



**Suntec Real Estate Investment Trust  
2014 First Half and Second 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 30 June 2014 has not been audited but has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements 2410.

**Financial Statements Announcement  
For First Half and Second Quarter ended 30 June 2014**

**SUMMARY OF SUNTEC REAL ESTATE INVESTMENT TRUST RESULTS**

	Group					
	1/4/14 to 30/6/14	1/4/13 to 30/6/13	Change	1/1/14 to 30/6/14	1/1/13 to 30/6/13	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Gross revenue</b>	<b>68,114</b>	<b>46,935</b>	<b>45.1%</b>	<b>134,068</b>	<b>96,597</b>	<b>38.8%</b>
<b>Net property income</b>	<b>46,106</b>	<b>27,956</b>	<b>64.9%</b>	<b>89,877</b>	<b>58,635</b>	<b>53.3%</b>
<b>Total amount available for distribution</b>	<b>56,594</b>	<b>50,857</b>	<b>11.3%</b>	<b>107,478</b>	<b>101,127</b>	<b>6.3%</b>
- from operations	51,594	43,057	19.8%	102,478	90,627	13.1%
- from capital <sup>(a)</sup>	5,000	7,800	-35.9%	5,000	10,500	-52.4%
<b>Distribution per unit (cents) <sup>(b)</sup></b>	<b>2.266</b>	<b>2.249</b>	<b>0.8%</b>	<b>4.495</b>	<b>4.477</b>	<b>0.4%</b>
- from operations	2.066	1.904	8.5%	4.295	4.012	7.1%
- from capital <sup>(a)</sup>	0.200	0.345	-42.0%	0.200	0.465	-57.0%
<b>Annualised distribution per unit (cents)</b>	<b>9.089</b>	<b>9.021</b>	<b>0.8%</b>	<b>9.065</b>	<b>9.028</b>	<b>0.4%</b>

**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 12 for the distribution per unit computation.

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**1 (a)(i) Statements of Total Return and Statement of Distribution for the First Half and Second Quarter ended 30 June 2014**

<b>Statement of total return</b>	<b>Group</b>					
	<b>1/4/14 to 30/6/14</b>	<b>1/4/13 to 30/6/13</b>	<b>Change</b>	<b>1/1/14 to 30/6/14</b>	<b>1/1/13 to 30/6/13</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Gross revenue <sup>(a)</sup></b>	<b>68,114</b>	<b>46,935</b>	<b>45.1%</b>	<b>134,068</b>	<b>96,597</b>	<b>38.8%</b>
Maintenance charges	(4,972)	(4,972)	0.0%	(9,945)	(9,945)	0.0%
Property management fees <sup>(b)</sup>	(2,043)	(1,538)	-32.8%	(4,018)	(3,229)	-24.4%
Property tax <sup>(b)</sup>	(3,568)	(3,446)	-3.5%	(8,881)	(7,776)	-14.2%
Other property expenses <sup>(c)</sup>	(11,425)	(9,023)	-26.6%	(21,347)	(17,012)	-25.5%
<b>Property expenses</b>	<b>(22,008)</b>	<b>(18,979)</b>	<b>-16.0%</b>	<b>(44,191)</b>	<b>(37,962)</b>	<b>-16.4%</b>
<b>Net property income</b>	<b>46,106</b>	<b>27,956</b>	<b>64.9%</b>	<b>89,877</b>	<b>58,635</b>	<b>53.3%</b>
Other income <sup>(d)</sup>	4,387	4,522	-3.0%	8,454	8,742	-3.3%
Share of profit of joint ventures <sup>(e)</sup>	14,244	16,173	-11.9%	30,230	30,370	-0.5%
Finance income <sup>(f)</sup>	7,601	5,441	39.7%	14,839	11,085	33.9%
Finance expenses <sup>(f)</sup>	(20,816)	(18,962)	-9.8%	(39,190)	(38,490)	-1.8%
Amortisation of intangible asset <sup>(g)</sup>	(3,265)	(3,366)	3.0%	(6,292)	(6,507)	3.3%
Asset management fees - base fee <sup>(h)</sup>	(7,252)	(6,827)	-6.2%	(14,745)	(13,381)	-10.2%
Asset management fees - performance fee <sup>(i)</sup>	(3,255)	(2,722)	-19.6%	(6,500)	(5,620)	-15.7%
Trust expenses	(807)	(760)	-6.2%	(1,603)	(1,518)	-5.6%
<b>Net income</b>	<b>36,943</b>	<b>21,455</b>	<b>72.2%</b>	<b>75,070</b>	<b>43,316</b>	<b>73.3%</b>
Net change in fair value of financial derivatives <sup>(j)</sup>	(1,518)	990	-253.3%	(825)	5,067	-116.3%
Net surplus from revaluation of investment properties	-	47,513	-100.0%	-	47,513	-100.0%
<b>Total return before tax</b>	<b>35,425</b>	<b>69,958</b>	<b>-49.4%</b>	<b>74,245</b>	<b>95,896</b>	<b>-22.6%</b>
Income tax (expense)/credit <sup>(k)</sup>	(1,633)	1,405	-216.2%	(2,261)	5,926	-138.2%
<b>Total return for the period after tax</b>	<b>33,792</b>	<b>71,363</b>	<b>-52.6%</b>	<b>71,984</b>	<b>101,822</b>	<b>-29.3%</b>
<b>Attributable to:</b>						
Unitholders	31,940	55,090	-42.0%	68,968	86,986	-20.7%
Non-controlling interests	1,852	16,273	-88.6%	3,016	14,836	-79.7%
<b>Total return for the period</b>	<b>33,792</b>	<b>71,363</b>	<b>-52.6%</b>	<b>71,984</b>	<b>101,822</b>	<b>-29.3%</b>

  

<b>Statement of distribution</b>	<b>Group</b>					
	<b>1/4/14 to 30/6/14</b>	<b>1/4/13 to 30/6/13</b>	<b>Change</b>	<b>1/1/14 to 30/6/14</b>	<b>1/1/13 to 30/6/13</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Total return for the period attributable to Unitholders before distribution</b>	<b>31,940</b>	<b>55,090</b>	<b>-42.0%</b>	<b>68,968</b>	<b>86,986</b>	<b>-20.7%</b>
Non-tax chargeable items <sup>(l)</sup>	(112)	(28,758)	99.6%	(5,326)	(28,761)	81.5%
<b>Taxable income</b>	<b>31,828</b>	<b>26,332</b>	<b>20.9%</b>	<b>63,642</b>	<b>58,225</b>	<b>9.3%</b>
Dividend income <sup>(m)</sup>	19,766	16,725	18.2%	38,836	32,402	19.9%
<b>Income available for distribution to Unitholders</b>	<b>51,594</b>	<b>43,057</b>	<b>19.8%</b>	<b>102,478</b>	<b>90,627</b>	<b>13.1%</b>
Unitholders' distribution:						
- from operations	51,594	43,057	19.8%	102,478	90,627	13.1%
- from capital <sup>(n)</sup>	5,000	7,800	-35.9%	5,000	10,500	-52.4%
<b>Distributable amount to Unitholders</b>	<b>56,594</b>	<b>50,857</b>	<b>11.3%</b>	<b>107,478</b>	<b>101,127</b>	<b>6.3%</b>

# Financial Statements Announcement For First Half and Second Quarter ended 30 June 2014

## 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 current quarter and half year ended 30 June 2014 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 current quarter and half year ended 30 June 2014 were higher compared to the corresponding periods mainly due to the higher revenue.
- (c) Other property expenses for the current quarter and half year ended 30 June 2014 were higher compared to corresponding periods 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					
	1/4/14 to 30/6/14	1/4/13 to 30/6/13	Change	1/1/14 to 30/6/14	1/1/13 to 30/6/13	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income support in relation to MBFC Properties <sup>(1)</sup>	4,387	4,522	-3.0%	8,454	8,742	-3.3%
<b>Other Income</b>	<b>4,387</b>	<b>4,522</b>	<b>-3.0%</b>	<b>8,454</b>	<b>8,742</b>	<b>-3.3%</b>

(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"). The decrease for the current quarter was mainly due to reversal of provisions in BFCD LLP in the corresponding period.
- (f) Included in the finance income and finance expenses are the following:

	Group					
	1/4/14 to 30/6/14	1/4/13 to 30/6/13	Change	1/1/14 to 30/6/14	1/1/13 to 30/6/13	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Finance income:</b>						
Interest income						
- fixed deposits and current account	135	141	-4.3%	290	362	-19.9%
- loans to joint ventures	5,353	5,300	1.0%	10,603	10,723	-1.1%
- progress payments <sup>(1)</sup>	2,089	-	n.m.	3,884	-	n.m.
Net foreign exchange differences	24	-	n.m.	62	-	n.m.
	<b>7,601</b>	<b>5,441</b>	<b>39.7%</b>	<b>14,839</b>	<b>11,085</b>	<b>33.9%</b>
<b>Finance expenses:</b>						
Interest expense						
- bank loans, notes and convertible bonds	(13,418)	(12,961)	-3.5%	(27,118)	(26,302)	-3.1%
- interest rate swaps	(1,184)	(2,383)	50.3%	(2,716)	(4,842)	43.9%
Amortisation and transaction costs	(6,214)	(3,618)	-71.8%	(9,356)	(7,346)	-27.4%
	<b>(20,816)</b>	<b>(18,962)</b>	<b>-9.8%</b>	<b>(39,190)</b>	<b>(38,490)</b>	<b>-1.8%</b>
<b>Net financing costs</b>	<b>(13,215)</b>	<b>(13,521)</b>	<b>2.3%</b>	<b>(24,351)</b>	<b>(27,405)</b>	<b>11.1%</b>

n.m. – not meaningful

- (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 periods mainly due to higher deposited properties.
- (i) The asset management fees – performance fees were higher compared to the corresponding periods 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.

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- (j) This relates to the net gain/(loss) arising from fair value remeasurement of the 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.
- (l) Included in the non-tax deductible/(chargeable) items are the following:

Non-tax deductible/(chargeable) items	Group					
	1/4/14 to 30/6/14	1/4/13 to 30/6/13	Change	1/1/14 to 30/6/14	1/1/13 to 30/6/13	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Amortisation of intangible asset	3,265	3,366	-3.0%	6,292	6,507	-3.3%
Amortisation and transaction costs	5,918	3,332	77.6%	9,323	6,776	37.6%
Asset management fees paid/payable in units	7,749	7,011	10.5%	15,690	14,145	10.9%
Net change in fair value of financial derivatives	1,518	(990)	-253.3%	825	(5,067)	-116.3%
Temporary differences and other adjustments <sup>(1)</sup>	503	(69)	-829.0%	1,617	2,248	-28.1%
Net surplus from revaluation of investment property	-	(47,513)	-100.0%	-	(47,513)	-100.0%
Net (profit)/loss from subsidiaries and joint ventures	(19,065)	6,105	-412.3%	(39,073)	(5,857)	567.1%
<b>Total</b>	<b>(112)</b>	<b>(28,758)</b>	<b>-99.6%</b>	<b>(5,326)</b>	<b>(28,761)</b>	<b>-81.5%</b>

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

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

	Group					
	1/4/14 to 30/6/14	1/4/13 to 30/6/13	Change	1/1/14 to 30/6/14	1/1/13 to 30/6/13	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Wholly-owned subsidiaries:						
Comina Investment Limited <sup>(1)</sup>	7,228	7,519	-3.9%	13,773	14,782	-6.8%
Suntec Harmony Pte. Ltd. <sup>(2)</sup>	1,520	-	n.m.	3,040	-	n.m.
Suntec REIT Capital Pte. Ltd.	1,200	-	n.m.	2,400	-	n.m.
Suntec REIT (Australia) Trust <sup>(3)</sup>	766	-	n.m.	1,465	-	n.m.
	10,714	7,519	42.5%	20,678	14,782	39.9%
Jointly-controlled entity:						
BFC Development LLP <sup>(4)</sup>	9,052	9,206	-1.7%	18,158	17,620	3.1%
	<b>19,766</b>	<b>16,725</b>	<b>18.2%</b>	<b>38,836</b>	<b>32,402</b>	<b>19.9%</b>

*n.m. – not meaningful*

- (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) BFC Development 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 tax perspective.

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**1 (b)(i) Statements of Financial Position as at 30 June 2014**

	Group		Trust	
	30/6/14	31/12/13	30/6/14	31/12/13
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Plant and equipment	3,091	2,798	247	29
Investment properties <sup>(a)</sup>	5,806,294	5,741,208	5,073,048	5,015,200
Intangible asset <sup>(b)</sup>	18,151	24,443	18,151	24,443
Interest in joint ventures <sup>(c)</sup>	2,293,723	2,304,202	1,465,252	1,474,417
Investments in subsidiaries <sup>(d)</sup>	-	-	797,237	773,929
Trade and other receivables <sup>(e)</sup>	65,446	34,142	-	-
Deferred tax asset	3,399	4,741	-	-
Derivative assets <sup>(f)</sup>	-	28	-	28
<b>Total non-current assets</b>	<b>8,190,104</b>	<b>8,111,562</b>	<b>7,353,935</b>	<b>7,288,046</b>
<b>Current assets</b>				
Inventories	5	5	-	-
Trade and other receivables <sup>(g)</sup>	34,141	29,076	28,001	11,990
Cash and cash equivalents	117,079	181,130	87,803	161,039
<b>Total current assets</b>	<b>151,225</b>	<b>210,211</b>	<b>115,804</b>	<b>173,029</b>
<b>Total assets</b>	<b>8,341,329</b>	<b>8,321,773</b>	<b>7,469,739</b>	<b>7,461,075</b>
<b>Current liabilities</b>				
Interest-bearing borrowings <sup>(h)</sup>	-	771,992	-	771,992
Trade and other payables <sup>(i)</sup>	100,935	91,194	58,654	52,908
Derivative liabilities <sup>(f)</sup>	-	545	-	545
Current portion of security deposits	20,195	20,275	19,261	19,157
<b>Total current liabilities</b>	<b>121,130</b>	<b>884,006</b>	<b>77,915</b>	<b>844,602</b>
<b>Non-current liabilities</b>				
Interest-bearing borrowings <sup>(h)</sup>	2,843,578	2,388,776	2,561,026	2,109,261
Derivative liabilities <sup>(f)</sup>	19,136	17,536	18,875	17,533
Non-current portion of security deposits	48,512	46,458	42,484	40,688
<b>Total non-current liabilities</b>	<b>2,911,226</b>	<b>2,452,770</b>	<b>2,622,385</b>	<b>2,167,482</b>
<b>Total liabilities</b>	<b>3,032,356</b>	<b>3,336,776</b>	<b>2,700,300</b>	<b>3,012,084</b>
<b>Net assets</b>	<b>5,308,973</b>	<b>4,984,997</b>	<b>4,769,439</b>	<b>4,448,991</b>
Represented by:				
Unitholders' funds <sup>(i)</sup>	5,167,486	4,844,464	4,769,439	4,448,991
Non-controlling interests	141,487	140,533	-	-
<b>Total Equity</b>	<b>5,308,973</b>	<b>4,984,997</b>	<b>4,769,439</b>	<b>4,448,991</b>

**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 BFGD 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 BFGD LLP.

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- (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. 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.
- (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.
- (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	
	30/6/14	31/12/13	30/6/14	31/12/13
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand				
- Unsecured <sup>(b)</sup>	-	771,992	-	771,992
	-	771,992	-	771,992
Amount repayable after one year				
- Secured <sup>(a)</sup>	381,358	726,241	98,806	446,726
- Unsecured <sup>(b)</sup>				
(i) financial institutions	1,743,665	1,254,214	1,743,665	1,254,214
(ii) notes & convertible bonds	718,555	408,321	410,751	408,321
(iii) subsidiary	-	-	307,804	-
	2,843,578	2,388,776	2,561,026	2,109,261
	2,843,578	3,160,768	2,561,026	2,881,253

**Details of borrowings and collaterals**

- (a) The Group has in place secured facilities of S\$419.5 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\$319.5 million loan for a term of 3 years. As at 30 June 2014, the Group has drawn down S\$383.5 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 30 June 2014, the Group has interest-bearing borrowings (unsecured) comprising of S\$1,754.6 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**

	<b>Group</b>			
	<b>1/4/14 to 30/6/14</b>	<b>1/4/13 to 30/6/13</b>	<b>1/1/14 to 30/6/14</b>	<b>1/1/13 to 30/6/13</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>				
Net income	36,943	21,455	75,070	43,316
Adjustments for:				
Depreciation of plant and equipment	250	250	492	501
Gain on disposal of plant and equipment	-	-	(22)	-
Asset management fees paid/payable in units <sup>(a)</sup>	7,749	7,011	15,690	14,145
Net finance costs <sup>(b)</sup>	13,215	13,521	24,351	27,405
Amortisation expense	3,265	3,366	6,292	6,507
Allowance for doubtful receivables	34	94	189	385
Share of profit of joint ventures	(14,244)	(16,173)	(30,230)	(30,370)
Operating income before working capital changes	47,212	29,524	91,832	61,889
Changes in working capital				
Change in inventories	-	(1)	-	(1)
Change in trade and other receivables	2,108	(5,395)	(23)	(10,514)
Change in trade and other payables	8,470	6,175	6,854	12,076
<b>Cash flows generated from operations</b>	<b>57,790</b>	<b>30,303</b>	<b>98,663</b>	<b>63,450</b>
<b>Income tax paid</b>	<b>-</b>	<b>(2,030)</b>	<b>-</b>	<b>(2,062)</b>
<b>Net cash flow from operating activities</b>	<b>57,790</b>	<b>28,273</b>	<b>98,663</b>	<b>61,388</b>
<b>Investing activities</b>				
Interest received	7,584	5,468	14,841	11,116
Dividend received	15,652	15,678	15,652	15,678
Change in investment in joint ventures	9,165	-	9,165	-
Capital expenditure on investment properties	(21,186)	(80,196)	(50,137)	(125,699)
Purchase of plant and equipment	(818)	-	(818)	(1)
Proceeds from sale of plant and equipment	5	-	55	-
Progress payments on construction	(15,945)	-	(27,986)	-
<b>Net cash flow used in investing activities</b>	<b>(5,543)</b>	<b>(59,050)</b>	<b>(39,228)</b>	<b>(98,906)</b>
<b>Financing activities</b>				
Proceeds from interest-bearing loans	822,202	64,769	824,688	94,368
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	(107)	-	(8,017)	-
Financing costs paid	(17,139)	(15,042)	(34,215)	(36,804)
Repayment/conversion of convertible bonds	-	(53,645)	-	(283,900)
Repayment of interest-bearing loans	(1,255,000)	(50,000)	(1,455,000)	(50,000)
Dividend paid to non-controlling interest	(980)	-	(1,960)	-
Distributions to unitholders	(50,887)	(49,183)	(109,058)	(102,663)
<b>Net cash flow from financing activities</b>	<b>(501,911)</b>	<b>(103,101)</b>	<b>(123,561)</b>	<b>(98,999)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(449,664)</b>	<b>(133,878)</b>	<b>(64,126)</b>	<b>(136,517)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>566,725</b>	<b>197,042</b>	<b>181,130</b>	<b>199,681</b>
<b>Effect on exchange rate fluctuations on cash held</b>	<b>18</b>	<b>-</b>	<b>75</b>	<b>-</b>
<b>Cash and cash equivalents at end of the period</b>	<b>117,079</b>	<b>63,164</b>	<b>117,079</b>	<b>63,164</b>



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**Footnotes:**

The significant non-cash transactions for the quarter ended 30 June 2014 were as follows:

- (a) the Group will be issuing a total of 4,273,650 units to the Manager amounting to S\$7.7 million as satisfaction of asset management fees payable in units in respect of the financial quarter ended 30 June 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 30 June 2014 on page 4.

The significant non-cash transactions for the half year ended 30 June 2014 were as follows:

- (a) the Group had issued/will be issuing a total of 9,106,620 units to the Manager amounting to S\$15.7 million as satisfaction of asset management fees payable in units in respect of the half year ended 30 June 2013.
- (b) Please refer to footnote (f) under note 1(a)(i) Statement of Total Return and Statement of Distribution for the half year ended 30 June 2014 on page 4.

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

	Group			
	1/4/14 to 30/6/14	1/4/13 to 30/6/13	1/1/14 to 30/6/14	1/1/13 to 30/6/13
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at the beginning of the period</b>	<b>5,177,626</b>	<b>4,643,707</b>	<b>4,844,464</b>	<b>4,660,205</b>
<b>Operations</b>				
Total return for the period attributable to unitholders	31,940	55,090	68,968	86,986
<b>Net increase in net assets resulting from operations</b>	<b>31,940</b>	<b>55,090</b>	<b>68,968</b>	<b>86,986</b>
Effective portion of changes in fair value of cash flow hedges <sup>(a)</sup>	296	1,030	232	933
Translation differences from financial statements of foreign entities	762	-	5,265	-
Net gain recognised directly in Unitholder's fund	1,058	1,030	5,497	933
<b>Unitholders' transactions</b>				
Creation of units				
- private placement units <sup>(b)</sup>	-	-	350,001	-
- asset management fee paid in units <sup>(c)</sup>	-	-	7,941	7,134
Units to be issued				
- asset management fee payable in units <sup>(c)</sup>	7,749	7,011	7,749	7,011
Unit issue expenses	-	-	(8,076)	-
Distributions paid/payable to unitholders	(50,887)	(50,273)	(109,058)	(105,704)
<b>Net (decrease)/increase in net assets resulting from unitholders' transactions</b>	<b>(43,138)</b>	<b>(43,262)</b>	<b>248,557</b>	<b>(91,559)</b>
<b>Unitholders' funds as at end of period</b>	<b>5,167,486</b>	<b>4,656,565</b>	<b>5,167,486</b>	<b>4,656,565</b>

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	Trust			
	1/4/14 to 30/6/14	1/4/13 to 30/6/13	1/1/14 to 30/6/14	1/1/13 to 30/6/13
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at the beginning of the period</b>	<b>4,779,293</b>	<b>4,384,628</b>	<b>4,448,991</b>	<b>4,397,314</b>
<b>Operations</b>				
Total return for the period attributable to unitholders	33,284	30,406	71,891	66,017
<b>Net increase in net assets resulting from operations</b>	<b>33,284</b>	<b>30,406</b>	<b>71,891</b>	<b>66,017</b>
<b>Unitholders' transactions</b>				
Creation of units				
- private placement units <sup>(b)</sup>	-	-	350,001	-
- asset management fee paid in units <sup>(c)</sup>	-	-	7,941	7,134
Units to be issued				
- asset management fee payable in units <sup>(c)</sup>	7,749	7,011	7,749	7,011
Unit issue expenses	-	-	(8,076)	-
Distributions paid/payable to unitholders	(50,887)	(50,273)	(109,058)	(105,704)
<b>Net (decrease)/increase in net assets resulting from unitholders' transactions</b>	<b>(43,138)</b>	<b>(43,262)</b>	<b>248,557</b>	<b>(91,559)</b>
<b>Unitholders' funds as at end of period</b>	<b>4,769,439</b>	<b>4,371,772</b>	<b>4,769,439</b>	<b>4,371,772</b>

**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			
	1/4/14 to 30/6/14	1/4/13 to 30/6/13	1/1/14 to 30/6/14	1/1/13 to 30/6/13
	Units	Units	Units	Units
<b>Issued units at the beginning of the period</b>	<b>2,488,608,850</b>	<b>2,252,354,234</b>	<b>2,265,334,695</b>	<b>2,247,823,916</b>
Creation of units:				
- as payment for asset management fee	4,832,970	4,078,943	10,038,125	8,609,261
- as units issue for private placement	-	-	218,069,000	-
<b>Issued units at the end of the period</b>	<b>2,493,441,820</b>	<b>2,256,433,177</b>	<b>2,493,441,820</b>	<b>2,256,433,177</b>
Units to be issued:				
- asset management fee payable in units <sup>(a)</sup>	4,273,650	4,514,183	4,273,650	4,514,183
<b>Issuable units at the end of the period</b>	<b>4,273,650</b>	<b>4,514,183</b>	<b>4,273,650</b>	<b>4,514,183</b>
<b>Total issued and issuable units</b>	<b>2,497,715,470</b>	<b>2,260,947,360</b>	<b>2,497,715,470</b>	<b>2,260,947,360</b>

**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 30 June 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 (30 June 2013: 129,990,714), representing 5.3% (30 June 2013: 5.8%) of the total number of units of Suntec REIT in issue as at 30 June 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 period ended 30 June 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			
	1/4/14 to 30/6/14	1/4/13 to 30/6/13	1/1/14 to 30/6/14	1/1/13 to 30/6/13
Weighted average number of issued units	2,493,488,783	2,256,482,783	2,388,680,904	2,254,452,449
Earnings per unit for the period based on the weighted average number of units in issue (cents) <sup>(a)</sup>	1.281	2.441	2.887	3.858
Weighted average number of units on a fully diluted basis	2,626,127,342	2,256,482,783	252,139,463	2,384,443,163
Earnings per unit for the period based on a fully diluted basis (cents) <sup>(b)</sup>	1.242	2.441	2.874	3.717

**Footnote**

- (a) *The EPU for the quarter and half year ended 30 June 2013 included the surplus on revaluation of investment property. Excluding the revaluation surplus, the EPU for the quarter and half year ended 30 June 2013 was 1.161 cents and 2.577 cents respectively.*
- (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			
	1/4/14 to 30/6/14	1/4/13 to 30/6/13	1/1/14 to 30/6/14	1/1/13 to 30/6/13
Number of issued and issuable units at end of period entitled to distribution <sup>(a)</sup>	2,497,715,470	2,260,947,360	2,497,715,470	2,260,947,360
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	2.266 <sup>(1)</sup>	2.249	4.495 <sup>(2)</sup>	4.477

- (1) *The distribution per unit for the quarter ended 30 June 2014 of 2.266 cents per unit (30 June 2013: 2.249 cents per unit) comprised a taxable income component of 1.566 cents per unit (30 June 2013: 1.691 cents per unit), a tax exempt income component of 0.500 cents per unit (30 June 2013: 0.213 cents per unit) and a capital distribution of 0.200 cents per unit (30 June 2013: 0.345 cents per unit).*
- (2) *The distribution per unit for the half year ended 30 June 2014 of 4.495 cents per unit (30 June 2013: 4.477 cents per unit) comprised a taxable income component of 3.600 cents per unit (30 June 2013: 3.552 cents per unit), a tax exempt income component of 0.695 cents per unit (30 June 2013: 0.460 cents per unit) and a capital distribution of 0.200 cents per unit (30 June 2013: 0.465 cents per unit).*

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For First Half and Second Quarter ended 30 June 2014**

**Footnotes:**

(a) The computation of actual DPU for the period from 1 April 2014 to 30 June 2014 is based on the number of units entitled to the distribution:

(i) The number of units in issue as at 30 June 2014 of 2,493,441,820; and

(ii) The units issuable to the Manager by 30 July 2014 as partial satisfaction of management fee incurred for the period from 1 April 2014 to 30 June 2014 of 4,273,650.

**7. Net asset value (“NAV”) per unit as at 30 June 2014**

	Group		Trust	
	30/6/14 <sup>(a)</sup>	31/12/13	30/6/14 <sup>(a)</sup>	31/12/13
NAV per unit (S\$) <sup>(b)</sup>	2.069	2.134	1.910	1.959

**Footnotes:**

(a) The number of units used for computation of actual NAV per unit is 2,497,715,470. This comprised:

(i) The number of units in issue as at 30 June 2014 of 2,493,441,820; and

(ii) The units issuable to the Manager by 30 July 2014 as partial satisfaction of management fee incurred for the period from 1 April 2014 to 30 June 2014 of 4,273,650.

(b) The NAV as at 30 June 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 Half and Second Quarter ended 30 June 2014**

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

Properties	Group					
	1/4/14 to 30/6/14	1/4/13 to 30/6/13	Change	1/1/14 to 30/6/14	1/1/13 to 30/6/13	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Gross Revenue:</b>						
Suntec City	42,240	38,446	9.9%	86,349	82,363	4.8%
Park Mall	6,141	6,035	1.8%	12,206	11,766	3.7%
	48,381	44,481	8.8%	98,555	94,129	4.7%
Suntec Singapore	19,733	2,454	704.1%	35,513	2,468	1338.9%
<b>Total gross revenue</b>	<b>68,114</b>	<b>46,935</b>	<b>45.1%</b>	<b>134,068</b>	<b>96,597</b>	<b>38.8%</b>
<b>Net Property Income:</b>						
Suntec City	32,934	29,125	13.1%	66,303	62,126	6.7%
Park Mall	5,107	4,468	14.3%	9,812	8,795	11.6%
	38,041	33,593	13.2%	76,115	70,921	7.3%
Suntec Singapore	8,065	(5,637)	243.1%	13,762	(12,286)	212.0%
<b>Total net property income</b>	<b>46,106</b>	<b>27,956</b>	<b>64.9%</b>	<b>89,877</b>	<b>58,635</b>	<b>53.3%</b>

*n.m. – not meaningful*

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8(ii) Income contribution from joint ventures

	Group					
	1/4/14 to 30/6/14	1/4/13 to 30/6/13	Change	1/1/14 to 30/6/14	1/1/13 to 30/6/13	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Joint ventures:</b>						
One-third interest in ORQ:						
- Interest income	418	362	15.5%	794	733	8.3%
- Dividend income	7,228	7,519	-3.9%	13,773	14,782	-6.8%
	7,646	7,881	-3.0%	14,567	15,515	-6.1%
One-third interest in MBFC Properties:						
- Income support	4,387	4,522	-3.0%	8,454	8,742	-3.3%
- Interest income	4,935	4,938	-0.1%	9,809	9,990	-1.8%
- Distribution income	9,052	9,206	-1.7%	18,158	17,620	3.1%
	18,374	18,666	-1.6%	36,421	36,352	0.2%
<b>Total income contribution</b>	<b>26,020</b>	<b>26,547</b>	<b>-2.0%</b>	<b>50,988</b>	<b>51,867</b>	<b>-1.7%</b>

**Review of performance 2Q FY14 vs 2Q FY13**

Gross revenue for 2Q FY14 was S\$68.1 million, an increase of S\$21.2 million or 45.1% over 2Q 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\$33.6 million, which was S\$1.6 million or 4.7% higher than in 2Q FY13 due to positive rental reversions. Suntec City Office contributed approximately S\$31.2 million in revenue whilst Park Mall Office contributed S\$2.4 million in revenue for the quarter.

Gross retail revenue for the quarter was S\$14.8 million which was S\$2.4 million or 19.1% higher than in 2Q FY13. This was due to the completion of Phase 1 of the asset enhancement works in Suntec City mall. Suntec City contributed approximately S\$11.0 million in revenue, whilst Park Mall contributed approximately \$3.8 million in revenue for the quarter.

Suntec Singapore's revenue contribution for the quarter was S\$19.7 million, comprising S\$14.0 million of convention revenue and S\$5.7 million of retail revenue.

Property operating expenses incurred for the quarter was S\$22.0 million, which was S\$3.0 million or 16.0% higher than the corresponding period last year. This was mainly due to higher property operating costs following the commencement of operations in Suntec Singapore.

The net property income for the quarter of S\$46.1 million, was an increase of S\$18.2 million or 64.9% year-on-year due mainly to the opening of Suntec Singapore.

The income contribution from ORQ and MBFC Properties for the quarter of S\$26.0 million was marginally lower than 2Q FY13.

Net financing costs for the quarter was S\$13.2 million, a decrease of S\$0.3 million or 2.3% lower year-on-year. This was mainly due to interest coupon received for 177 Pacific Highway.

The overall all-in financing cost for Suntec REIT averaged 3.05% for the quarter due to a one time write-off of unamortised transaction costs in the quarter. Excluding the write-off the average financing costs was 2.62%. The consolidated gearing ratio stood at 34.1% as at 30 June 2014.

Total distribution income for the quarter was S\$56.6 million, S\$5.7 million or 11.3% higher year-on-year. The distribution per unit ("DPU") for the quarter was 2.266 cents, which was in-line with 2Q FY13. This includes a capital distribution of S\$5.0 million.

## **Financial Statements Announcement For First Half and Second Quarter ended 30 June 2014**

For the office portfolio, Suntec City Office committed occupancy improved to 99.4% as at 30 June 2014. Park Mall office maintained 100% committed occupancy as at 30 June 2014.

For the retail portfolio, the committed occupancy of Suntec City Phase 1 & 2 was 97.6% as at 30 June 2014. Park Mall maintained 100% committed occupancy as at 30 June 2014.

For the joint ventures, ORQ and MBFC Properties continued to maintain 100% committed occupancy as at 30 June 2014.

The overall committed occupancy for the office and retail portfolio stood at 99.7% and 97.6% respectively as at 30 June 2014.

### **Review of performance 1H FY14 vs 1H FY13**

Gross revenue for 1H FY14 was S\$134.1 million, an increase of S\$37.5 million or 38.8% over 1H FY13 which was mainly due to the opening of Suntec Singapore.

Gross office revenue for 1H FY14 was S\$66.8 million, which was S\$2.8 million or 4.4% higher than in 1H FY13 due to positive rental reversions. Suntec City Office contributed approximately S\$62.1 million in revenue whilst Park Mall Office contributed S\$4.7 million in revenue for the period.

Gross retail revenue for 1H FY14 was S\$31.8 million, which was S\$1.6 million or 5.3% higher than in 1H FY13 despite a substantial part of Suntec City mall being closed for asset enhancement works. The slight increase in revenue was due to the completion of Phase 1 of the asset enhancement works in Suntec City mall. Suntec City contributed approximately S\$24.3 million in revenue, whilst Park Mall contributed S\$7.5 million in revenue for the period.

Suntec Singapore's revenue contribution for 1H FY14 was S\$35.5 million, comprising S\$23.9 million of convention revenue and S\$11.6 million of retail revenue.

Property operating expenses incurred for 1H FY14 was S\$44.2 million, which was S\$6.2 million or 16.4% 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 1H FY14 of S\$89.9 million, was an increase of S\$31.2 million or 53.3% year-on-year.

The income contribution from ORQ and MBFC Properties for 1H FY14 of S\$51.0 million was marginally lower than the corresponding period last year.

Net financing costs for 1H FY14 was S\$24.4 million, a decrease of S\$3.1 million or 11.1% lower year-on-year. This was mainly due to interest coupon received for 177 Pacific Highway.

The overall all-in financing cost for Suntec REIT averaged 2.76% for 1H FY14 due to a one time write-off of unamortised transaction costs in the second quarter. Excluding the write-off the average financing costs was 2.55%.

Total distribution income for 1H FY14 was S\$107.5 million, S\$6.4 million or 6.3% higher year-on-year. This includes a capital distribution of S\$5.0 million.

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**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 second quarter of 2014. Based on advance estimates released by the Ministry of Trade and Industry ("MTI") on 14 July 2014, the economy grew 2.1% on a year-on-year basis. This was mainly supported by growth in the construction sector and services producing industries which grew by 5.0% and 2.8% respectively.

The Singapore office market remained positive in the second quarter of 2014. According to Property Consultants<sup>1</sup>, CBD Grade A occupancy increased 0.6% to 96.5% in 2Q 2014 driven by a healthy demand for office space amid an improvement in business sentiments. Average monthly gross rents for both Premium and Grade A office space in the CBD improved 1.2% to \$9.10 psf/mth.

The Singapore retail sector remained stable in the second quarter of 2014. According to Property Consultants<sup>1</sup>, although leasing activity remained active amid the opening of new malls, retailers were also consolidating their operations to cope with increasing business and manpower costs.

Looking ahead, supported by Suntec REIT's high office portfolio committed occupancy of 99.7% with only 5.6% 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. On the remaking of Suntec City, the committed occupancy of Phases 1 & 2 achieved 97.6%. The Manager will continue to focus on the marketing of Phase 3, proactive asset management and smooth execution of asset enhancement initiatives for Suntec City.

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<sup>1</sup> Colliers International Singapore Research, 2Q 2014 Office Market Report and CBRE Singapore MarketView 2Q 2014.



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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 April 2014 to 30 June 2014

Distribution Rate

<b>Distribution Type</b>	<b>Distribution Rate Per Unit (cents)</b>
Taxable income	<b>1.566</b>
Tax-exempt income	<b>0.500</b>
Capital distribution	<b>0.200</b>
<b>Total</b>	<b>2.266</b>

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 April 2013 to 30 June 2013

Distribution Rate

Distribution Type	Distribution Rate Per Unit (cents)
Taxable income	1.691
Tax-exempt income	0.213
Capital distribution	0.345
Total	2.249

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:**

22 August 2014

**(d) Books Closure Date:**

31 July 2014

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**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 June 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

**15. 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 June 2014:

- 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 CHIJMES in January 2012, in addition to the income available for distribution for the financial quarter ended 30 June 2014,
- 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 June 2014 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  
22 July 2014