 cents per unit, in-line with 9M FY17 DPU of 7.401 cents per unit. This includes a capital distribution of S\$26.5 million or 0.993 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 FY2017 Financial Results Announcement under item 10. The Trust has not disclosed any financial forecast to the market.

**Financial Statements Announcement
For Third Quarter and Nine Months ended 30 September 2018**

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 third quarter of 2018. Based on the report released by the Ministry of Trade and Industry ("MTI") on 12 October 2018, the Singapore economy grew by 2.6% on a year-on-year basis.

The Singapore office market continued to improve in the third quarter of 2018. Against the backdrop of a firm leasing market and tightening of supply, overall CBD rents grew by 2.3% to S\$9.93 psf/mth while the overall CBD occupancy increased by 0.8% to 91.6%.¹

Looking ahead, the Manager will continue its proactive asset management to strengthen the office proposition and maintain a high occupancy level for its Singapore portfolio.

The Singapore retail market was stable in the third quarter of 2018. Demand for retail space remained firm consisting mainly from F&B and DIY activity-based retailers.¹ The multi-pronged strategy that the Manager executed for Suntec City mall had yielded positive results and the mall is poised to continue to perform well, notwithstanding the continuing challenges in the retail sector.

According to the Australian Bureau of Statistics, the Australian economy on a year-on-year basis, grew by 3.4% in the second quarter of 2018. On 2 October 2018, 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 by 0.5% to 90.6% in the second quarter of 2018. Leasing activity continues to be positive in the Sydney, North Shore and Melbourne office markets driven mainly by flight to quality and expansionary activities. Looking ahead in 2019, occupancy and rental levels are expected to remain high given the strong occupier demand coupled with limited new supply.²

In view of the rising interest rate environment, the Manager will continue its prudent capital management strategy and proactively manage the refinancing of loans due in 2018 and 2019.

The Manager also monitors the Group's foreign currency exposure to the Australian dollar on an on-going basis and will manage its exposure to movements in the currency through suitable financial instruments.

¹ JLL, Office and Retail Market Reports 3Q 2018.

² JLL, Australia National Office Overview and Outlook, Sydney CBD Office, North Shore Office and Melbourne CBD Office Market Reports 2Q 2018.

Financial Statements Announcement
For Third Quarter and Nine Months ended 30 September 2018

11. Distributions

(a) Current financial period

Any distribution declared for the current period?

Yes

Name of distribution

Distribution for the period from 1 July 2018 to 30 September 2018

Distribution Rate

Distribution Type	Distribution Rate Per Unit (cents)
Taxable income	1.800
Tax-exempt income	0.317
Capital distribution	0.374
Total	2.491

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 Third Quarter and Nine Months ended 30 September 2018**

(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 July 2017 to 30 September 2017

Distribution Rate

Distribution Type	Distribution Rate Per Unit (cents)
Taxable income	1.859
Tax-exempt income	0.322
Capital distribution	0.302
Total	2.483

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:

28 November 2018

(d) Books Closure Date:

1 November 2018

**Financial Statements Announcement
For Third Quarter and Nine Months ended 30 September 2018**

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

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 30 September 2018, 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

Chan Kong Leong
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 30 September 2018:

- 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 30 September 2018,
- 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 30 September 2018 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.

**Financial Statements Announcement
For Third Quarter and Nine Months ended 30 September 2018**

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 October 2018