IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the offering circular. In accessing the offering circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES ARE BEING OFFERED OR SOLD ONLY OUTSIDE THE UNITED STATES TO CERTAIN PERSONS IN OFFSHORE TRANSACTIONS IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE U.S., EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

If you have gained access to this transmission contrary to any of the foregoing restrictions, you are not authorised and will not be able to purchase any of the Notes or the Perpetual Securities described in the attached offering circular.

Confirmation of your Representation: In order to be eligible to view the following offering circular or make an investment decision with respect to the securities, investors must not be U.S. persons (within the meaning of Regulation S under the Securities Act). The following offering circular is being sent at your request and by accepting the e-mail and accessing the following offering circular, you shall be deemed to have represented to us that: (1) you are not a U.S. person nor are you acting on behalf of a U.S. person, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and, to the extent you purchase the securities described in the attached offering circular, you will be doing so pursuant to Regulation S under the Securities Act; and (2) you consent to delivery of the following offering circular and any amendments and supplements thereto by electronic transmission.

By accepting this document, if you are an investor in Singapore, you: (A) represent and warrant that you are either an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the SFA)) pursuant to Section 274 of the SFA, a relevant person (as defined under Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or a person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore; and (B) agree to be bound by the limitations and restrictions described herein. Any reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

You are reminded that the following offering circular has been delivered to you on the basis that you are a person into whose possession the following offering circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the following offering circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the dealers or any affiliate of any of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such dealer or such affiliate on behalf of the relevant issuer in such jurisdiction.

The following offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently, none of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec Real Estate Investment Trust), Suntec REIT MTN Pte. Ltd., any New Issuer (as defined in the offering circular), ARA Trust Management (Suntec) Limited (in its capacity as manager of Suntec Real Estate Investment Trust), Australia and New Zealand Banking Group Limited, Citigroup Global Markets Singapore Pte. Ltd., DBS Bank Ltd., Standard Chartered Bank (Singapore) Limited or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the offering circular distributed to you in electronic format and the hard copy version available to you on request from Australia and New Zealand Banking Group Limited, Citigroup Global Markets Singapore Pte. Ltd., DBS Bank Ltd. or Standard Chartered Bank (Singapore) Limited.

Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

OFFERING CIRCULAR

SUNTEC REAL ESTATE INVESTMENT TRUST

(Constituted in the Republic of Singapore pursuant to a trust deed dated 1 November 2003 (as amended))

SUNTEC REIT MTN PTE. LTD.

(incorporated with limited liability in Singapore)
(UEN/Company registration number: 201320465Z)

HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

(incorporated with limited liability in Singapore)
(UEN/Company registration number: 194900022R)
(in its capacity as trustee of Suntec Real Estate Investment Trust)

U.S.$2,000,000,000
Euro Medium Term Securities Programme

(in the case of Notes) unconditionally and irrevocably guaranteed by

HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED

(in its capacity as trustee of Suntec Real Estate Investment Trust)

Under this U.S.$2,000,000,000 Euro Medium Term Securities Programme (the **Programme**), each of Suntec REIT MTN Pte. Ltd. (**SRMTN**), HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec Real Estate Investment Trust (**Suntec REIT**)) (the **Suntec REIT Trustee**) and any New Issuer (as defined herein) (the **Issuers**, and each an **Issuer**), subject to compliance with all relevant laws, regulations and directives, may from time to time issue (in the case of SRMTN) notes (the **Notes**) and (in the case of the Suntec REIT Trustee) perpetual securities (the **Perpetual Securities** and together with the Notes, the **Securities**) denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below).

The payments of all amounts due in respect of the Notes issued will be unconditionally and irrevocably guaranteed by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec REIT) (in such capacity, the **Guarantor**).

The Programme Agreement, the Trust Deed and the Agency Agreement (each as defined herein) each contain provisions enabling the Suntec REIT Trustee to, from time to time, nominate any newly incorporated wholly-owned Subsidiaries (as defined in the Conditions of the Notes) of Suntec REIT with no operating history as additional issuers (each a **New Issuer**) to issue Notes. It is intended that such New Issuer shall accede to the terms of the Programme by executing, *inter alia*, a new issuer programme accession letter, a supplemental trust deed and a supplemental agency agreement, and thereafter, shall become, and be treated as, an Issuer for the purpose of the Programme. In such event, the Suntec REIT Trustee, SRMTN and such additional New Issuers shall make available a supplemental Offering Circular in relation to such accession. Unless and until a supplemental Offering Circular is published providing details of the accession of a New Issuer under the Programme, references in this Offering Circular to **the Issuers** and the **relevant Issuer** should be taken as references to (in the case of Notes) SRMTN or (in the case of Perpetual Securities) the Suntec REIT Trustee only.

The maximum aggregate nominal amount of all Notes and Perpetual Securities from time to time outstanding under the Programme will not exceed U.S.$2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement), subject to increase as described herein.

The Notes and the Perpetual Securities may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any further Dealer appointed under the Programme from time to time by the relevant Issuer and the Guarantor (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **relevant Issuer** shall be to (in the case of Notes) SRMTN, as issuer of the Notes under the Programme as specified in the applicable Pricing Supplement (as defined herein), or (in the case of Perpetual Securities) the Suntec REIT Trustee, as issuer of the Perpetual Securities under the Programme as specified in the applicable Pricing Supplement, and references to the **relevant Dealer** shall, in the case of an issue of Notes or, as the case may be, Perpetual Securities being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes or, as the case may be, Perpetual Securities.

An investment in Notes or Perpetual Securities issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the **SGX-ST**) in connection with the Programme and application will be made for permission to deal in, and for quotation of, any Notes or Perpetual Securities to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes or Perpetual Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes or Perpetual Securities on, the SGX-ST are not to be taken as an indication of the merits of any of the Issuers, the Guarantor, Suntec REIT, the Programme, the Notes or Perpetual Securities.

The Notes and Perpetual Securities may also be listed and/or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the relevant Issuer and the relevant Dealer(s) in relation to each Series of Notes or Perpetual Securities. The relevant Issuer may also issue Notes or Perpetual Securities which are unlisted and/or not admitted to trading on any market.

Each Tranche of Notes or Perpetual Securities of each Series (as defined in "*Form of the Notes*" and "*Form of the Perpetual Securities*", respectively) of Notes or Perpetual Securities in bearer form will be represented on issue by (i) in the case of Notes, a temporary global note in bearer form (each a **Temporary Global Note**) or a permanent global note in bearer form (each a **Permanent Global Note** and, together with the Temporary Global Notes, each a **Bearer Global Note**) and (ii) in the case of Perpetual Securities, a temporary global perpetual security in bearer form (each a **Temporary Global Perpetual Security**) or a permanent global perpetual security in bearer form (each a **Permanent Global Perpetual Security** and, together with the Temporary Global Perpetual Securities, each a **Bearer Global Perpetual Security**). Notes in registered form will initially be represented by a global note in registered form (each a **Registered Global Note** and together with any Bearer Global Notes, the **Global Notes** and each a **Global Note**). Perpetual Securities in registered form will initially be represented by a global perpetual security in registered form (each a **Registered Global Perpetual Security** and together with any Bearer Global Perpetual Securities, the **Global Perpetual Securities** and each a **Global Perpetual Security**). Global Notes and Global Perpetual Securities may be deposited on the issue date with a common depositary for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream**). Global Notes and Global Perpetual Securities may also be deposited with The Central Depository (Pte) Limited (**CDP**).

The Notes and the Perpetual Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or any U.S. States securities laws and may not be offered or sold in the United States (or, in certain circumstances, to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. See "*Form of the Notes*" and "*Form of the Perpetual Securities*" for descriptions of the manner in which the Notes and the Perpetual Securities will be issued. The Notes and Perpetual Securities are subject to certain restrictions on transfer, see "*Subscription and Sale*".

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (the **MAS**). Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes or Perpetual Securities may not be circulated or distributed, nor may the Notes or Perpetual Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

The relevant Issuer and (in the case of Notes) the Guarantor may agree with any Dealer and the Trustee (as defined herein) that Notes or, as the case may be, Perpetual Securities may be issued in a form not contemplated by the Conditions, in which event a supplemental Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes or Perpetual Securities.

Notes or Perpetual Securities issued under the Programme may be rated or unrated. Where an issue of a certain series of Notes or Perpetual Securities is rated, its rating will not necessarily be the same as the rating applicable to the Programme and (where applicable) such rating will be specified in the applicable Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Arrangers and Dealers

ANZ **Citigroup** **DBS Bank Ltd.** **Standard Chartered Bank**

The date of this Offering Circular is 15 October 2020.

The Issuers accept responsibility for the information contained in this Offering Circular. The Guarantor accepts responsibility for the information contained in this Offering Circular relating to the Issuers, Suntec REIT, the Group (as defined herein), the Suntec REIT Trustee, the Suntec REIT Manager and the assets of Suntec REIT. To the best of the knowledge of the Issuers and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular which they each accept responsibility for is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each Tranche of Notes or Perpetual Securities will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" and "*Terms and Conditions of the Perpetual Securities*" respectively, as amended and/or supplemented by the Pricing Supplement specific to such Tranche. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes or Perpetual Securities, must be read and construed together with the applicable Pricing Supplement.

References in this Offering Circular to "Conditions" shall, when made in respect of Notes, mean the Conditions set out in the "*Terms and Conditions of the Notes*" and, when made in respect of Perpetual Securities, mean the Conditions set out in the "*Terms and Conditions of the Perpetual Securities*". Any reference to a numbered "Condition" is to the correspondingly numbered provision thereof.

Subject as provided in the applicable Pricing Supplement, the only persons authorised to use this Offering Circular in connection with an offer of Notes or Perpetual Securities are the persons named in the applicable Pricing Supplement as the relevant Dealer or the Managers, as the case may be.

Copies of Pricing Supplements will be available for viewing upon prior written request at the registered office of each of the Issuing and Paying Agent or, as the case may be, CDP Issuing and Paying Agent (each as defined below) or (in the case of Registered Notes and Registered Perpetual Securities) the Registrar or, as the case may be, CDP Registrar (each as defined below (save that a Pricing Supplement relating to an unlisted Note or Perpetual Security will only be available for inspection by a holder of such Note or Perpetual Security and such holder must produce evidence satisfactory to the relevant Issuer or the Issuing and Paying Agent as to its holding of Notes or Perpetual Securities and its identity).

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that those documents are incorporated and form part of this Offering Circular.

None of the Arrangers, the Dealers, the Agents (as defined below) and the Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arrangers, the Dealers, the Agents or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuers or the Guarantor in connection with the Programme. None of the Arrangers, Dealers, Agents or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuers or the Guarantor in connection with the Programme. To the fullest extent permitted by law, none of the Arrangers, the Dealers, the Agents or the Trustee accepts any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by the Arrangers, the Dealers, the Agents or the Trustee on their behalf in connection with the Issuers, the Guarantor or the

issue and offering of the Notes and the Perpetual Securities. Each of the Arrangers, each Dealer, the Trustee and each Agent accordingly disclaims all and any liability, whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement.

No person is or has been authorised by the Issuers, the Guarantor, ARA Trust Management (Suntec) Limited (in its capacity as manager of Suntec REIT) (the Suntec REIT Manager), the Arrangers, the Dealers, the Agents or the Trustee to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme, the Notes or the Perpetual Securities and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuers, the Guarantor, the Suntec REIT Manager, any of the Arrangers or Dealers, any of the Agents or the Trustee.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes or Perpetual Securities: (a) is intended to provide the basis of any credit or other evaluation; or (b) should be considered as a recommendation by any of the Issuers, the Guarantor, the Suntec REIT Manager, any of the Arrangers or Dealers, any of the Agents or the Trustee that any recipient of this Offering Circular or any other information supplied in connection with the Programme, should purchase any Notes or Perpetual Securities. Each investor contemplating purchasing any Notes or Perpetual Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and/or the Guarantor and the Suntec REIT. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes or Perpetual Securities constitutes an offer or invitation by or on behalf of the Issuers, the Guarantor, the Suntec REIT Manager, any of the Arrangers or Dealers, any of the Agents or the Trustee to any person to subscribe for or to purchase any Notes or Perpetual Securities.

None of the Arrangers, the Dealers, the Issuers, the Guarantor, the Agents or the Trustee makes any representation to any investor in the Notes or Perpetual Securities regarding the legality of its investment under any applicable laws. Any investor in the Notes or Perpetual Securities should be able to bear the economic risk of an investment in the Notes or Perpetual Securities for an indefinite period of time.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes or Perpetual Securities shall in any circumstances imply that the information contained in it concerning the Issuers and/or the Guarantor and/or Suntec REIT is correct at any time subsequent to its date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arrangers, the Dealers, the Agents and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuers, the Guarantor or Suntec REIT during the life of the Programme or to advise any investor in Notes or Perpetual Securities issued under the Programme of any information coming to their attention.

The Notes and Perpetual Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes and Perpetual Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

The Notes and Perpetual Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor has any of the foregoing authorities passed upon

or endorsed the merits of any offering of Notes or Perpetual Securities or the accuracy or the adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

Neither this Offering Circular nor any Pricing Supplement constitutes an offer to sell or the solicitation of an offer to buy any Notes or Perpetual Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular or any Pricing Supplement and the offer or sale of Notes or Perpetual Securities may be restricted by law in certain jurisdictions. The Issuers, the Guarantor, the Suntec REIT Manager, the Arrangers, the Dealers and the Trustee do not represent that this Offering Circular or any Pricing Supplement may be lawfully distributed, or that any Notes or Perpetual Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers, the Guarantor, the Suntec REIT Manager, the Arrangers, the Dealers or the Trustee which is intended to permit a public offering of any Notes or Perpetual Securities or distribution of this Offering Circular or any Pricing Supplement in any jurisdiction where action for that purpose is required. Accordingly, no Notes or Perpetual Securities may be offered or sold, directly or indirectly, and neither this Offering Circular nor any Pricing Supplement or advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular, any Pricing Supplement or any Notes or Perpetual Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular, any Pricing Supplement and the offering and sale of Notes or Perpetual Securities. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes or Perpetual Securities in the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong and Singapore (see "*Subscription and Sale*").

Suntec REIT does not have a separate legal personality and accordingly, in this Offering Circular, all representations, warranties, undertakings and other obligations and liabilities expressed or otherwise contemplated to be given, assumed, discharged or performed by Suntec REIT, and all rights, powers and duties of Suntec REIT, shall be construed and take effect as representations and warranties given, as undertakings and other obligations, liabilities assumed or to be discharged and performed by, and rights, powers and duties of, the Suntec REIT Trustee, in accordance with the Suntec REIT Trust Deed (as defined herein).

IMPORTANT – EEA AND UK RETAIL INVESTORS

If the Pricing Supplement in respect of any Notes or Perpetual Securities includes a legend entitled "Prohibition of Sales to EEA and UK Retail Investors", the Notes or, as the case may be, Perpetual Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**) or in the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the **Prospectus Regulation**). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or Perpetual Securities or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or Perpetual Securities or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

MiFID II PRODUCT GOVERNANCE/TARGET MARKET

The Pricing Supplement in respect of any Notes or Perpetual Securities may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes or, as the case may be, Perpetual Securities and which channels for distribution of the Notes or, as the case may be, Perpetual Securities are appropriate. Any person subsequently offering, selling or recommending the Notes or Perpetual Securities (a **distributor**) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes or Perpetual Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes or Perpetual Securities is a manufacturer in respect of such Notes or Perpetual Securities, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

SECTION 309B(1)(C) NOTIFICATION

Unless otherwise stated in the Pricing Supplement in respect of any Notes or Perpetual Securities, all Notes and Perpetual Securities issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Presentation of Financial Information

Unless otherwise indicated, the financial information in this Offering Circular relating to the Group has been derived from the audited consolidated financial statements of the Group as at and for the financial years ended 31 December 2018 and 31 December 2019 (the **Audited Financial Statements**). The reviewed interim consolidated financial statements of the Group as at and for the six-month periods ended 30 June 2019 and 30 June 2020 (the **Unaudited Financial Statements**) have been derived from the Group's unaudited financial statements announcement as at and for the six months ended 30 June 2020.

The Audited Financial Statements have been prepared in accordance with the recommendations of the Statement of Recommended Accounting Practice 7 (**RAP 7**) "*Reporting Framework for Unit Trusts*" issued by the Institute of Singapore Chartered Accountants and audited by KPMG LLP. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards. The Unaudited Financial Statements have been prepared in accordance with the recommendations of RAP 7 "*Reporting Framework for Unit Trusts*" issued by the Institute of Singapore Chartered Accountants.

Certain figures and percentages included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as total in certain tables may not be an arithmetic aggregation of the figures which precede them. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding.

Certain Defined Terms and Conventions

Capitalised terms which are used but not defined in any particular section of this Offering Circular will have the meaning attributed to them in "*Terms and Conditions of the Notes*", "*Terms and Conditions of the Perpetual Securities*" or any other section of this Offering Circular.

All references in this Offering Circular to **U.S. dollars**, **U.S.$** and **$** refer to United States dollars, **RMB** and **CNY** refer to Renminbi, **S$** and **SGD** refer to Singapore dollars and **£** or **Sterling** refers to British Pounds Sterling. In addition, all references to **euro** and **€** refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended. References to the **United States**, **U.S.** or **US** in this Offering Circular shall be to the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

SUITABILITY OF INVESTMENT

The Notes and Perpetual Securities may not be a suitable investment for all investors. Each potential investor in the Notes or Perpetual Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes or Perpetual Securities, the merits and risks of investing in the Notes or Perpetual Securities and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes or Perpetual Securities and the impact the Notes or Perpetual Securities will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes or Perpetual Securities, including Notes or Perpetual Securities with principal, interest or distribution payable in one or more currencies, or where the currency for principal, interest or distribution payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Notes or Perpetual Securities and is familiar with the behaviour of any relevant indices and financial markets; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes or Perpetual Securities are legal investments for it, (2) Notes or Perpetual Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes or Perpetual Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes or Perpetual Securities under any applicable risk-based capital or similar rules.

SUPPLEMENTAL OFFERING CIRCULAR

The Issuers and the Guarantor have given an undertaking to the Arrangers and Dealers that in the event of an issue of Notes or Perpetual Securities under the Programme and (i) a significant new factor, material mistake or inaccuracy relating to the information included in the Offering Circular which is capable of affecting the assessment of the Notes or Perpetual Securities arising or being noted, (ii) a change in the condition of the Issuers, the Guarantor, the Suntec REIT Manager, Suntec REIT and/or the Group which is material in the context of the Programme or the issue of any Notes or Perpetual Securities and (in the case of Notes) the giving of the Guarantee or (iii) the Offering Circular otherwise coming to contain an untrue statement of a material fact or omitting to state a material fact necessary to make the statements contained therein not misleading in any material respect (including as a result of a modification or amendment of the terms of the Programme) or if it is necessary at any time to amend the Offering Circular to comply with, or reflect changes in, the laws or regulations of the jurisdiction of incorporation of the Issuers, Singapore or any other relevant jurisdiction, they shall prepare an amendment or supplement to this Offering Circular (each amendment or supplement, a **Supplemental Offering Circular**) or publish a replacement Offering Circular for use in connection with any subsequent offering of Notes and shall supply to each of the Arrangers and the Dealers such number of copies of such Supplemental Offering Circular or replacement hereto as such Arrangers or Dealers may reasonably request. The Issuers and the Guarantor have also given an undertaking to the Arrangers and Dealers that, in order for a New Issuer to accede to the Programme as an Issuer and to issue Notes thereunder, the Issuers and the Guarantor shall update or amend the Offering Circular giving details of such New Issuer by the publication of a supplement to it or a new Offering Circular giving details of such New Issuer. References to this **Offering Circular** shall be taken to mean this document and all the documents from time to time incorporated by reference herein and forming part thereof.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

Some statements in this Offering Circular may be deemed to be forward looking statements. Forward looking statements include statements concerning Suntec REIT's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in this Offering Circular, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should", "future", "can" and any similar expressions generally identify forward looking statements. The Issuers, the Guarantor and the Suntec REIT Manager have based these forward looking statements on the current view of their management with respect to future events and financial performance. Although each of the Issuers, the Guarantor and the Suntec REIT Manager believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of this Offering Circular, if one or more of the risks or uncertainties materialise, including those which the Issuers, the Guarantor and the Suntec REIT Manager have identified in this Offering Circular under the section "*Risk Factors*", or if any of the Issuers', the Guarantor's or the Suntec REIT Manager's underlying assumptions prove to be incomplete or inaccurate, Suntec REIT's and the Group's actual results of operation may vary from those expected, estimated or predicted.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of Suntec REIT to be materially different from the future results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Offering Circular, investors must exercise caution when reviewing those forecasts, projections and statements. The Issuers, the Guarantor, the Suntec REIT Manager, the Group, the Arrangers and the Dealers do not represent or warrant that the actual future results, performance or achievements of Suntec REIT will be as discussed in those statements.

Any forward looking statements contained in this Offering Circular speak only as at the date of this Offering Circular. Without prejudice to any requirements under applicable laws and regulations and without prejudice to the undertaking above to prepare an amendment or supplement to this Offering Offering Circular or to publish a replacement Offering Circular, each of the Issuers, the Guarantor, the Suntec REIT Manager, the Group, the Arrangers and any Dealer expressly disclaims any obligation or undertaking to disseminate after the date of this Offering Circular any updates or revisions to any forward looking statements contained in it to reflect any change in expectations or any change in events, conditions or circumstances on which any such forward looking statement is based.

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STABILISATION

In connection with the issue of any Tranche of Notes or Perpetual Securities, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may over-allot Notes or Perpetual Securities or effect transactions with a view to supporting the market price of the Notes or Perpetual Securities at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes or Perpetual Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes or Perpetual Securities and 60 days after the date of the allotment of the relevant Tranche of Notes or Perpetual Securities. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes or Perpetual Securities, the applicable Pricing Supplement. The relevant Issuer and any relevant Dealer may agree that Notes or Perpetual Securities shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, if appropriate, a supplemental Offering Circular will be published.

Words and expressions defined in "Form of the Notes", "Form of the Perpetual Securities", "Terms and Conditions of the Notes" and "Terms and Conditions of the Perpetual Securities" shall have the same meanings in this Overview.

Issuers:	(In relation to the Notes) Suntec REIT MTN Pte. Ltd. and any New Issuer that may accede as an Issuer to the Programme (In relation to the Perpetual Securities) HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec REIT)
Legal Entity Identifier (**LEI**) of Suntec REIT:	549300C46QFXSI2F4K13
Accession of New Issuers to issue Notes:	The Programme Agreement, the Trust Deed and the Agency Agreement each contain provisions enabling the Suntec REIT Trustee to, from time to time, nominate any newly incorporated wholly-owned Subsidiaries of Suntec REIT with no operating history as additional issuers to issue Notes. It is intended that such New Issuer shall accede to the terms of the Programme by executing, *inter alia*, a new issuer programme accession letter, a supplemental trust deed and a supplemental agency agreement and shall become, and be treated as, an Issuer for the purpose of the Programme. In such event, the Suntec REIT Trustee, SRMTN and such additional New Issuers shall make available a supplemental Offering Circular in relation to such accession. Unless and until a supplemental Offering Circular is published providing details of the accession of a New Issuer under the Programme, references in this Offering Circular to **the Issuers** and the **relevant Issuer** should be taken as references to (in the case of Notes) SRMTN or (in the case of Perpetual Securities) the Suntec REIT Trustee only.
Guarantor:	(In relation to the Notes) HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec Real Estate Investment Trust)

Description:	Euro Medium Term Securities Programme
Arrangers:	Australia and New Zealand Banking Group Limited Citigroup Global Markets Singapore Pte. Ltd. DBS Bank Ltd. Standard Chartered Bank (Singapore) Limited
Dealers:	Australia and New Zealand Banking Group Limited Citigroup Global Markets Singapore Pte. Ltd. DBS Bank Ltd. Standard Chartered Bank (Singapore) Limited and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes or Perpetual Securities denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Offering Circular. **Notes having a maturity of less than one year** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the Financial Services and Markets Act 2000 (**FSMA**) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Trustee:	The Bank of New York Mellon, London Branch
Issuing and Paying Agent and Calculation Agent in respect of Notes and Perpetual Securities to be cleared through Euroclear and Clearstream:	The Bank of New York Mellon, London Branch
Registrar and Transfer Agent in respect of Registered Notes and Registered Perpetual Securities to be cleared through Euroclear and Clearstream:	The Bank of New York Mellon SA/NV, Luxembourg Branch

CDP Issuing and Paying Agent, CDP Calculation Agent, CDP Registrar and CDP Transfer Agent:	The Bank of New York Mellon, Singapore Branch
Programme Size:	Up to U.S.$2,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Guarantee:	The Notes will be unconditionally and irrevocably guaranteed by the Guarantor in accordance with the Conditions of the Notes.
Distribution:	The Notes and Perpetual Securities may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. The Notes and Perpetual Securities will be issued in series (each a **Series**) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest or distribution, if any), the Notes or, as the case may be, Perpetual Securities of each Series being intended to be interchangeable with all other Notes or, as the case may be, Perpetual Securities of that Series. Each Series may be issued in tranches (each a **Tranche**) on the same or different issue dates. The specific dates of each Tranche of the Notes or Perpetual Securities (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest or distribution and the nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the applicable Pricing Supplement.
Currencies:	Subject to any applicable legal or regulatory restrictions, the Notes or Perpetual Securities may be denominated in euro, Sterling, U.S. dollars, Japanese yen, Renminbi, Singapore dollars and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the relevant Issuer and the relevant Dealer(s).

Maturities:	The Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer(s), subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency. The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date and the relevant Issuer shall only have the right to redeem or purchase them in accordance with the Conditions of the Perpetual Securities or as otherwise specified in the applicable Pricing Supplement.
Issue Price:	The Notes and the Perpetual Securities may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes and Perpetual Securities:	The Notes will be issued in bearer form (**Bearer Notes**) or in registered form (**Registered Notes**) as described in "*Form of the Notes*". Bearer Notes will not be exchangeable for Registered Notes and *vice versa*. The Perpetual Securities will be issued in bearer form (**Bearer Perpetual Securities**) or in registered form (**Registered Perpetual Securities**), as described in "*Form of the Perpetual Securities*". Bearer Perpetual Securities will not be exchangeable for Registered Perpetual Securities and *vice versa*.
Denomination of Notes and Perpetual Securities:	The Notes and the Perpetual Securities will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer(s), save that the minimum denomination of each Note or Perpetual Security will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Overview of the Programme – Certain Restrictions – Notes having a maturity of less than one year*" above.

Risk Factors:	There are certain factors that may affect the relevant Issuer's ability to fulfil its obligations under Notes or, as the case may be, Perpetual Securities issued under the Programme. There are also certain factors that may affect the Guarantor's ability to fulfil its obligations under the Guarantee. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes or Perpetual Securities issued under the Programme and risks relating to the structure of a particular Series of Notes or Perpetual Securities issued under the Programme. All of these are set out under "*Risk Factors*".
Rating(s):	Notes or Perpetual Securities issued under the Programme may be rated or unrated. Where an issue of a certain Series of Notes or Perpetual Securities is rated, its rating will not necessarily be the same as the rating applicable to the Programme and (where applicable) such rating will be specified in the applicable Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
Listing:	Approval in-principle has been received from the SGX-ST in connection with the Programme and application will be made for permission to deal in, and for quotation of, any Notes or Perpetual Securities to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes or Perpetual Securities have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes or Perpetual Securities on, the SGX-ST are not to be taken as an indication of the merits of any of the Issuers, the Guarantor, Suntec REIT, the Programme, the Notes or Perpetual Securities. The Notes and Perpetual Securities may also be listed and/or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the relevant Issuer and the relevant Dealer(s) in relation to each Series of Notes or Perpetual Securities.

	For so long as any Notes or Perpetual Securities are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes or Perpetual Securities listed on the SGX-ST will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 (or its equivalent in any other currency). Series of Notes or Perpetual Securities which are unlisted and/or not admitted to trading on any market may also be issued pursuant to the Programme. The applicable Pricing Supplement will state whether or not the relevant Notes or Perpetual Securities are to be listed and/or admitted to trading, as the case may be, and, if so, on which stock exchange(s) and/or markets.
Clearing Systems:	Euroclear, Clearstream, CDP and/or any other clearing system as specified in the applicable Pricing Supplement, see "*Form of the Notes*" and "*Form of the Perpetual Securities*".
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes and Perpetual Securities in the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong and Singapore and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes or Perpetual Securities, see "*Subscription and Sale*".
United States Selling Restrictions:	Regulation S, Category 1/2. TEFRA C or D/TEFRA not applicable, as specified in the applicable Pricing Supplement.
NOTES	
Negative Pledge:	The terms of the Notes will contain a negative pledge provision as further described in Condition 4.1 of the Notes.
Shareholding Covenant:	So long as any Notes, Receipts or Coupons (in respect thereof) remain outstanding, the Guarantor will procure that Suntec REIT shall at all times retain a 100 per cent. direct and/or indirect shareholding interest in the entire issued share capital of the relevant Issuer.

Fixed Rate Notes:

Fixed interest will be payable on Fixed Rate Notes on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer(s).

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

(b) on the basis of a reference rate set out in the applicable Pricing Supplement; or

(c) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer(s).

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer(s).

The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer(s) for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Index Linked Notes:

Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the relevant Issuer and the relevant Dealer(s) may agree.

Dual Currency Notes:	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer(s) may agree.
Partly Paid Notes:	The relevant Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the relevant Issuer and the relevant Dealer(s) may agree.
Notes redeemable in instalments:	The relevant Issuer may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the relevant Issuer and the relevant Dealer(s) may agree.
Other Notes:	The relevant Issuer may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Conditions of the Notes, in which event the relevant provisions will be included in the applicable Pricing Supplement.
Redemption of Notes:	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable, whether at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer(s), or as otherwise provided in the Conditions of the Notes or specified in the applicable Pricing Supplement. Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see "*Overview of the Programme – Certain Restrictions – Notes having a maturity of less than one year*" above.

Taxation:	All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the relevant Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction as provided in Condition 8 of the Notes, unless the withholding or deduction of taxes is required by law. In the event that any such deduction is made, the relevant Issuer or the Guarantor, as the case may be, will, save in certain limited circumstances provided in Condition 8 of the Notes, pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons in the absence of such withholding or deduction.
Events of Default (including Cross Default):	The terms of the Notes will contain events of default (including a cross default provision) as further described in Condition 10.1 of the Notes.
Status of the Notes and the Guarantee:	The Notes and any related Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 of the Notes) unsecured obligations of the relevant Issuer and rank *pari passu* and without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding. The payment obligations of the Guarantor under the Guarantee (as defined in the Trust Deed) in respect of the Notes are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 of the Notes) unsecured obligations of the Guarantor and rank (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.
Governing Law:	The Notes, the Receipts, the Coupons, the Trust Deed, the Agency Agreement and any non-contractual obligations arising out of or in connection with the Notes, the Receipts, the Coupons, the Trust Deed and the Agency Agreement are governed by and shall be construed in accordance with English law.

PERPETUAL SECURITIES

Fixed Rate Perpetual Securities:	Fixed distributions will be payable on Fixed Rate Perpetual Securities on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer(s).
Floating Rate Perpetual Securities:	Floating Rate Perpetual Securities will confer a right to receive distribution at a rate determined: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Perpetual Securities of the relevant Series); or (b) on the basis of a reference rate set out in the applicable Pricing Supplement; or (c) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer(s). The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer(s) for each Series of Floating Rate Perpetual Securities. Floating Rate Perpetual Securities may also have a maximum distribution rate, a minimum distribution rate or both.
Index Linked Perpetual Securities:	Payments of distribution in respect of Index Linked Distribution Perpetual Securities will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the relevant Issuer and the relevant Dealer(s) may agree.
Dual Currency Perpetual Securities:	Payments (whether in respect of principal or distribution or otherwise) in respect of Dual Currency Perpetual Securities will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer(s) may agree.

Partly Paid Perpetual Securities:	The relevant Issuer may issue Perpetual Securities in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the relevant Issuer and the relevant Dealer(s) may agree.
Other Perpetual Securities:	The relevant Issuer may agree with any Dealer and the Trustee that Perpetual Securities may be issued in a form not contemplated by the Conditions of the Perpetual Securities, in which event the relevant provisions will be included in the applicable Pricing Supplement.
Optional Deferral of Distribution:	The applicable Pricing Supplement will specify whether the relevant Issuer may, at its sole discretion, elect to defer any Distribution (in whole or in part) which is otherwise scheduled to be paid on a Distribution Payment Date by giving a Deferral Election Notice to the Perpetual Securityholders in accordance with Condition 13 of the Perpetual Securities, the Trustee and the Agents not more than 15 nor less than five Business Days prior to a scheduled Distribution Payment Date (or such other notice period as may be specified in the applicable Pricing Supplement). If Dividend Pusher is specified as being applicable in the applicable Pricing Supplement, the relevant Issuer may not elect to defer any Distribution if, during such period(s) prior to such Distribution Payment Date as may be specified in the applicable Pricing Supplement, a Compulsory Distribution Payment Event has occurred.
Cumulative Deferral of Distribution:	If Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, any Distribution validly deferred pursuant to Condition 4.6 shall constitute **Arrears of Distribution**. The relevant Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4.6(a)) further defer any Arrears of Distribution by complying with the notice requirements applicable to any deferral of an accrued Distribution in accordance with Condition 4.6(c) of the Perpetual Securities. The relevant Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution can or shall be deferred pursuant to Condition 4.6 of the Perpetual Securities by complying with such notice requirements except that Condition 4.6(d) of the Perpetual Securities shall be complied with until all outstanding Arrears of Distribution have been paid in full.

Non-Cumulative Deferral of Distribution:	If Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, any Distribution deferred pursuant to Condition 4.6 of the Perpetual Securities is non-cumulative and will not accrue distribution. The relevant Issuer is not under any obligation to pay that or any other Distributions that have not been paid in whole or in part.
Optional Distribution:	If Optional Distribution is specified as being applicable in the applicable Pricing Supplement, the relevant Issuer may, at its sole discretion, and at any time, elect to pay an Optional Distribution at any time by giving irrevocable notice of such election to the Perpetual Securityholders (in accordance with Condition 13 of the Perpetual Securities), the Trustee and the Issuing and Paying Agent not more than 20 nor less than 10 Business Days (or such other notice period as may be specified in the applicable Pricing Supplement) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the relevant Issuer to pay the relevant Optional Distribution on the payment date specified in such notice).
Restrictions in the case of Deferral:	If Dividend Stopper is specified as being applicable in the applicable Pricing Supplement and on any Distribution Payment Date, payment of Distributions (including Arrears of Distribution and Additional Distribution Amount) scheduled to be made on such date is not made in full by reason of Condition 4.6 of the Perpetual Securities, the relevant Issuer shall not, and shall procure that none of its Subsidiaries (as defined in the Trust Deed) shall, in respect of the Junior Obligations or the Parity Obligations: (i) voluntarily declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on any of the Junior Obligations or (except on a *pro rata* basis) any of the Parity Obligations; or (ii) voluntarily redeem, purchase, cancel, reduce, buy-back or otherwise acquire for any consideration on any of the Junior Obligations or (except on a *pro rata* basis) any of the Parity Obligations,

	in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, officers, directors or consultants of the Group (as defined in the Trust Deed) or (2) as a result of the exchange or conversion of the Parity Obligations for the Junior Obligations unless and until (A) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) if the relevant Issuer has made payment in whole (and not in part only) of all outstanding Arrears of Distributions and any Additional Distribution Amounts; or (B) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities in accordance with Condition 6 of the Perpetual Securities has occurred, the next scheduled Distribution has been paid in full, or an Optional Distribution equal to the amount of a Distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full; or (C) when so permitted by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders.
Redemption of Perpetual Securities:	The applicable Pricing Supplement will indicate that the relevant Perpetual Securities may not be redeemed at the option of the relevant Issuer, or will specify the basis for calculating the redemption amounts payable and indicate the circumstances in which the relevant Perpetual Securities may be redeemed, whether for taxation reasons, upon the occurrence of an Accounting Event, upon the occurrence of a Tax Deductibility Event, upon the occurrence of a Ratings Event, upon the occurrence of a Regulatory Event, at the option of the relevant Issuer or in the case of Minimum Outstanding Amount or as otherwise provided in the Conditions of the Perpetual Securities or specified in the applicable Pricing Supplement.

Taxation:	All payments of principal and distribution in respect of the Perpetual Securities and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction as provided in Condition 7 of the Perpetual Securities, unless such withholding or deduction of taxes is required by law. In the event that any such deduction is made, the relevant Issuer will, save in certain limited circumstances provided in Condition 7 of the Perpetual Securities, pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Perpetual Securities or Coupons after such withholding or deduction shall equal the respective amounts of principal and distribution which would otherwise have been receivable in respect of any Perpetual Securities or Coupons, as the case may be, in the absence of such withholding or deduction.
Enforcement Events:	There are no events of default under the Perpetual Securities. The terms of the Perpetual Securities will contain enforcement events as further described in Condition 9 of the Perpetual Securities.
Status of the Senior Perpetual Securities:	The Senior Perpetual Securities and any related Coupons constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and rank *pari passu* and without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding.
Status of the Subordinated Perpetual Securities:	The Subordinated Perpetual Securities and any related Coupons constitute direct, unconditional, unsecured and subordinated obligations of the relevant Issuer and rank *pari passu* and without any preference or priority among themselves and with any Parity Obligations, from time to time outstanding. The rights and claims of the Perpetual Securityholders are subordinated in the manner described in Condition 3.2(b) of the Perpetual Securities.

Subordination of the Subordinated Perpetual Securities:	Subject to the insolvency laws of Singapore and other applicable laws, in the event of the final and effective Winding-Up of the relevant Issuer or Suntec REIT, there shall be payable by the relevant Issuer in respect of each Subordinated Perpetual Security relating to them (in lieu of any other payment by the relevant Issuer), such amount, if any, as would have been payable to the Perpetual Securityholder of such Subordinated Perpetual Security if, on the day prior to the commencement of the Winding-Up of the relevant Issuer or Suntec REIT, and thereafter, such Perpetual Securityholder were the holder of one of a class of the preferred units in the capital of Suntec REIT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (**Suntec REIT Notional Preferred Units**) having an equal right to return of assets in the Winding-Up of the relevant Issuer or Suntec REIT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of the relevant Issuer or Suntec REIT, and so rank ahead of, the holders of the Junior Obligations, but junior to the claims of all other present and future creditors of the relevant Issuer (other than the Parity Obligations), on the assumption that the amount that such Perpetual Securityholder of a Subordinated Perpetual Security was entitled to receive under these Conditions in respect of each Suntec REIT Notional Preferred Unit on a return of assets in such Winding-Up were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4.6(f) of the Perpetual Securities) in respect of which the relevant Issuer has given notice to the Perpetual Securityholders in accordance with the Conditions of the Perpetual Securities and/or as otherwise specified in the applicable Pricing Supplement.

Set-off in relation to Subordinated Perpetual Securities:	Subject to applicable law, no Perpetual Securityholder or Couponholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the relevant Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities and the Coupons relating to them, as the case may be, and each Perpetual Securityholder or Couponholder shall, by virtue of his holding of any Subordinated Perpetual Securities or any Coupons related to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the relevant Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any Perpetual Securityholder or Couponholder by the relevant Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities, as the case may be, is discharged by set-off, such Perpetual Securityholder or Couponholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the relevant Issuer (or, in the event of the Winding-Up or administration of the relevant Issuer or Suntec REIT, the liquidator or, as appropriate, administrator of the relevant Issuer or, as the case may be, Suntec REIT) and, until such time as payment is made, shall hold such amount in trust for Suntec REIT (or the liquidator or, as appropriate, administrator of the relevant Issuer or, as the case may be, Suntec REIT) and accordingly any such discharge shall be deemed not to have taken place.
Governing Law:	The Perpetual Securities (except for the subordination provisions set out in Condition 3.2 of the Perpetual Securities), the Coupons, the Trust Deed (except for the subordination provisions set out in Clause 7.3 of the Trust Deed), the Agency Agreement and any non-contractual obligations arising out of or in connection with the Perpetual Securities, the Coupons, the Trust Deed and the Agency Agreement are governed by and shall be construed in accordance with English law. The subordination provisions set out in Condition 3.2 of the Perpetual Securities and Clause 7.3 of the Trust Deed shall be governed by and construed in accordance with Singapore law.

RISK FACTORS

Each of the Issuer and the Guarantor believes that the following factors may affect the ability of the Issuers and the Guarantor to fulfil their respective obligations under Securities issued under the Programme. Most of these factors are contingencies which may or may not occur and none of the Issuers and the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Securities issued under the Programme are also described below.

Each of the Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Securities issued under the Programme, but the inability of the relevant Issuer or the Guarantor to pay interest, principal or other amounts on or in connection with any Securities may occur for other reasons which may not be considered significant risks by each Issuer and the Guarantor based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

RISKS RELATING TO SUNTEC REIT'S BUSINESS AND OPERATIONS

Suntec REIT's business, results of operations, financial condition and prospects may be adversely affected by natural disasters and the occurrence of epidemics.

Natural disasters and epidemics such as Severe Acute Respiratory Syndrome (SARS), Middle East Respiratory Syndrome (MERS), H5N1 or H7N9 avian flu, H1N1 swine flu and the recent outbreak of the COVID-19 coronavirus pandemic, may adversely affect the economy, infrastructure and livelihood of the people in the countries in which Suntec REIT has properties and operates.

Since its outbreak, COVID-19 has rapidly spread across various countries and territories, including those where Suntec REIT operates, such as Singapore and Australia. In an effort to curb the spread of the highly infectious coronavirus, countries around the world have imposed various measures and strict movement controls, including temporary shutdowns, travel restrictions, quarantines, cancellations and/or suspensions of business activities and major events and gatherings. This, in turn, has resulted in disruptions in global supply chains, reduced trade and lower consumption and consumer spending generally, even in areas not directly affected by the outbreak, which has negatively impacted, and may continue to negatively impact, Suntec REIT's business and its tenants' business and the demand for office and retail properties. This in turn has had, and could continue to have, a material adverse effect on Suntec REIT's business and results of operations. For example, in April 2020, Singapore implemented a series of "circuit breaker" measures, including the closure of all (i) physical retail shops which were not deemed to be providing essential services, which led to a severe decline in retail business that affected the business and operations of Suntec REIT, and (ii) physical offices not providing essential services. The suspension and cancellation of gatherings and events at Suntec Singapore Convention & Exhibition Centre (**Suntec Convention**) has led to a loss of dividend contribution from Suntec Convention in 1H FY2020. Moreover, the risk, or public perception of the risk, of a pandemic or media coverage of COVID-19 could cause customers to avoid retail properties, employees to avoid office properties, and the public to shun events or gatherings, even when official suspension measures are eased or lifted, and could cause temporary or long-term disruptions in the businesses and operations of tenants in the properties owned by Suntec REIT, and in turn adversely affect the rental revenue generated from such tenants, or reduce the demand for events at Suntec Convention. Any of these developments have had, and could continue to have, a material adverse effect on Suntec REIT's business and results of operations. Furthermore, these conditions may result in downward pressures on the valuation of Suntec REIT's Properties as a result of deteriorating operating cash

flow and widening capitalisation rates. The valuations of the Suntec REIT Portfolio were last assessed as at 31 December 2019 (except for Suntec Singapore and 21 Harris Street, which were last assessed as at 31 May 2020 and 28 February 2020, respectively), and as such, are based on the property market and cash flow forecasts as at that date. As at the respective date of valuation of the Properties, the full impact of the COVID-19 pandemic was not taken into account in these valuations of the Suntec REIT Portfolio. As at the date hereof, it is not known what impact the COVID-19 pandemic may have on the valuation of these properties.

Furthermore, Suntec REIT's revenue and operating results depend significantly on the demand for office and retail properties. Due to the scope of the outbreak and the related uncertainties, the COVID-19 outbreak is negatively impacting almost every industry directly or indirectly. A decline in the retail industry due to reduction in domestic consumption and tourism could reduce demand for the products and services of some of Suntec REIT's tenants. The loss of retail sales is likely to place a number of the tenants under financial strain. While accommodation from banks and support from governments may assist, circumstances relating to the decline in the retail industry and the loss of retailer sales may result in tenants being unable to meet their contractual rent obligations. The disruption to business and economic activities due to the pandemic is also expected to lead to rising unemployment, which further accentuates the economic uncertainties in various countries, including those where Suntec REIT operates, and may in turn lead to a reduction in demand for office properties. All these factors could diminish the demand and rental rates for Suntec REIT's properties and adversely affect some of Suntec REIT's tenants' ability or willingness to pay rent, which may in turn lead to an increase in vacancies in the properties owned by Suntec REIT, as it may in particular be more difficult to re-let vacant spaces to new tenants due to the volatile economic conditions. Moreover, some of Suntec REIT's tenants may be required by the local, regional, state or national authorities to cease operations, thereby preventing them from generating revenue.

The ultimate extent of the impact of any epidemic, pandemic or other health crisis on the business, financial condition and results of operations of Suntec REIT will depend on future developments, which are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of such epidemics, pandemics or other health crises and actions taken to contain or prevent their further spread, among others. Countries such as Australia, South Korea, Japan and Hong Kong have experienced new waves of infection despite having strong healthcare systems and robust strategies to combat the virus. There is no assurance that the jurisdictions in which Suntec REIT has properties in will not be subject to stronger restriction measures, which could impact Suntec REIT's operations even further. Past occurrences of epidemics, depending on their scale, have caused different degrees of damage to national and regional economies. An outbreak of a health epidemic or contagious disease, such as the ongoing COVID-19 pandemic, may further create a negative economic impact and decreased viability in the global market. This may result in a reduction in the ability and willingness of consumers to spend money on leisure and entertainment activities, which may reduce the level of retail consumption, and in turn adversely affect Suntec REIT's business, financial condition and results of operations. Such an outbreak may also adversely affect the ability of Suntec REIT to sustain normal operations.

Other than the ongoing COVID-19 pandemic, the occurrence of any other outbreak of infectious disease or serious public health concerns, or the measures taken by the governments of affected countries, including Singapore, against such an outbreak, such as the imposition of quarantines and lockdown measures, could severely disrupt Suntec REIT's business operations and undermine investor confidence, thereby materially and adversely affecting its financial condition and results of operations.

Uncertainties and instability in global financial, credit and currency markets could adversely affect Suntec REIT's business, financial condition and results of operations.

The global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. While there have been periods of stability in these markets, the environment has become more unpredictable, with the risk of a potential trade war. Further, as a result of the COVID-19 pandemic, the Ministry of Trade and Industry of Singapore had on 11 August 2020 revised Singapore's GDP growth forecast for 2020 downwards to "-7.0% to -5.0%".

Economic factors, including, without limitation, changes in interest rates and inflation, changes in gross domestic product, economic growth, employment levels and consumer spending, consumer and investment sentiment, property market volatility and the availability of debt and equity capital could adversely affect the business, financial condition and results of operations of Suntec REIT. The ongoing COVID-19 pandemic has had significant adverse impact on the global economy. See "– *Suntec REIT's business, results of operations, financial condition and prospects may be adversely affected by natural disasters and the occurrence of epidemics".*

These developments could adversely affect Suntec REIT insofar as they result in:

- a negative impact on the ability of Suntec REIT's tenants to pay their rents or fees in a timely manner or to continue their leases or tenancy arrangements, thus reducing Suntec REIT's cash flows;

- an increase in counterparty risk (being the risk of monetary loss which Suntec REIT may be exposed to if any of its counterparties encounters difficulty in meeting its obligations under the terms of its respective transaction); and/or

- an increased likelihood that one or more of (i) Suntec REIT's banking syndicates (if any), (ii) banks or insurers, as the case may be, providing bankers' guarantees or performance bonds for the rental deposits or other types of deposits relating to or in connection with the Properties or Suntec REIT's operations or (iii) Suntec REIT's insurers, may be unable to honour their commitments to Suntec REIT.

There is also uncertainty as to the outlook for the Chinese economy, Britain's exit from the European Union, the interest rate environment in the U.S., the U.S.-China trade tensions and the impact of the global downturn on the economies of the jurisdictions in which the Properties are located.

As such, Suntec REIT's businesses and operations are exposed to fluctuations in the economic and market conditions of these countries and to an economic recession in any of them and other countries in which the Properties are located, which may have a material adverse effect on the business, financial condition and results of operations of Suntec REIT.

Suntec REIT is exposed to the economic and real estate market conditions in the countries in which it operates (including increased competition in the real estate market).

Suntec REIT's income derived from the Properties depends, to a large extent, on the performance of economies in which it operates. An economic decline in the countries in which it operates could adversely affect Suntec REIT's results of operations and future growth.

The performance of Suntec REIT may also be adversely affected by a number of local real estate market conditions, such as the attractiveness of competing commercial properties or, for example, if there is an oversupply of commercial space or reduced demand for commercial space. There are many commercial properties in the countries in which it operates that compete with the Properties

in attracting tenants, including those in the central business district and other areas where the Properties are located. Further, whenever competing properties of a similar type in their vicinities are substantially newer, upgraded and/or refurbished, the income derived from the Properties could be reduced.

The income from, and market value of, the Properties will be largely dependent on the ability of the Properties to compete with other commercial properties in the countries in which it operates in attracting and retaining tenants. Historical operating results of the Properties may not be indicative of future operating results and historical market values of the properties may not be indicative of the future market values of the Properties. Important factors affecting the ability of Properties to attract or retain tenants include the attractiveness of the building and the surrounding area to prospective tenants and their customers or clients, the quality of the building's existing tenants and the performance of the relevant building's property manager.

Suntec REIT is exposed to general risks associated with the ownership and management of real estate.

Property investment is subject to risks incidental to the ownership and management of commercial properties, including, among other things, competition for tenants, changes in market rents, inability to renew leases or to re-let space as existing leases expire, inability to collect rent from tenants due to the bankruptcy or insolvency of tenants or otherwise, inability to dispose of major investment properties for the values at which they are recorded in Suntec REIT's financial statements (or other financial information), increased operating costs, and the need to renovate, repair and re-let space periodically and to pay the associated costs.

The activities of Suntec REIT may also be impacted by changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights relating to the relevant properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning, or the enactment of new laws relating to government appropriation, condemnation and redevelopment.

The real estate market in Singapore is subject to government regulations. In addition to imposing new rules, being the biggest supplier of land, the Singapore government also regulates the supply of land to developers from time to time so as to modulate the demand and supply of real estate in order to maintain an orderly and stable real estate market. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. There is no assurance that any changes in such regulations or policies imposed by the Singapore government will not have an adverse effect on Suntec REIT's financial performance. Also, there can be no such assurance that governments in other countries where Suntec REIT may look to undertake real estate acquisitions would not impose similar restrictions on the supply of real estate.

The loss of key tenants or a downturn in the businesses of any of Suntec REIT's tenants and licensees could have an adverse effect on the financial condition and results of operations of Suntec REIT.

Any of Suntec REIT's key tenants may experience a downturn in their business, which may weaken their financial condition and result in their failure to make timely rental payments or they may default on their tenancies with Suntec REIT. Similarly other tenants may also experience a downturn in their business or face other types of financial distress, such as bankruptcy or insolvency, and therefore also be unable to make timely rental payments. Suntec REIT's claims for unpaid rent against a bankrupt tenant may not be paid in full. If any tenant defaults or fails to make timely rental payments, Suntec REIT may experience delays in enforcing its rights as a landlord and incur time and expenses relating to any eviction proceedings, which may be substantial in the case of key tenants. During any eviction it may be unable to re-let the space.

Further, if Suntec REIT's key tenants decide not to renew their tenancies or to terminate early (in cases where a key tenant has termination rights exercisable by notice), Suntec REIT may not be able to re-let the space. Even if key tenants decide to renew or lease new space, the terms of renewals or new tenancies, including the cost of required renovations or concessions to tenants, may be less favourable to Suntec REIT than current lease terms. If a key tenant terminates its tenancy, or does not renew its tenancy, replacement tenants on satisfactory terms may not be found in a timely manner or at all.

As a result of these events, Suntec REIT's financial condition, results of operations and cash flows could be adversely affected.

The location of Suntec REIT's Properties may entail a higher level of risk compared to some other REITs that have properties spread over diverse locations.

Most of Suntec REIT's Properties are located in the central business districts of their respective localities. This concentration may entail a higher level of risk as compared to some other REITs that have properties spread over several different locations or have a more diverse range of investments. Any circumstance which adversely affects the operations or business of any of the Properties or their attractiveness to tenants may affect most of the Properties, and Suntec REIT will not have sufficient income from other properties to mitigate any ensuing loss of income arising from such circumstances.

A concentration of investments in a portfolio of commercial properties in the same development will cause Suntec REIT to be susceptible to a downturn in the real estate market of which the development forms a part, particularly where there is a decline in the rental rates or the capital value of commercial properties in the micro-property market. A decline in rental rates may have an adverse impact on the results of operations and financial condition of Suntec REIT.

Suntec REIT may not be able to control or exercise any influence over entities in which it has minority interests.

Suntec REIT may, in the course of acquisitions, acquire minority interests in real estate-related investment entities. There is no assurance that Suntec REIT will be able to control such entities or to exercise any influence over the assets of such entities or their distributions to Suntec REIT. Such entities may develop objectives which are different from those of Suntec REIT and may not be able to make any distribution. The management of such entities may make decisions which could adversely affect the operations of Suntec REIT. This may in turn affect Suntec REIT's business, financial condition, results of operations and prospects.

Some of the Properties are jointly owned with third parties, which may have an impact on the liquidity, value and management of the relevant Properties.

Some of the Properties are jointly owned with third parties and therefore, Suntec REIT is exposed to the ordinary risks relating to the partial and joint ownership of assets. Accordingly, the REIT Trustee does not have sole discretion to manage these Properties through the partnership/property holding companies/trust/jointly owned properties. Under the relevant shareholders' agreements, partnership agreements, joint venture/owners agreements (as the case may be) relating to the partnership/property holding companies/trust/jointly owned properties that are not wholly owned by Suntec REIT, certain matters, such as amending the joint venture agreements, trust deed, changing the business or equity structure, issuing securities, use of funds, borrowings and other credit activities, replacing the property manager and appointment of key personnel, may require a unanimous or majority shareholders'/partners' approval of the relevant property companies.

There is no assurance that such unanimous or majority approval from the shareholders/partners of the Properties can be obtained. Should the relevant resolutions not be passed, certain matters relating to the Properties, such as those relating to the operation of the Properties and the level of dividends to be declared by the Properties, may not be carried out and this may adversely affect Suntec REIT's financial condition and results of operations.

In addition, if the other shareholders/partners of the Properties or the holding company of the Properties are obliged to contribute additional capital or funds to the Properties, but lack financial resources at the relevant time to meet these obligations, necessary capital or funds required for development or operations may be delayed or cancelled. This adds to the uncertainty of such collaborations and may adversely affect Suntec REIT's financial condition and results of operation.

Planned amenities and transportation infrastructure near the Properties may not be implemented as planned, or may be closed, relocated, terminated or delayed.

There is no assurance that amenities, transportation infrastructure and public transport services near the Properties will be implemented as planned or will not be closed, relocated, terminated or delayed. If such an event were to occur, it will adversely affect the accessibility and the attractiveness and marketability of the relevant properties to tenants. This may then have an adverse effect on their demand and the rental rates and adversely affect the business, financial condition and results of operations of Suntec REIT.

A number of the leases for the Properties are for periods of up to three years, which exposes the Properties to high rates of lease expiries each year.

A substantial number of the tenancies for the Properties are for periods of up to three years, which reflects the general practice in the Singapore commercial property market. As a result, the Properties experience lease cycles in which a number of the leases expire each year. This exposes Suntec REIT to certain risks, including the risk that vacancies following non-renewal of leases may lead to reduced occupancy rates, which will in turn reduce Suntec REIT's gross revenues. If a large number of tenants do not renew their leases in a year when a high concentration of leases expire, this could have a material adverse effect on Suntec REIT's gross revenues and could affect Suntec REIT's ability to make payment under the Securities.

If the rental rates for the Properties decrease, or if Suntec REIT's existing tenants do not renew their tenancies, or if Suntec REIT does not or is unable to re-lease a significant portion of its vacant space and space for which tenancies are scheduled to expire, Suntec REIT's financial condition, results of operations, cash flows and ability to satisfy its debt service obligations could be materially adversely affected.

In addition, leases for Properties located in Australia typically contain a fixed rental escalation per annum clause. Therefore, any renewal or replacement of leases at the point when the market rate of rental is lower than the expiring rent will result in decreased revenue and this in turn could affect Suntec REIT's financial condition and its ability to make payments under the Securities.

There may be potential conflicts of interest between Suntec REIT, ARA Asset Management Limited and its controlling shareholders.

The Suntec REIT Manager is a wholly-owned subsidiary of ARA Asset Management Limited (**ARA**). ARA is a real estate fund management company which manages listed and unlisted REITS, private real estate equity and credit funds, and infrastructure funds in 28 countries. ARA may in the future sponsor, manage or invest in other REITs or other vehicles which may also compete directly with Suntec REIT.

The amount Suntec REIT may borrow is limited, which may affect its operations.

Under the Property Funds Appendix, prior to 1 January 2022 the aggregate leverage of Suntec REIT should not exceed 50.0% of its Deposited Property[1] at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in Units). On or after 1 January 2022, the aggregate leverage limit is 45.0% of Suntec REIT's Deposited Property, and Suntec REIT's aggregate leverage may exceed this limit (up to a maximum of 50.0%) only if it has a minimum adjusted interest coverage ratio[2] of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

Suntec REIT may, from time to time, require further debt financing to achieve its investment strategies. In the event that Suntec REIT decides to incur additional borrowings in the future, Suntec REIT may face adverse business consequences as a result of this limitation on future borrowings, and these may include:

- an inability to fund capital expenditure requirements in relation to Suntec REIT's existing Properties or in relation to Suntec REIT's acquisitions to expand its portfolio;

- a decline in the value of the Deposited Property may cause the borrowing limit to be exceeded, thus affecting Suntec REIT's ability to incur further borrowings; and

- shortage of cash flows (including with respect to distributions) which Suntec REIT might otherwise be able to resolve by borrowing funds.

There can be no assurance that additional financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on terms favourable to Suntec REIT. Factors that could affect Suntec REIT's ability to procure financing include the cyclicality of the property market and market disruption risks which could adversely affect the liquidity, interest rates and availability of funding sources. In addition, further consolidation in the banking industry in Singapore and/or elsewhere in Asia may also reduce the availability of credit as the merged banks seek to reduce their combined exposure to one company or sector.

Suntec REIT may face risks associated with debt financing and the debt covenants, which could limit or affect Suntec REIT's operations.

Suntec REIT is subject to risks associated with debt financing, including the risk that its cash flows will be insufficient to meet the required payments of principal and interest under such financing. Suntec REIT may not be able to meet all of its obligations to repay any future borrowings through its cash on hand. Suntec REIT may be required to repay maturing debt with funds from additional debt or equity financing or both. There is no assurance that such financing will be available on acceptable terms or at all.

If Suntec REIT defaults under any debt financing facilities extended to it, the lenders may be able to declare a default and initiate enforcement proceedings in respect of any security provided, and/or call upon any guarantees provided.

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1 In response to the COVID-19 pandemic, the MAS had on 16 April 2020, announced that the aforementioned aggregate leverage limit for REITs would be raised from 45.0% to 50.0%, with immediate effect. In addition, the MAS will defer, to 1 January 2022, the implementation of the minimum interest coverage requirement it had proposed in its consultation paper on "Proposed Amendments to the Requirements for REITs" published on 2 July 2019 (**Consultation Paper**). In the Consultation Paper, the MAS had proposed reviewing the aggregate leverage limit, including introducing the option of allowing a REIT's aggregate leverage to exceed 45.0%, with a higher aggregate leverage limit of 50.0%. The flexibility for a REIT to take on higher leverage in excess of the 45.0% limit would be subject to any requirements which the MAS may impose, such as a minimum interest coverage ratio of 2.5 times after taking into account the interest payments arising from the new debt.

2 "Adjusted interest coverage ratio" means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding the effects of any fair value changes of derivatives and investment properties, and foreign exchange translation) by the trailing 12 months' interest expense, borrowing-related fees and distributions on hybrid securities.

Suntec REIT may also become a party to future indebtedness which is secured by a lien on certain of its properties. In the event of a default on the Securities or under any other indebtedness or upon Suntec REIT's bankruptcy, liquidation or reorganisation, any secured indebtedness of third party creditors to the Properties would effectively be senior to the Securities to the extent of the value of the Properties securing their indebtedness. The holders of the Securities and the Guarantee would only have a senior unsecured claim against those assets to the extent any remain after satisfying the obligations under secured indebtedness.

Suntec REIT may be subject to the risk that the terms of any refinancing undertaken (which may arise from a change of control provision) will be less favourable than the terms of the original borrowings. While Suntec REIT is not subject to covenants that may limit or otherwise adversely affect its operations as at the date of this Offering Circular, the terms of any refinancing undertaken in the future may contain such covenants and other covenants which may also restrict Suntec REIT's ability to acquire properties or to undertake other capital expenditure and may require it to set aside funds for maintenance or require Suntec REIT to maintain certain financial ratios. The triggering of any such covenants may have an adverse impact on Suntec REIT's financial condition.

Suntec REIT's level of borrowings may represent a higher level of gearing as compared to certain other types of unit trust, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments. If prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make commercial property loans) result in higher interest rates, the interest expenses relating to such refinanced indebtedness would increase, thereby adversely affecting Suntec REIT's cash flows, and have a material adverse effect on the business, financial condition and results of operations of Suntec REIT.

If the Suntec REIT Manager's capital market services licence for REIT management (the CMS Licence) is cancelled or the authorisation of Suntec REIT as a collective investment scheme under Section 286 of the SFA is suspended, revoked or withdrawn, the operations of Suntec REIT will be adversely affected.

The CMS Licence issued to the Suntec REIT Manager is subject to conditions. If the CMS Licence of the Suntec REIT Manager is cancelled by the MAS, the operations of Suntec REIT will be adversely affected, as the Suntec REIT Manager would no longer be able to act as the manager of Suntec REIT.

Suntec REIT as an authorised collective investment must comply with the requirements under the SFA and the Property Funds Appendix. In the event that the authorisation of Suntec REIT is suspended, revoked or withdrawn, its operations will also be adversely affected.

Suntec REIT may experience limited availability of funds.

If Suntec REIT defaults on its payment obligations, lenders to any of the affected Properties could foreclose or require a forced sale of a Suntec REIT Portfolio property or any of them with a consequent loss of income and asset value to Suntec REIT. The amount of proceeds ultimately distributed to the holders of the Securities or the Guarantee upon a foreclosure or other enforcement action may not be sufficient to satisfy the payment obligations under the Securities or the Guarantee. The amount to be received upon a foreclosure sale of any Property would be dependent on numerous factors, including the actual fair market valuation of the relevant property at the time of such sale, the timing and manner of the sale and the availability of buyers. Each of the Properties is illiquid and there can be no assurance that any of the Properties can or will be liquidated in a short period of time. For all these reasons, there can be no assurance that the proceeds from any foreclosure sale would be sufficient for Suntec REIT to meet its obligations under the Securities or the Guarantee.

The Suntec REIT Manager may not be able to successfully implement its investment strategy for Suntec REIT.

The Suntec REIT Manager's investment strategy includes long-term growth of Suntec REIT's portfolio of commercial properties. There can be no assurance that the Suntec REIT Manager will be able to implement its investment strategy successfully or that it will be able to expand Suntec REIT's portfolio of Properties at all, or at any specified rate or to any specified size. The Suntec REIT Manager may not be able to make investments or acquisitions on favourable terms or within a desired time frame.

Suntec REIT will be relying on external sources of funding to expand its portfolio, which may not be available on favourable terms or at all. Even if Suntec REIT were able to successfully make additional property investments, there can be no assurance that Suntec REIT will achieve its intended return on such investments. Since the amount of debt that Suntec REIT can incur to finance acquisitions is limited by the Property Funds Appendix, such acquisitions will largely be dependent on Suntec REIT's ability to raise equity capital. Potential vendors may also view the prolonged timeframe and lack of certainty generally associated with the raising of equity capital to fund any such purchase negatively and may prefer other potential purchasers.

Furthermore, there may be significant competition for attractive investment opportunities from other real estate investors, including commercial property development companies, private investment funds and other real estate investment funds whose investment policy is also to invest in commercial properties. There can be no assurance that Suntec REIT will be able to compete effectively against such entities.

Suntec REIT may not be able to manage its growth successfully.

There can be no assurance that Suntec REIT will be able to grow successfully. Suntec REIT's ability to achieve future growth will depend, *inter alia*, on its ability to acquire, develop or enhance its existing or new commercial Properties. Suntec REIT will rely on a combination of internal cash flows and resources and external sources of funding to acquire, develop or enhance its existing or new Properties, which may not be available on commercially reasonable terms or at all. Even if Suntec REIT is successful in securing new Properties or in developing or enhancing its existing or new Properties, there can be no assurance that Suntec REIT will be able to achieve the intended returns or generate the intended revenue from such assets. Furthermore, Suntec REIT may face significant competition from other real estate companies or investors and managers of real estate assets in the acquisition, enhancement and management of commercial properties. There can be no assurance that Suntec REIT will be able to compete effectively or secure such opportunities on commercially reasonable terms or at all.

The anticipated future growth in Suntec REIT's business and assets may also challenge its managerial, operational, financial and other resources. The risks associated with Suntec REIT's anticipated future growth include, *inter alia*, the increasing operating complexity of its business and the increasing responsibility of its management. In turn, this will require the continued development of financial and management controls and systems and Suntec REIT's implementation of these systems across its business. Furthermore, Suntec REIT may face additional challenges in ensuring that adequate internal controls and supervisory procedures are in place. If Suntec REIT is unable to successfully manage the impact of Suntec REIT's growth on Suntec REIT's operational and managerial resources and control systems, this could have a material adverse effect on its business, financial condition, results of operations and prospects.

Acquisitions may not yield the returns expected, resulting in disruptions to Suntec REIT's business and the straining of management resources.

Suntec REIT's external acquisition growth strategy and its asset selection process may not be successful and may not provide positive returns, which could have a material adverse effect on the business, financial condition and results of operations of Suntec REIT.

Acquisitions may cause disruptions to Suntec REIT's operations and divert management's attention away from day-to-day operations.

Suntec REIT may be unable to successfully integrate and operate acquired properties, which could have a material adverse effect on Suntec REIT.

Even if Suntec REIT is able to make acquisitions on favourable terms, its ability to successfully integrate and operate them is subject to the following significant risks:

- it may spend more than budgeted amounts to make necessary improvements or renovations to acquired properties, as well as require substantial management time and attention;

- it may be unable to integrate new acquisitions quickly and efficiently, particularly acquisitions of operating businesses or portfolios of properties, into its existing operations;

- acquired properties may be subject to reassessment, which may result in higher than expected property tax payments;

- its client retention and lease and renewal risks may be increased; and

- market conditions may result in higher than expected vacancy rates and lower than expected rental rates.

Any inability to integrate and operate acquired properties to meet Suntec REIT's financial, operational and strategic expectations could have a material adverse effect on the business, financial condition and results of operations of Suntec REIT.

The Suntec REIT Manager's strategy to perform asset enhancement initiatives on some of the Properties from time to time may not materialise.

The Suntec REIT Manager may from time to time perform asset enhancement initiatives on some of the Properties. There is no assurance that such plans for asset enhancement will materialise, or, in the event that they do materialise, they may not achieve their desired results or may incur significant costs, which could have a material adverse effect on the business, financial condition and results of operations of Suntec REIT.

Suntec REIT depends on certain key personnel and the loss of any key personnel may adversely affect its operations.

Suntec REIT's performance depends, in part, upon the continued service and performance of the executive officers of the Suntec REIT Manager. These key personnel may leave the employment of the Suntec REIT Manager. If any of the above were to occur, the Suntec REIT Manager will need to spend time searching for a replacement and the duties which such executive officers are responsible for may be affected. The loss of any of these individuals could have a material adverse effect on the business, financial condition and results of operations of Suntec REIT.

Suntec REIT may from time to time be subject to legal proceedings and other proceedings.

Suntec REIT may be involved from time to time in disputes with various parties such as contractors, sub-contractors, consultants, suppliers, construction companies, purchasers and other partners involved in the asset enhancement, operation and purchase of its Properties. These disputes may lead to legal and other proceedings, and may cause Suntec REIT to suffer additional costs and delays.

In addition, Suntec REIT may have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavourable orders, directives or decrees that result in financial losses and delay the construction or completion of its projects. If any government authority believes that Suntec REIT is not in compliance with the relevant regulations, it could shut down the relevant non-compliant entity or delay the approval process, refuse to grant or renew the relevant approvals or licences, institute legal proceedings to seize the Properties, enjoin future action or (in the case of Suntec REIT not being in compliance with the regulations) assess civil and/or criminal penalties against Suntec REIT, its officers or employees. Any such action by government authorities could have a material adverse effect on the business, financial condition and results of operations or cash flows of Suntec REIT.

Suntec REIT is subject to interest rate fluctuations and may engage in interest rate hedging transactions, which can limit gains and increase costs.

Some of Suntec REIT's existing debt, and Suntec REIT's future borrowings may, carry floating interest rates. Consequently, the interest cost to Suntec REIT for such loans will be subject to fluctuations in interest rates. There is no certainty that interest rates will not increase to Suntec REIT's detriment and the risk of increase in short-term interest rates may adversely affect the borrowings by Suntec REIT which are pegged to floating rates.

As part of Suntec REIT's active capital management strategies, it has entered into some hedging transactions to partially mitigate the risk of such interest rate fluctuations. However, such hedging, or Suntec REIT's hedging policy, may not adequately cover its exposure to interest rate fluctuations or any increase in interest rates in new loans or the refinancing of existing loans.

Consequently, interest rate fluctuations could have a material adverse effect on Suntec REIT's business, financial condition, results of operations and prospects.

Suntec REIT faces risks relating to foreign exchange rate fluctuations.

Suntec REIT's reporting currency for the purposes of its financial statements is Singapore dollars. However, Suntec REIT also generates revenues and incurs operating costs in non-Singapore dollar denominated currencies, such as the Australian dollar. Suntec REIT recognises foreign currency gains or losses arising from its operations in the period incurred. As a result, currency fluctuations between Singapore dollar and non-Singapore dollar currencies in which Suntec REIT does business or proposes to do business will cause Suntec REIT to incur foreign currency translation gains and losses.

Suntec REIT may also be subject to the imposition or tightening of exchange control or repatriation restrictions and may encounter difficulties or delays in the receipt of its proceeds from divestments and dividends due to the existence of such restrictions in the jurisdictions in which it operates. Suntec REIT is also exposed to fluctuations in foreign exchange rates arising from the difference in timing between its receipt and payment of funds. To the extent that its sales, purchases, inter-company loans, external debts and operating expenses are not matched in terms of currency and timing, Suntec REIT will face foreign exchange exposure. Any fluctuation in foreign exchange rates will also result in foreign exchange gains or losses arising from transactions carried out in foreign currencies as well as translation of foreign currency monetary assets and liabilities as at the balance sheet dates.

Suntec REIT cannot predict the effects of exchange rate fluctuations upon its future operating results because of the number of currencies involved, the variability of currency exposure and the potential volatility of foreign exchange rates.

Suntec REIT's investment strategy may entail a higher level of risk as compared to other types of REITs that have a more diverse range of investments.

Suntec REIT's investment strategy to invest in quality income-producing properties which are primarily used for retail and/or office purposes will subject Suntec REIT to risks inherent in concentrating on real estate assets. The level of risk could be higher as compared to other types of REITs that have a more diverse range of investments in other sectors.

Any economic downturn may lead to a decline in occupancy for properties or real estate related assets in the Properties. This may in turn affect Suntec REIT's rental income from the Properties, and/or a decline in the capital value of the Properties, which could have an adverse impact on the business, financial condition and results of operations of Suntec REIT.

Suntec REIT is exposed to general risks associated with relying on third-party contractors to provide various services.

Suntec REIT engages third-party contractors to provide various services in connection with its office space and retail space and asset enhancement initiatives, including construction, piling and foundation, building and property fitting-out works, alterations and additions, interior decoration, installation and maintenance of air-conditioning units and lifts, and gardening and landscaping works. Suntec REIT is exposed to the risk that a third-party contractor may incur costs in excess of project estimates, which may have to be borne by Suntec REIT in order to complete the project.

Furthermore, third-party contractors may experience financial or other difficulties which may affect their ability to carry out construction works, thus delaying the completion of development projects or resulting in additional costs to Suntec REIT. There can also be no assurance that the services rendered by third-party contractors will always be satisfactory or match Suntec REIT's targeted quality levels. All of these factors could have an adverse effect on the business, financial condition and results of operations of Suntec REIT.

Suntec REIT relies on information technology in its operations, and any material failure, inadequacy, interruption or security failure of that technology could harm its business.

Suntec REIT relies on information technology networks and systems, including the Internet, to process, transmit and store electronic information and to manage or support a variety of its business processes, including financial transactions and maintenance of records, which may include the personally identifiable information of customers and lease data. Suntec REIT also relies on commercially available systems, software, tools and monitoring to provide security for processing, transmitting and storing confidential customer information, such as individually identifiable information relating to financial accounts. Although Suntec REIT will take steps to protect the security of the data maintained in its information systems, it is possible that such security measures will not be able to prevent the systems' improper functioning, or the improper disclosure of personally identifiable information such as in the event of cyber-attacks. Security breaches, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches can create system disruptions, shutdowns or unauthorised disclosure of confidential information. Any failure to maintain the proper functioning, security and availability of Suntec REIT's information systems could interrupt its operations, damage its reputation, subject Suntec REIT to liability claims or regulatory penalties and could materially and adversely affect its business, financial condition and results of operations.

The Suntec REIT Manager may change Suntec REIT's investment strategy.

Suntec REIT's policies with respect to certain activities, including investments and acquisitions, will be determined by the Suntec REIT Manager. While the Suntec REIT Manager has stated its intention to restrict investments to real estate which is income-producing and which is used, or primarily used, for retail and/or office purposes, the Suntec REIT Trust Deed gives the Suntec REIT Manager wide powers to invest in other types of assets, including any real estate and real estate-related assets as well as listed and unlisted securities in Singapore and other jurisdictions. There are risks and uncertainties with respect to the selection of investments and with respect to the investments themselves.

The termination or retirement of the Suntec REIT Manager could have an adverse effect on the business, financial condition, results of operations and prospects of Suntec REIT.

The Suntec REIT Manager is responsible for, among other things, formulating and executing Suntec REIT's investment strategy and for making recommendations to the Suntec REIT Trustee on the acquisition and disposal of its Properties.

As such, the business, financial condition, results of operations and prospects of Suntec REIT will depend on the performance of the Suntec REIT Manager. Upon the retirement, removal or termination of the Suntec REIT Manager, the replacement of the Suntec REIT Manager on satisfactory terms may not occur in a timely manner, and thus may adversely affect the business, financial condition, results of operations and prospects of Suntec REIT.

Accounting standards in Singapore are subject to changes in the future.

The financial statements of Suntec REIT may be affected by the introduction of new or revised accounting standards. The extent and timing of these changes in accounting standards are currently unknown and subject to confirmation by the relevant authorities. The Suntec REIT Manager has not quantified the effects of these proposed changes and there can be no assurance that these changes will not have a significant impact on the presentation of Suntec REIT's financial statements or on Suntec REIT's financial condition and results of operations.

RISKS RELATING TO THE PROPERTIES

The Properties may require significant capital expenditure periodically and Suntec REIT may not be able to secure funding.

The Properties may require periodic capital expenditure, refurbishment, renovation for improvements and development in order to remain competitive or income-producing. Suntec REIT may not be able to fund capital expenditure solely from cash provided from its operating activities and Suntec REIT may not be able to obtain additional equity or debt financing on favourable terms or at all. If Suntec REIT is not able to obtain such financing, the marketability of such Properties may be affected and this may adversely affect the business, financial condition and results of operations of Suntec REIT.

Suntec REIT may suffer material losses in excess of insurance proceeds or Suntec REIT may not put in place or maintain adequate insurance in relation to the Properties and its potential liabilities to third parties.

The Properties face the risk of suffering physical damage caused by fire, terrorism, acts of God such as natural disasters or other causes, as well as potential public liability claims, including claims arising from the operations of the Properties.

In addition, certain types of risk (such as war risk, terrorism and acts of God) may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Any insurance coverage taken out by Suntec REIT or its special purpose vehicles (**SPVs**) may also be subject to limits and any damage or loss suffered by Suntec REIT may exceed such insured limits.

Should an uninsured loss or a loss in excess of insured limits occur, including loss caused by vandalism or resulting from breaches of security at any of the Properties, Suntec REIT could be required to pay compensation and/or suffer loss of capital invested in the affected properties as well as anticipated future revenue from those properties as it may not be able to rent out or sell the affected properties. Suntec REIT may also be liable for any debt or other financial obligation related to those properties. No assurance can be given that material losses in excess of insurance proceeds will not occur.

Renovation, redevelopment works or physical damage to the Properties may disrupt the operations of the Properties and collection of rental income or otherwise result in an adverse impact on the financial condition of Suntec REIT.

The quality and design of the Properties have a direct influence over the demand for space in, and the rental rates of, the Properties. The Properties may need to undergo renovation or redevelopment works from time to time to retain their competitiveness and may also require unforeseen *ad hoc* maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. The costs of maintaining commercial properties and the risks of unforeseen maintenance or repair requirements tend to increase over time as buildings age. The business and operations of the Properties may suffer from some disruption and it may not be possible to collect the full or any rental income on space affected by such renovation or redevelopment works.

In addition, physical damage to the Properties may lead to a significant disruption to the business and operation of the Properties and, together with the foregoing, may impose unbudgeted costs on Suntec REIT and result in an adverse impact on the financial condition and results of operations of Suntec REIT.

Suntec REIT could incur significant costs or liabilities relating to environmental matters.

Suntec REIT's operations are subject to various environmental laws, including those relating to air pollution control, water pollution control, waste disposal, noise pollution control and the storage of dangerous goods. Under these laws, an owner or operator of real property may be subject to liability, including a fine or imprisonment, for air pollution, noise pollution or the presence or discharge of hazardous or toxic chemicals at such property. In addition, Suntec REIT may be required to make capital expenditures to comply with these environmental laws. The presence of contamination, air pollution, noise pollution or dangerous goods without a valid licence or the failure to remediate issues relating to contamination, air pollution, noise pollution or dangerous goods may expose Suntec REIT to liability or may materially and adversely affect its ability to sell or let out the real property or to borrow using the real property as collateral. Accordingly, if the Properties are affected by contamination or other environmental effects not previously identified and/or rectified, Suntec REIT risks prosecution by the environmental authorities and may be required to incur

unbudgeted capital expenditures to remedy such issues and the financial position of Suntec REIT's clients may be adversely impacted, affecting their ability to trade and to meet their leasing obligations.

The due diligence exercise on the Properties, leases, buildings and equipment may not have identified all material defects, breaches of laws and regulations and other deficiencies and any losses or liabilities from latent property or equipment defects may adversely affect earnings and cash flows.

There is no assurance that the Properties will not have defects or deficiencies requiring repair or maintenance (including design, construction or other latent property or equipment defects in the Properties which may require additional capital expenditure, special repair or maintenance expenses) or be affected by breaches of laws and regulations. Such defects or deficiencies may require significant capital expenditure or obligations to third parties and involve significant and unpredictable patterns and levels of expenditure which may have a material adverse effect on Suntec REIT's earnings and cash flows. Should any of the Properties not be in compliance with certain laws and regulations, Suntec REIT may also incur financial or other obligations in relation to such breaches or non-compliance.

Statutory or contractual representations, warranties and indemnities given by any seller of commercial properties are unlikely to afford satisfactory protection from costs or liabilities arising from such property or equipment defects.

Suntec REIT may be subject to unknown or contingent liabilities relating to properties or businesses that it has acquired or may acquire, which may result in damages and investment losses.

Assets and entities that Suntec REIT has acquired or may acquire in the future may be subject to unknown or contingent liabilities for which Suntec REIT may have limited or no recourse against the sellers. Unknown or contingent liabilities may include liabilities for the clean-up or remediation of environmental conditions, the claims of clients, vendors or other persons dealing with the acquired entities, and tax liabilities and other liabilities, whether incurred in the ordinary course of business or otherwise. Suntec REIT may in the future enter into transactions with limited representations and warranties or with representations and warranties that do not survive the closing of the transactions, in which event Suntec REIT will have no or limited recourse against the sellers of such properties. While Suntec REIT typically requires sellers to indemnify it with respect to breaches of representations and warranties that survive the closing of transactions, such indemnification is often limited and subject to various materiality thresholds and to a significant deductible or aggregate cap on losses. As a result, there is no guarantee that Suntec REIT will recover any amounts with respect to losses due to breaches by sellers of their representations and warranties. In addition, the total amount of costs and expenses that Suntec REIT may incur with respect to liabilities associated with properties and entities acquired may exceed Suntec REIT's expectations. Any of these matters could have a material adverse effect on the business, financial condition and results of operations of Suntec REIT. Further, while warranty and indemnity (W&I) insurance policies are available for certain transactions that Suntec REIT is involved in, there can be no assurance that material losses or liabilities in excess of insurance proceeds and coverage will not occur.

The Properties may face increased competition from other properties.

There are many commercial properties in Singapore, Australia and other jurisdictions in which Suntec REIT operates that compete with Suntec REIT's properties in attracting tenants. The properties held by Suntec REIT may also compete with properties that may be developed in the future.

The income from, and the market value of, the Properties will be dependent on their competitiveness as compared to other commercial properties in their respective localities in attracting and retaining tenants. The competition may result in Suntec REIT having to lower its rental rates or incur additional capital improvements to improve the Properties. The competitive business environment among retailers in the markets in which Suntec REIT operates may also have a detrimental effect on tenants' businesses and, consequently, their ability to pay rent. Suntec REIT also competes with other real estate owners for property acquisitions and property-related investments. If competing properties are more successful in attracting and retaining clients, the income from the Properties could be reduced, which may have a material adverse effect on the business, financial condition and results of operations of Suntec REIT.

The appraisals of the Properties are based on various assumptions and the price at which Suntec REIT is able to sell a Property in the future may be different from the market value of the Property.

There can be no assurance that the assumptions relied on are accurate measures of the market, and the values of the Properties may be evaluated inaccurately. The independent valuers appointed in respect of the Properties may have included a subjective determination of certain factors relating to the Properties, such as their relative market positions, financial and competitive strengths and physical condition and, accordingly, the valuation of the Properties may be subjective.

The valuation of any of the Properties does not guarantee a sale price at that value at present or in the future. Hence, the price at which Suntec REIT may sell a Property may be lower than its purchase price.

The Properties may be revalued downwards.

The uncertain global economy, including due to the ongoing COVID-19 outbreak, may cause the Property values to fluctuate, and this in turn may have an adverse impact on its business, results of operations, financial condition and prospects. There can be no assurance that property prices in Singapore, Australia or other countries in which Suntec REIT may operate will not decrease such that a downward revaluation of the Properties is required. See "– *Suntec REIT's business, results of operations, financial condition and prospects may be adversely affected by natural disasters and the occurrence of epidemics".*

Real estate assets are inherently difficult to value. As a result, valuations are subject to substantial uncertainty and subjective judgments and are made on the basis of assumptions which may not be correct. Additionally, the inspections of the Properties and other work undertaken in connection with a valuation exercise may not identify all material defects, breaches of contracts, laws and regulations, and other deficiencies and factors that could affect the valuation. There can be no assurance that the Properties will retain the price at which they may be valued or that Suntec REIT's investment in such Properties will be realised at the valuations or property values it has recorded or reflected in its financial statements.

The Properties or a part of them may be acquired compulsorily by the respective governments in the countries in which such Properties are located.

Suntec REIT's Properties comprises properties which are located in Singapore and Australia, and this portfolio may expand to acquisitions of properties in other jurisdictions in the future. Under the laws and regulations of each country, there may be various circumstances under which the respective governments of each country are empowered to acquire some of the Properties. In the event that the compensation paid for the compulsory acquisition of a Property of Suntec REIT is less than the market value of the Property, such compulsory acquisitions could have an adverse effect on the revenue of Suntec REIT and the value of its Properties.

For example, the Land Acquisition Act, Chapter 152 of Singapore, *inter alia*, gives the Singapore Government the power to acquire any land in Singapore:

- for any public purpose;
- where the acquisition is required by any person, corporation or statutory board, for any work or undertaking which is of public benefit or of public utility or in the public interest; or
- for any residential, commercial or industrial purpose.

In determining the amount of the compensation to be awarded pursuant to any such compulsory acquisition, the following matters, *inter alia*, would be considered: (i) the market value of the property as at the date of the publication in the *Singapore Government Gazette* of the notification of likely acquisition of the land (provided that within six months from the date of publication of such notification, a declaration of intention to acquire is made by publication in the Singapore Government Gazette); or (ii) the market value of the property as at the date of publication in the Singapore Government Gazette of the declaration of intention to acquire in any other case.

Accordingly, if the market price of the property or part thereof which is acquired is greater than the market values referred to above, the compensation paid in respect of the property will be less than its market value. In such event, such compulsory acquisition could have an adverse effect on Suntec REIT's financial condition.

Suntec REIT holds certain Properties on leasehold title.

Suntec REIT may not be able to renew its lease of Properties held on leasehold titles when their terms expire, for example if the landlord intends or has agreed to pull down and rebuild, or to reconstruct the premises, and has planning permission for the works or if for any reason the creation of a new lease would not be consistent with good estate management or where renewal options are revoked as a result of a breach by Suntec REIT of the relevant lease. In addition, Suntec REIT's leasehold titles to its Properties may not be able to be registered if the landlord has not registered the lease titles. It may not be possible to carry out comprehensive searches to find out if there are third-party interests in the Properties, burdens and/or rights arising prior to the date of Suntec REIT's leases to the Properties and which rank in priority to Suntec REIT's interests in such leases. If there are any such third-party interests, burdens and/or rights affecting the Properties and they are successfully asserted by such third parties or their successors in title, the use or occupation of the Properties may be affected. and this may have a material adverse effect on the business, financial condition and results of operations of Suntec REIT.

Downturns in the retail industry will likely have a direct impact on Suntec REIT's revenues and cash flow.

A portion of Suntec REIT's financial performance is linked to economic conditions in the markets for retail space generally. The demand for retail space in the countries in which Suntec REIT operates could be adversely affected by a downturn in national and regional economies, decline in tourism, increased consumer preference for online shopping, changes in laws and regulations affecting retail industry (including without limitation changes in taxation and zoning laws) and higher cost of operating generally. To the extent that any of these factors occur, they are likely to impact market rental rates for retail space, which will then affect the financial condition and results of operations of Suntec REIT and the valuation of its assets and its ability to make payments on the Securities. The retail industry is subject to changing trends and Suntec REIT's success is dependent upon the ability of its retail tenants to supply goods responsive to such changes.

The retail industry is subject to changing trends in consumer preferences. The selection and timing of merchandise purchases is crucial.

The success of tenants in Suntec REIT's retail properties is largely contingent on their ability to anticipate these trends and to cater to the tastes of their customers. Incorrect forecasting of future demand could result in an excess or shortage of inventory, which could lead to higher interest charges, price reductions or write-downs on slow-moving or excess stock and the risk of alienating consumers who might then seek alternative shopping experiences. In addition, retail tenants may suffer a loss of profits if the products they offer are superseded by more modern or popular merchandise and if the increasing speeds of innovation result in significant liabilities to these tenants in the form of obsolete stock that is quickly outdated and difficult to sell. In these circumstances, Suntec REIT may be exposed to the risk of tenant default under its lease agreements and damage to the image of its retail properties, which will adversely affect the business, financial condition, results of operations and prospects of Suntec REIT and its ability to make payments on the Securities.

RISKS RELATING TO AUSTRALIA

Suntec REIT is subject to the laws, regulations, policies and accounting standards in Australia.

In relation to investments in Australia, a "foreign person" or a "foreign government investor" must adhere to Australia's investment regime. This means investments in Australia by Suntec REIT (including acquisitions of Australian land or in Australian entities) may be subject to notice requirements under the Foreign Acquisitions and Takeovers Act 1975 (**FATA**). Further, the issue of a prior no objection notification by the Treasurer of the Commonwealth of Australia (which may or may not be given or may be given subject to conditions) under the FATA may be required in respect of relevant acquisitions. The no objection notification is referred to as the Foreign Investment Review Board approval (**FIRB approval**). If such FIRB approval is required and not obtained in relation to an investment in Australia, Suntec REIT may not be able to proceed with that investment. There can be no assurance that any such changes to, or any new, laws, regulations, policies and accounting standards will not materially and adversely affect the business, financial condition and results of operations of Suntec REIT.

Suntec REIT is exposed to risks relating to the Australian taxation regime.

*Managed investment trust **(MIT)***

Suntec REIT currently holds its investments in Australia (via a series of subsidiary Australian unit trusts) that should currently qualify as a concessionally taxed MIT.

In Australia, a public unit trust (which includes trusts beneficially owned by listed vehicles such as Suntec REIT) will be taxed as a company where the trust carries on a trading business or controls or is able to control the affairs or operations of another entity carrying on a trading business at any time during an income year. Furthermore, a trust will not qualify as a MIT if it carries on a trading business or controls another entity that carries on a trading business at any time during any income year.

A "*trading business*" is any business that does not consist wholly of "*eligible investment business activities*". The legislation contains a list of specific activities that qualify as eligible investment business activities. Broadly, these are passive investment activities such as investing in land for the purpose, or primarily for the purpose, of deriving rent and investing or trading in shares, units or other financial instruments.

Investing in land for the purpose of development and sale should not be considered an "*eligible investment business activity*". As such, MIT status would not be available for such an investment

and, should Suntec REIT hold such an investment, Suntec REIT would not be eligible for a concessional tax rate on any of its investments (i.e. this investment would taint the other investments held by an MIT).

Whether any trading business is being carried on by a MIT is to be continuously monitored and tested prior to any distributions by the MIT. While Suntec REIT may seek professional advice to ensure that its relevant Australian unit trusts should only engage in "*wholly eligible investment business*", in some instances, for example where non-rental income is derived from the land, there is a risk that the Australian Taxation Office (**ATO**) will take a different view. Where assurance is required, a private tax ruling may be sought from the ATO, preferably prior to the acquisition of the investment property to ensure that the investment is held by an appropriate entity. If an Australian investment were to be characterised as a trading business, Suntec REIT should seek to hold that investment under a non-MIT investment structure (such as an ordinary unit trust) to ensure that it does not taint any existing Australian non-trading business investments held under MIT structures. In addition to failing to qualify as a MIT where a trading business is being carried on, Suntec REIT would likely be treated as a Division 6C public trading trust and lose its flow through status and be effectively taxed like a company.

To qualify as a MIT and to enjoy preferential Australian withholding tax rates, there are several conditions that must be met and among other requirements, no individual (who is not a resident of Australia) can directly or indirectly hold, control or have the right to acquire an interest of 10.0% or more in a MIT at any time during the income year. As such, for MITs that are wholly-owned by Suntec REIT, the testing of this requirement must be undertaken at the level of Suntec REIT.

There is no certainty that all of Suntec REIT's relevant Australian unit trusts will qualify for MIT treatment, for the reasons outlined above. Where any of Suntec REIT's wholly owned Australian unit trusts do not qualify for MIT treatment, income distributions from these investments to non-residents would be subject to Australian tax at 30.0% (where the unitholder is a company) or 45.0% (where the unitholder is a trust), which will have an adverse impact on the return to Unitholders. Further, whether this arises, there may also be Australian tax filing obligations for unitholders in Suntec REIT.

Amendments to MIT regime

The Treasury Laws Amendment (Making Sure Foreign Investors Pay Their Fair Share of Tax in Australia and Other Measures) Act 2019 ("**the Act**") has introduced fundamental changes including limiting the availability of the MIT concession in respect of investments outside of traditional commercial property asset classes from 1 July 2019 (subject to transitional periods for existing arrangements entered into on or before 27 March 2018). The Act includes measures which treats non-concessional MIT income (such as MIT cross stapled income and trading trust income) as being subject to 30.0% MIT withholding tax for unitholders who are residents of an exchange of information country.

The application of the Act to future investments or any restructuring of existing investments should be monitored.

Clean Building MIT

A reduced 10.0% MIT withholding tax is applicable to distributions made by a Clean Building MIT. A Clean Building MIT is a MIT that holds one or more Clean Buildings (as defined in the legislation) and does not derive assessable income from any other taxable Australian property, aside from assets that are reasonably incidental to the Clean Building provided that amount is no more than 5.0% of total income. Where a Clean Building MIT breaches this requirement, the reduced 10.0% MIT withholding tax rate would not be available. This test applies on an ongoing basis. As Suntec REIT currently holds a Clean Building asset (and intends to hold further Clean Building assets), it is prudent to regularly monitor the nature of income that is being derived by Clean Building MITs.

*Foreign Resident Capital Gains Withholding Tax (**FRCGWT**)*

Broadly, a purchaser of a taxable Australian property from a foreign resident will be required to withhold and remit 12.5% of the gross proceeds to the ATO, on account of the foreign resident's Australian tax liability on the disposal.

The sale of property by Suntec REIT's subsidiary Australian Trust(s) or the sale of units in Suntec REIT's subsidiary Australian Trust(s) should be subject to an exemption from the FRCGWT provided a clearance certificate/vendor declaration confirming Australian tax residency is obtained and provided to the purchaser prior to settlement.

The sale of the units by Suntec REIT in Suntec REIT's subsidiary Australian Trust should be subject to the FRCGWT, which can be credited against any Australian tax actually payable on the disposal. This is done in the Australian income tax return of the seller entities (i.e. the listed entity and the second unitholder in Suntec REIT's subsidiary Australian Trust).

RISKS RELATING TO INVESTING IN REAL ESTATE

Gross revenues earned from, and the value of, the Properties may be adversely affected by a number of factors.

Gross revenues earned from, and the value of, the Properties may be adversely affected by a number of factors, including:

- vacancies following the expiry or termination of leases that lead to lower occupancy rates which reduce Suntec REIT's gross revenues and its ability to recover certain operating costs through service charges;

- the Suntec REIT Manager's ability to collect rent from tenants on a timely basis or at all;

- the amount of, and the extent to which Suntec REIT is required to grant, rental rebates to tenants due to market pressure;

- tenants seeking the protection of bankruptcy laws, which could result in delays in the receipt of rental payments; an inability to collect rental income; delays in the termination of tenants' leases; or hindrances or delays in the re-letting of the space in question or the sale of relevant Properties;

- the amount of rent payable by tenants and the terms on which lease renewals and new leases are agreed being less favourable than under current leases;

- the local and international economic climate and real estate market conditions (such as oversupply of, or reduced demand for, commercial space, changes in market rental rates and operating expenses for the Properties);

- the Suntec REIT Manager's ability to arrange for adequate management and maintenance or to put in place adequate insurance;

- competition for tenants from other properties, which may affect rental levels or occupancy levels at the Properties;

- changes in laws and governmental regulations in relation to real estate, including those governing usage, zoning, taxes and government charges. Such revisions may lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance. Rights relating to the relevant Properties may also be restricted by legislative actions, such as revisions to the laws relating to building standards or town planning laws, or the enactment of new laws relating to condemnation and redevelopment;

- increases in the rate of inflation;

- defects affecting any of the Properties which need to be rectified, or other required repairs to and maintenance of the Properties, leading to unforeseen capital expenditure;

- unapproved uses of any of the Properties, which may give rise to the right on the part of governmental authorities and/or bodies to re-enter the affected Properties; and

- natural disasters, acts of God, fire, earthquakes, flooding, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Suntec REIT Manager.

Suntec REIT may be adversely affected by the illiquidity of real estate investments.

Suntec REIT invests primarily in real property, which entails a higher level of risk than a portfolio which has a diverse range of investments. Property investments, particularly investments in high value properties such as those in which Suntec REIT intends to invest, are relatively illiquid. Such illiquidity may affect Suntec REIT's ability to vary its investment portfolio or to liquidate some of its assets in response to changes in economic, property market or other conditions. This could have an adverse effect on Suntec REIT's business and financial conditions and results of operations, with a consequential adverse effect on Suntec REIT's ability to make expected distributions to the Unitholders.

The Properties may be subject to increases in direct expenses and other operating expenses.

Suntec REIT's performance could be adversely affected if direct expenses and other operating expenses (such as maintenance and sinking fund charges, property management fees and property taxes) increase without a corresponding increase in revenue.

Factors which could lead to an increase in expenses include, but are not limited to, the following:

- increases in the amount of maintenance and/or sinking fund charges payable to the management corporation strata title (**MCST**) for the Properties;

- increases in property tax assessments and other statutory charges;

- changes to statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;

- increases in sub-contracted service costs;

- increases in labour costs;

- increases in repair and maintenance costs;

- increases in the rate of inflation;

- defects affecting, or environmental pollution in connection with, the Properties which need to be rectified;

- increases in insurance premiums; and

- increases in the cost of utilities.

Any of the above factors could have a material adverse effect on the financial condition and results of operations of Suntec REIT.

Suntec REIT may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting REITs.

Suntec REIT may be affected by the introduction of new or revised legislation, regulations, guidelines or directives affecting REITs. There is no assurance that any new or revised legislation, regulations, guidelines or directives will not adversely affect REITs in general or Suntec REIT specifically.

In Singapore, the COVID-19 (Temporary Measures) Act 2020 restricts the rights of landlords to take any court and insolvency proceedings in respect of a tenant's non-performance of obligations and to exercise certain self-help remedies such as rights of re-entry or forfeiture under a lease, and obliges landlords who benefit from property tax rebates to pass on such benefits to qualifying tenants. In addition, landlords are obliged to waive up to two months (for industrial/office properties) or four months (for qualifying commercial properties) of rent for small and medium-sized enterprises which are eligible prescribed tenant-occupiers. Such eligible prescribed tenant-occupiers are also allowed to elect to defer payment of outstanding rent payable in equal instalments in accordance with a statutory repayment schedule. There is no assurance that, in each of the jurisdictions in which the Group operates, the governments in the respective countries will not pass further legislation which impact landlords and the owners of properties adversely, for instance in the form of rental deferrals, rental reliefs, rent reductions and/or the passing on of rebates etc. Any actions taken by Suntec REIT to support its tenants through such rental deferrals, rental reliefs, rent reductions or the passing on of rebates will affect the rental revenue earned from the Properties.

RISKS RELATING TO THE NOTES AND PERPETUAL SECURITIES

Risks related to the structure of a particular issue of Notes or Perpetual Securities

A range of Notes and Perpetual Securities may be issued under the Programme. A number of these Notes and Perpetual Securities may have features which contain particular risks for potential investors. Set out below is a description of the most common of such features, distinguishing between factors which may occur in relation to any Notes or Perpetual Securities and those which might occur in relation to certain types of Notes or Perpetual Securities:

Risks applicable to all Notes and Perpetual Securities

If the Issuer has the right to redeem any Notes or Perpetual Securities at its option, this may limit the market value of the Notes or Perpetual Securities concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return

An optional redemption feature of any Notes or Perpetual Securities is likely to limit their market value. During any period when the relevant Issuer may elect to redeem such Notes or Perpetual Securities, the market value of those Notes or Perpetual Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes and Perpetual Securities when its cost of borrowing is lower than the interest rate on the Notes or the rate of distribution on the Perpetual Securities. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes or the rate of distribution on the Perpetual Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Notes or Perpetual Securities include a feature to convert the interest or distribution basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes or Perpetual Securities concerned

Fixed/Floating Rate Notes and Perpetual Securities are Notes or Perpetual Securities which bear interest or confer a right to distribution at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest or distribution basis, and any conversion of the interest or distribution basis, may affect the secondary market in, and the market value of, such Notes or Perpetual Securities as the change of interest or distribution basis may result in a lower interest or distribution return for holders of the Notes or Perpetual Securities. Where the Notes or Perpetual Securities convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes or Perpetual Securities may be less favourable than the then-prevailing spreads on comparable Floating Rate Notes or Perpetual Securities tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes or Perpetual Securities. Where the Notes or Perpetual Securities convert from a floating rate to a fixed rate, the fixed rate may be lower than the then-prevailing rates on those Notes or Perpetual Securities and could affect the market value of an investment in the relevant Notes or Perpetual Securities.

Notes and Perpetual Securities which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining terms of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

The regulation and reform of "benchmarks" may adversely affect the value of Notes and Perpetual Securities linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" (including LIBOR, EURIBOR, SIBOR, SOR and CNH HIBOR), are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes or Perpetual Securities linked to or referencing such a benchmark.

Regulation (EU) 2016/1011 (the **Benchmarks Regulation**) applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU (which, for these purposes, includes the United Kingdom). Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes or Perpetual Securities linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Specifically, the sustainability of LIBOR has been questioned as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of benchmark reforms) for market participants to continue contributing to such benchmarks. The UK Financial Conduct Authority has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

Separately, the euro risk-free rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

In addition, as the SOR methodology relies on USD LIBOR in its computation, the likely discontinuation of LIBOR after the end of 2021 will impact the future sustainability of SOR. On 30 August 2019, the MAS announced that it has established a steering committee to oversee an industry-wide interest rate benchmark transition from SOR to the Singapore Overnight Rate Average.

It is not possible to predict with certainty whether, and to what extent the "benchmarks" (including LIBOR, EURIBOR, SIBOR, SOR and CNH HIBOR) will continue to be supported going forward. This may cause the benchmarks to perform differently than they have done in the past, and may have other consequences which cannot be predicted.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes or Perpetual Securities linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The Conditions of the Notes and the Conditions of the Perpetual Securities provide for certain fallback arrangements in the event that the relevant Reference Rate (as referred to in the Condition 5.4 of the Notes or, as the case may be, Condition 4.4 of the Perpetual Securities) and/or any page on which the relevant Reference Rate may be published (or any other successor service) becomes unavailable or a Benchmark Event (as defined in the Conditions of the Notes or, as the case may be, the Perpetual Securities) otherwise occurs. Such fallback arrangements include the possibility that the Rate of Interest, Reset Rate of Distribution or Rate of Distribution (as applicable) (each term as defined in the Conditions) could be set by reference to a Successor Rate or an Alternative Reference Rate (both as defined in the Conditions of the Notes or, as the case may be, the Perpetual Securities), with or without the application of an adjustment spread and may include amendments to the Conditions of the Notes or, as the case may be, the Perpetual Securities to ensure the proper operation of the successor or replacement benchmark, all as determined by the Issuer or an Independent Adviser appointed by it (each acting in good faith and in a commercially

reasonable manner). An adjustment spread, if applied, could be positive or negative and would be applied with a view to reducing or eliminating, to the fullest extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant Reference Rate. However, it may not be possible to determine or apply an adjustment spread and even if an adjustment spread is applied, such adjustment spread may not be effective to reduce or eliminate economic prejudice to investors. If no adjustment spread can be determined, a Successor Rate or Alternative Reference Rate may nonetheless be used to determine the Rate of Interest, Reset Rate of Distribution or Rate of Distribution (as applicable). The use of a Successor Rate or Alternative Reference Rate (including with the application of an adjustment spread) will still result in any Notes or Perpetual Securities linked to or referencing the relevant Reference Rate performing differently (which may include payment of a lower Rate of Interest, Reset Distribution Rate or Rate of Distribution (as applicable)) than they would if the relevant Reference Rate were to continue to apply in its current form.

If, following the occurrence of a Benchmark Event, no Successor Rate or Alternative Reference Rate is determined, the ultimate fallback for the purposes of calculation (i) (in the case of Floating Rate Notes) the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used; (ii) (in the case of Fixed Rate Perpetual Securities) the Reset Rate of Distribution for a particular Reset Period (as defined in the Condition Perpetual Securities) of may result in the Reset Rate of Distribution for the last preceding Reset Period being used; and (iii) (in the case of Floating Rate Perpetual Securities) the Rate of Distribution for a particular Distribution Period as defined in the Condition Perpetual Securities) may result in the Rate of Distribution for the last preceding Distribution Period being used. This may result in the effective application of a fixed rate for the Securities based on the rate which was last observed on the Relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates, the involvement of an Independent Adviser, and the potential for further regulatory developments there is a risk that the relevant fallback provisions may not operate as intended at the relevant time.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms or any of the international or national reforms and the possible application of the benchmark replacement provisions of any Notes or Perpetual Securities in making any investment decision with respect to any Notes or Perpetual Securities linked to or referencing a benchmark.

Risks applicable to certain types of Notes and Perpetual Securities

There are particular risks associated with an investment in certain types of Notes and Perpetual Securities, such as Index Linked Notes, Index Linked Perpetual Securities, Dual Currency Notes and Dual Currency Perpetual Securities; in particular, an investor might receive less interest or distribution (as the case may be) than expected or no interest or distribution (as the case may be) in respect of such Notes or Perpetual Securities, and may lose some or all of the principal amount invested by it

The relevant Issuer may issue Notes and Perpetual Securities with principal, interest or distribution determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a **Relevant Factor**). In addition, the relevant Issuer may issue Notes and Perpetual Securities with principal, interest or distribution payable in one or more currencies which may be different from the currency in which the relevant Notes and Perpetual Securities are denominated. Potential investors should be aware that:

(a) the market price of such Notes and Perpetual Securities may be volatile;

(b) they may receive no interest or distribution;

(c) payment of principal, interest or distribution may occur at a different time or in a different currency than expected;

(d) they may lose all or a substantial portion of their principal;

(e) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(f) if a Relevant Factor is applied to Notes and Perpetual Securities in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal, interest or distribution payable likely will be magnified; and

(g) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes or Perpetual Securities linked to a Relevant Factor. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes or Perpetual Securities linked to a Relevant Factor or any Dual Currency Notes or Perpetual Securities, and the suitability of such Notes and Perpetual Securities in light of its particular circumstances.

Where Notes and Perpetual Securities are issued on a partly paid basis, an investor who fails to pay any subsequent instalment of the issue price could lose all of his investment

The relevant Issuer may issue Notes and Perpetual Securities where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of its Notes or Perpetual Securities could result in such investor losing all of its investment.

Notes and Perpetual Securities which are issued with variable interest rates or distribution rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities

Notes and Perpetual Securities with variable interest rates or distribution rates (as the case may be) can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes and Inverse Floating Rate Perpetual Securities will have more volatile market values than conventional Floating Rate Notes and Floating Rate Perpetual Securities

Inverse Floating Rate Notes and Inverse Floating Rate Perpetual Securities have an interest rate (in the case of Notes) or distribution rate (in the case of Perpetual Securities) equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes and Perpetual Securities typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes and Inverse Floating Rate Perpetual Securities are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes or the distribution rate of the Perpetual Securities (as the case may be), but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes and Perpetual Securities.

Risks related to Notes and Perpetual Securities generally

Set out below is a description of certain risks relating to the Notes and Perpetual Securities generally:

The Conditions of the Notes and the Conditions of the Perpetual Securities contain provisions which may permit their modification without the consent of all investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders or Perpetual Securityholders and without regard to the individual interests of particular Noteholders or Perpetual Securityholders

Each of the Conditions of the Notes and the Conditions of the Perpetual Securities contains provisions for calling meetings of Noteholders or, as the case may be, Perpetual Securityholders to consider matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders or, as the case may be, Perpetual Securityholders of a particular Series including Noteholders or, as the case may be, Perpetual Securityholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and Noteholders or, as the case may be, Perpetual Securityholders who voted in a manner contrary to the majority.

Each of the Conditions of the Notes and the Perpetual Securities provide that the Trustee may agree, without the consent of the Noteholders or Perpetual Securityholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that (in the case of Notes) any Event of Default or potential Event of Default or (in the case of Perpetual Securities) Enforcement Event, shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or Perpetual Securityholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or is made to cure any ambiguity or correct a manifest error or an error which, in the opinion of the Trustee, is proven or to comply with mandatory provisions of the law or is required by Euroclear, Clearstream, CDP and/or any other clearing system in which the Notes may be held.

Where the relevant Issuer or the Guarantor encounters, or is likely to encounter, financial difficulties that are affecting, or will or may affect, its ability to carry on business as a going concern, it may propose a Restructuring Plan (a **Plan**) with its creditors under Part 26A of the Companies Act 2006 (introduced by the Corporate Insolvency and Governance Act 2020) to eliminate, reduce, prevent or mitigate the effect of any of those financial difficulties. Should this happen, creditors whose rights are affected are organised into creditor classes and can vote on any such Plan (subject to being excluded from the vote by the English courts for having no genuine economic interest in the relevant Issuer or the Guarantor and certain exclusions where the Plan is proposed within the 12 week period following the end of a moratorium). Provided that one class of creditors (who would receive a payment, or have a genuine economic interest in the relevant Issuer or the Guarantor) has approved the Plan, and in the view of the English courts any dissenting class(es) who did not approve the Plan are no worse off under the Plan than they would be in the event of the "relevant alternative" (such as, broadly, liquidation or administration), then the English court can sanction the Plan where it would be a proper exercise of its discretion. A sanctioned Plan is binding on all creditors and members, regardless of whether they approved it. Any such sanctioned Plan in relation to the relevant Issuer or the Guarantor may, therefore, adversely affect the rights of Noteholders or Perpetual Securityholders and the price or value of their investment in the Notes or Perpetual Securities, as it may have the effect of modifying or disapplying certain terms of the Notes or Perpetual Securities (by, for example, writing down the principal amount of the Notes or Perpetual Securities, modifying the interest payable on the Notes or the distribution payable on the Perpetual Securities, (in the case of Notes) the maturity date or (in the case of Notes or Perpetual Securities) dates on which any payments are due or substituting the relevant Issuer, or (in the case of Notes) modifying or disapplying certain terms of the Guarantee or substituting the Guarantor).

Commencement of proceedings under applicable Singapore insolvency or related laws may result in a material adverse effect on Noteholders and Perpetual Securityholders

There can be no assurance that the relevant Issuer, the Guarantor and/or Suntec REIT will not become bankrupt or insolvent or the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. It is unclear whether Singapore insolvency and related laws applicable to companies can be applied to real estate investment trusts and business trusts. Application of these laws may have a material adverse effect on Noteholders and Perpetual Securityholders. Without being exhaustive, below are some matters that could have a material adverse effect on Noteholders and Perpetual Securityholders. Where any of the relevant Issuer, the Guarantor or Suntec REIT is insolvent or close to insolvent and the relevant Issuer, the Guarantor or Suntec REIT (as the case may be) undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the relevant Issuer, the Guarantor or Suntec REIT (as the case may be). It may also be possible that if a company related to the relevant Issuer, the Guarantor or Suntec REIT (as the case may be) proposes a creditor scheme of arrangement and obtains an order for a moratorium, the relevant Issuer, the Guarantor or Suntec REIT (as the case may be) may also seek a moratorium even if the relevant Issuer, the Guarantor or Suntec REIT (as the case may be) not itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, additionally with the permission of the judicial manager. Accordingly, if for instance there is any need for the Trustee to bring an action against the relevant Issuer, the Guarantor or Suntec REIT (as the case may be), the need to obtain court permission may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Noteholders and Perpetual Securityholders may be made subject to a binding scheme of arrangement where the majority in number representing 75% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Noteholders and Perpetual Securityholders may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 (Act 40 of 2018) (the **IRD Act**) was passed in the Parliament of Singapore on 1 October 2018 and came into force on 30 July 2020. The IRD Act includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, a debenture. However, it may apply to other related contracts that are not found to be directly connected to the Notes or Perpetual Securities.

The value of the Notes and Perpetual Securities could be adversely affected by a change in English law

The Conditions of the Notes and the Perpetual Securities are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practices in such jurisdiction after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes or Perpetual Securities affected by it.

The Notes, Perpetual Securities and the Guarantee are not secured

The Notes, Senior Perpetual Securities and Coupons relating thereto constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and rank *pari passu* without any preference among themselves (save for certain obligations required to be preferred by law) and equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding. The Subordinated Perpetual Securities and Coupons relating thereto constitute direct, unconditional, subordinated and unsecured obligations of the relevant Issuer and rank *pari passu* without any preference among themselves (save for certain obligations required to be preferred by law) and equally with any Parity Obligations (as defined in the Terms and Conditions of the Perpetual Securities) of the relevant Issuer, from time to time outstanding. Subject to the Conditions of the Notes, the payment obligations of the Guarantor under the Guarantee constitute direct, unconditional and unsecured obligations of the Guarantor and rank (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

Accordingly, on a winding-up of SRMTN and/or the Suntec REIT Trustee (where it is the relevant Issuer) and/or Suntec REIT and/or the New Issuer at any time prior to maturity or redemption of any Notes or, as the case may be, Perpetual Securities, the Noteholders or, as the case may be, Perpetual Securityholders will not have recourse to any specific assets of SRMTN (where the relevant Issuer is SRMTN), the Suntec REIT Trustee (where the relevant Issuer is the Suntec REIT Trustee), the New Issuer (where the relevant Issuer is the New Issuer), Suntec REIT or their respective subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Notes, Perpetual Securities and/or Coupons (as the case may be) owed to the Noteholders or, as the case may be, Perpetual Securityholders and there can be no assurance that there would be sufficient value in the assets of SRMTN and/or the Suntec REIT Trustee and/or Suntec REIT and/or the New Issuer, after meeting all claims ranking ahead of the Notes or, as the case may be, Perpetual Securities, to discharge all outstanding payment and other obligations under the Notes, Perpetual Securities and/or Coupons (as the case may be) owed to the Noteholders or, as the case may be, Perpetual Securityholders.

Enforcement against the Suntec REIT Trustee is subject to the Suntec REIT Trustee's right of indemnity out of the Deposited Property

Noteholders and Perpetual Securityholders should note that (in the case of Notes) the Guarantee and (in the case of Perpetual Securities) the Perpetual Securities are issued by the Suntec REIT Trustee in its capacity as trustee of Suntec REIT, and not Suntec REIT, since Suntec REIT is not a legal entity. Noteholders and Perpetual Securityholders should note that under the terms of the Guarantee or, as the case may be, the Perpetual Securities, Noteholders and Perpetual Securityholders shall only have recourse in respect of the Deposited Property and not to the Suntec REIT Trustee personally nor any other asset held by the Suntec REIT Trustee as trustee of any trust other than Suntec REIT. Further, Noteholders and Perpetual Securityholders do not have direct access to the Deposited Property but may only have recourse to such trust properties through the Suntec REIT Trustee and if necessary seek to subrogate to the Suntec REIT Trustee's right of indemnity out of the Deposited Property. Accordingly, any claim of the Noteholders or, as the case may be, Perpetual Securityholders to the Deposited Property is derivative in nature. A Noteholder's or, as the case may be, Perpetual Securityholder's right of subrogation could be limited by the Suntec REIT Trustee's right of indemnity. Noteholders and Perpetual Securityholders should also note that such right of indemnity of the Suntec REIT Trustee may be limited or lost through fraud, negligence, wilful default, breach of trust or breach of the Suntec REIT Trust Deed by the Suntec REIT Trustee.

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and Perpetual Securities and may be adversely affected if definitive Notes and Perpetual Securities are subsequently required to be issued

In relation to any issue of Notes or Perpetual Securities which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes or Perpetual Securities may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes or Perpetual Securities at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Note or Perpetual Security in respect of such holding (should definitive Notes or Perpetual Securities be printed or issued) and would need to purchase a principal amount of Notes or Perpetual Securities at or in excess of the minimum Specified Denomination, such that its holding amounts to a Specified Denomination.

If such Notes or Perpetual Securities in definitive form are issued, holders should be aware that definitive Notes or Perpetual Securities which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The Notes and Perpetual Securities may be represented by Global Notes or Global Perpetual Securities and holders of a beneficial interest in a Global Note or Global Perpetual Security must rely on the procedures of the relevant Clearing System(s)

Notes and Perpetual Securities issued under the Programme may be represented by one or more Global Notes or Global Perpetual Securities. Such Global Notes or Global Perpetual Securities will be deposited with a common depositary for Euroclear and Clearstream or deposited with CDP (each of Euroclear, Clearstream and CDP, a **Clearing System**). Except in the circumstances described in the relevant Global Note or Global Perpetual Security, investors will not be entitled to receive the Notes or Perpetual Securities in definitive form. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes or Global Perpetual Securities. While the Notes or the Perpetual Securities are represented by one or more Global Notes or Global Perpetual Securities, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes or the Perpetual Securities are represented by one or more Global Notes or Global Perpetual Securities, the relevant Issuer, or (in the case of Notes) failing which the Guarantor, will discharge its payment obligations under the Notes or the Perpetual Securities by making payments to or to the order of the relevant Clearing System(s) for distribution to their account holders.

A holder of a beneficial interest in a Global Note or Global Perpetual Security must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes or Perpetual Securities. Neither the relevant Issuer nor (in the case of Notes) the Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Perpetual Securities.

Holders of beneficial interests in the Global Notes or Global Perpetual Securities will not have a direct right to vote in respect of the relevant Notes or Perpetual Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

Similarly, holders of beneficial interests in the Global Notes or Global Perpetual Securities will not have a direct right under the respective Global Notes or Global Perpetual Securities to take enforcement action against the relevant Issuer or (in the case of Notes) the Guarantor in the event of a default under the relevant Notes or an enforcement event under the relevant Perpetual Securities but will have to rely upon their rights under the Trust Deed.

The Trustee may request Noteholders or Perpetual Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances (including under Condition 10 of the Notes and Condition 9 of the Perpetual Securities), the Trustee may (at its sole discretion) request Noteholders or Perpetual Securityholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Noteholders or Perpetual Securityholders. The Trustee is not obliged to take any action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken.

The Trustee may not be able to take action, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the Trust Deed and if there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders and Perpetual Securityholders to take such action directly.

Performance of contractual obligations by the relevant Issuer depends on other parties

The ability of the relevant Issuer to make payments in respect of the Notes and Perpetual Securities may depend upon the due performance by the other parties to the documents relating to the Programme or an issue of Notes and Perpetual Securities of their obligations thereunder including the performance by the Trustee and the Agents (as defined in the Trust Deed) of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the relevant Issuer of its obligations to make payments under the Notes and Perpetual Securities, the relevant Issuer may not, in such circumstances, be able to fulfil its obligations to the Noteholders, Perpetual Securityholders and/or the Couponholders.

Risks applicable to Notes

The Guarantee provided by the Guarantor will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability

The guarantee given by the Guarantor provides holders of Notes with a direct claim against the Guarantor with respect to the Deposited Property with regards to the SRMTN's (or, as the case may be, the New Issuer's) obligations under the Notes issued by it. Enforcement of the Guarantee in respect of the Notes would be subject to certain generally available defences. Local laws and defences may vary, and may include those that relate to corporate benefit, *ultra vires*, fraudulent conveyance or transfer (*actio pauliana*), voidable preference, financial assistance, corporate purpose, liability in tort, subordination and capital maintenance or similar laws and concepts. They may also include regulations or defences which affect the rights of creditors generally.

If a court were to find the Guarantee in respect of the Notes or a portion thereof, void or unenforceable as a result of such local laws or defence, or to the extent that agreed limitations on guarantees apply, holders would cease to have any claim against the Guarantor with respect to the Deposited Property and would be creditors solely of the SRMTN (or, as the case may be, the New Issuer) and, if payment had already been made under the Guarantee in respect of the Notes the court could require that the recipient return the payment to the Guarantor.

Singapore taxation risk

The Notes to be issued from time to time under the Programme, during the period from the date of this Offering Circular to 31 December 2023, are intended to be "qualifying debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore (**ITA**), subject to the fulfilment of certain conditions more particularly described in the section entitled "*Taxation – Singapore Taxation"*.

However, there is no assurance that the Notes will continue to enjoy the tax exemptions or concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

Risks applicable to Perpetual Securities

Perpetual Securities may be issued for which investors have no right to require redemption

Perpetual Securities may be issued under the Programme. Perpetual Securities have no fixed final maturity date. Perpetual Securityholders have no right to require the relevant Issuer to redeem Perpetual Securities at any time, and an investor who acquires Perpetual Securities may only dispose of such Perpetual Securities by sale. Perpetual Securityholders who wish to sell their Perpetual Securities may be unable to do so at a price at or above the amount they have paid for them, or at all. Therefore, potential investors should be aware that they may be required to bear the financial risks of an investment in Perpetual Securities for an indefinite period of time.

If specified in the applicable Pricing Supplement, Perpetual Securityholders may not receive Distribution payments if the relevant Issuer elects to defer Distribution payments

If Distribution Deferral is specified as being applicable in the applicable Pricing Supplement, the relevant Issuer may, at its sole discretion, elect to defer any scheduled distribution (in whole or in part) on the Perpetual Securities for any period of time. If Dividend Stopper is specified as being applicable in the applicable Pricing Supplement, the relevant Issuer and any of its Subsidiaries may be subject to certain restrictions in relation to the payment of dividends, distributions or any other payment on any of the Junior Obligations (as defined in the Terms and Conditions of the Perpetual Securities) or the Parity Obligations (as defined in the Terms and Conditions of the Perpetual Securities) and the redemption, purchase, cancellation, reduction, buy-back or acquisition for any consideration of any of the Junior Obligations and the Parity Obligations unless and until (aa) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) the relevant Issuer has made payment in whole (and not in part only) of all outstanding Arrears of Distributions and any Additional Distribution Amounts; or (bb) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities in accordance with Condition 6 of the Perpetual Securities has occurred, the next scheduled Distribution has been paid in full, or an Optional Distribution equal to the amount of a Distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full; or (cc) when so permitted by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders.

If Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, the relevant Issuer is not subject to any limits as to the number of times distributions can be deferred pursuant to the Conditions of the Perpetual Securities subject to compliance with the foregoing restrictions. Distributions may be cumulative or non-cumulative, as will be set out in the applicable Pricing Supplement. The relevant Issuer may defer its payment for an indefinite period of time by delivering the relevant deferral notices to the holders, and holders have no rights to claim any distribution, Arrears of Distribution and/or Additional Distribution Amount if there is such a deferral. Investors should be aware that the interests of the relevant Issuer may be different to the interests of the Perpetual Securityholders.

If specified in the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the relevant Issuer's option at date(s) specified in the applicable Pricing Supplement or on the occurrence of certain other events

The Conditions of the Perpetual Securities provide that the Perpetual Securities may, if "Redemption at the Option of the Issuer" ("Issuer Call") is specified as being applicable in the applicable Pricing Supplement, be redeemed at the option of the relevant Issuer on certain date(s) specified in the applicable Pricing Supplement at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement.

In addition, the relevant Issuer may also have the right (but not the obligation) to redeem the Perpetual Securities at an amount specified in the applicable Pricing Supplement (a) for taxation reasons; and (b) (if specified in the applicable Pricing Supplement) upon the occurrence of an Accounting Event, upon the occurrence of a Tax Deductibility Event, upon the occurrence of a Ratings Event, upon the occurrence of a Regulatory Event, at the option of the Issuer or in the case of Minimum Outstanding Amount or as otherwise provided in the Conditions of the Perpetual Securities or specified in the applicable Pricing Supplement.

The date on which the relevant Issuer elects to redeem the Perpetual Securities may not accord with the preference of Perpetual Securityholders. This may be disadvantageous to Perpetual Securityholders in light of market conditions or the individual circumstances of a Perpetual Securityholder. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Perpetual Securities.

There are limited remedies for default under the Perpetual Securities

Any scheduled distribution (including arrears of distributions and additional distribution amounts) will not be due if the relevant Issuer elects to defer that distribution (including arrears of distributions and additional distribution amounts) pursuant to the Conditions of the Perpetual Securities. Notwithstanding any of the provisions relating to enforcement events, the right to institute proceedings for the Winding-Up of Suntec REIT is limited to circumstances where payment has become due and the relevant Issuer fails to make the payment when due and such failure continues for a period of seven Business Days. Subject to the Conditions of the Perpetual Securities, the only remedy against the relevant Issuer available to any Perpetual Securityholder acting through the Trustee for recovery of amounts in respect of the Perpetual Securities following the occurrence of a payment default after any sum becomes due in respect of the Perpetual Securities will be instituting proceedings for the Winding-Up of the Suntec REIT and/or proving in the Winding-Up of the relevant Issuer and/or Suntec REIT and/or claiming in the liquidation of the relevant Issuer and/or Suntec REIT in respect of any payment obligations of the relevant Issuer arising from the Perpetual Securities.

The relevant Issuer may raise or redeem other capital which affects the price of the Perpetual Securities

The relevant Issuer may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount of securities or other liabilities which the relevant Issuer may issue or incur and which rank senior to, or *pari passu* with, the Perpetual Securities. Similarly, subject to compliance with the Conditions of the Perpetual Securities, the relevant Issuer may redeem securities that rank junior to, *pari passu* with, or senior to the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities may reduce the amount (if any) recoverable by holders of Perpetual Securities on a Winding-Up of the relevant Issuer and/or Suntec REIT, and may increase the likelihood of a deferral of distribution under the Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities or the redemption of any such securities might also have an adverse impact on the trading price of the Perpetual Securities and/or the ability of Perpetual Securityholders to sell their Perpetual Securities.

Tax treatment of the Perpetual Securities is unclear

It is not clear whether any particular tranche of the Perpetual Securities (the **Relevant Tranche of the Perpetual Securities**) will be regarded as "debt securities" by the Inland Revenue Authority of Singapore (**IRAS**) for the purposes of the ITA, whether distribution payments made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and whether the tax concessions and exemptions available for qualifying debt securities under the qualifying debt securities scheme (as set out in "*Taxation – Singapore Taxation*") would apply to the Relevant Tranche of the Perpetual Securities.

If the Relevant Tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA, distribution payments made under each tranche of the Perpetual Securities are not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions or exemptions under the qualifying debt securities scheme, the tax treatment to holders may differ. In addition, in the event that IRAS does not regard the Relevant Tranche of the Perpetual Securities issued by the relevant Issuer as "debt securities" for Singapore income tax purposes, payments in respect of such Relevant Tranche of the Perpetual Securities (including, without limitation, the distributions, any Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts) may be subject to Singapore withholding tax, and the relevant Issuer may be obliged (in certain circumstances) to withhold or deduct tax on such payments. In that event, the relevant Issuer will not pay any additional amounts in respect of any such withholding or deduction from such payments in respect of such Relevant Tranche of the Perpetual Securities in connection therewith for or on account of any such taxes or duties.

Investors and holders of the Relevant Tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Relevant Tranche of the Perpetual Securities.

The Subordinated Perpetual Securities are subordinated obligations

The obligations of the relevant Issuer under the Subordinated Perpetual Securities and any related Coupons will constitute unsecured and subordinated obligations of the relevant Issuer. In the event of the final and effective Winding-Up of the relevant Issuer or Suntec REIT, there shall be payable by the relevant Issuer in respect of each Subordinated Perpetual Security relating to them (in lieu of any other payment by the relevant Issuer), such amount, if any, as would have been payable to the Perpetual Securityholder of such Subordinated Perpetual Security if, on the day prior to the commencement of the Winding-Up of the relevant Issuer or Suntec REIT, and thereafter, such Perpetual Securityholder were the holder of one of a class of the preferred units in the capital of Suntec REIT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (**Suntec REIT Notional Preferred Units**) having an equal right to return of assets in the Winding-Up of the relevant Issuer or Suntec REIT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of the relevant Issuer or Suntec REIT, and so rank ahead of, the holders of the Junior Obligations, but junior to the claims of all other present and future creditors of the relevant Issuer (other than the Parity Obligations), on the assumption that the amount that such Perpetual Securityholder of a Subordinated Perpetual Security was entitled to receive under the Conditions of the Perpetual Securities in respect of each Suntec REIT Notional Preferred Unit on a return of assets in such Winding-Up were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions in respect of which the relevant Issuer has given notice to the Perpetual Securityholders in accordance with the Conditions of the Perpetual Securities and/or as otherwise specified in the applicable Pricing Supplement. In the event of a shortfall of funds or a Winding-Up, there is a real risk that an investor in the

Subordinated Perpetual Securities will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid Arrears of Distribution, Additional Distribution Amounts or accrued Distribution.

In addition, subject to the limit on the aggregate principal amount of Notes and Perpetual Securities that can be issued under the Programme (which can be amended from time to time by the Issuers and the Guarantor without the consent of the Noteholders and Perpetual Securityholders), there is no restriction on the amount of unsubordinated securities or other liabilities which the Issuers may issue or incur and which rank senior to, or *pari passu* with, the Subordinated Perpetual Securities. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders of Subordinated Perpetual Securities on a Winding-Up of the relevant Issuer or Suntec REIT and/or may increase the likelihood of a non-payment of distribution under the Subordinated Perpetual Securities.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk, inflation risk and credit risk:

An active secondary market in respect of the Notes and the Perpetual Securities may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Notes and Perpetual Securities

There can be no assurance regarding the future development of the market for Notes and Perpetual Securities issued under the Programme or the ability of the Noteholders and Perpetual Securityholders, or the price at which the Noteholders or Perpetual Securityholders may be able, to sell their Notes or Perpetual Securities (as the case may be). The Notes and Perpetual Securities may have no established trading market when issued, and one may never develop. If a market for the Notes and Perpetual Securities does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes and Perpetual Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes and Perpetual Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes and Perpetual Securities generally would have a more limited secondary market and more price volatility than conventional debt securities.

If the Notes and Perpetual Securities are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the relevant Issuer, (in the case of Notes) the Guarantor and Suntec REIT. If the Notes and Perpetual Securities are trading at a discount, investors may not receive a favourable price for their Notes or, as the case may be, their Perpetual Securities, and in some circumstances, investors may not be able to sell their Notes or, as the case may be, their Perpetual Securities at their fair market value or at all.

Illiquidity may have a severely adverse effect on the market value of the Notes and Perpetual Securities. Although issuing additional Notes or Perpetual Securities may increase their liquidity, there can be no assurance that the price of such Notes or Perpetual Securities will not be adversely affected by the issuance.

Although an application will be made for permission to deal in, and for quotation of, any Notes or Perpetual Securities to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST, there is no assurance that such application will be approved, that any particular Tranche of Notes or Perpetual Securities will be so admitted or that an active trading market will develop.

The market value of Notes and Perpetual Securities issued under the Programme may fluctuate

The trading price of the Notes and Perpetual Securities may be influenced by numerous factors, including the market for similar securities, the operating results and/or financial condition of the relevant Issuer, (in the case of Notes) the Guarantor, Suntec REIT and/or their respective subsidiaries and/or associated companies (if any), and political, economic, financial and any other factors that can affect the capital markets, the industry, the relevant Issuer, (in the case of Notes) the Guarantor, Suntec REIT, their respective subsidiaries and/or associated companies (if any) generally. Adverse economic developments, in Singapore and countries in which the relevant Issuer, (in the case of Notes) the Guarantor, Suntec REIT, their respective subsidiaries and/or associated companies (if any) operate or have business dealings could have a material adverse effect on the operating results, business, financial performance and/or the financial condition of the relevant Issuer, (in the case of Notes) the Guarantor, Suntec REIT, their respective subsidiaries and/or associated companies (if any).

Further, recent global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of the Notes and Perpetual Securities.

If an investor holds Notes and Perpetual Securities which are not denominated in the investor's home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding; in addition, the imposition of exchange controls in relation to any Notes or Perpetual Securities could result in an investor not receiving payments on those Notes or Perpetual Securities

The relevant Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee, and the relevant Issuer will pay principal and distribution on the Perpetual Securities, in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes and Perpetual Securities, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and Perpetual Securities and (3) the Investor's Currency-equivalent market value of the Notes and Perpetual Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the relevant Issuer or (in the case of Notes) the Guarantor, to make payments in respect of the Notes or Perpetual Securities. As a result, investors may receive less interest, distribution or principal than expected, or no interest, distribution or principal.

The value of Fixed Rate Notes and Fixed Rate Perpetual Securities may be adversely affected by movements in market interest rates

Investment in Fixed Rate Notes and Fixed Rate Perpetual Securities involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes or Fixed Rate Perpetual Securities, this will adversely affect the value of the Fixed Rate Notes or Fixed Rate Perpetual Securities.

Noteholders and Perpetual Securityholders may be adversely affected by inflation

Noteholders and Perpetual Securityholders may suffer erosion on the return of their investments due to inflation. Noteholders and Perpetual Securityholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes and Perpetual Securities. An unexpected increase in inflation could reduce the actual returns, as the principal repayment and interest or distribution payments on the Notes or Perpetual Securities may not keep pace with inflation.

Credit ratings assigned to the relevant Issuer, the Guarantor or any Notes or Perpetual Securities may not reflect all the risks associated with an investment in those Notes or Perpetual Securities

One or more independent credit rating agencies may assign credit ratings to the relevant Issuer, the Guarantor, or the Notes or Perpetual Securities. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes or Perpetual Securities. Future events may have a negative impact on the rating of the Programme and/or such Notes or Perpetual Securities, and prospective investors should be aware that there is no assurance that ratings given will continue or that the ratings would not be reviewed, revised, suspended or withdrawn as a result of future events, unavailability of information or if, in the judgment of the relevant rating agency, circumstances so warrant. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Risks Relating to Notes and Perpetual Securities Denominated in Renminbi

Notes and Perpetual Securities denominated in Renminbi (**RMB Securities**) may be issued under the Programme. RMB Securities contain particular risks for potential investors.

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the People's Republic of China

Renminbi is not freely convertible at present. The PRC Government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the PRC Government of control over routine foreign exchange transactions under current accounts.

Currently, participating banks in Singapore, Hong Kong, Taiwan, London, Frankfurt, Seoul, Toronto, Sydney, Doha, Paris, Luxembourg, Kuala Lumpur and Bangkok have been permitted to engage in the settlement of Renminbi trade transactions. This represents a current account activity. However, remittance of RMB by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of RMB into the PRC for settlement of capital account items are developing gradually.

Since 1 October 2016, the Renminbi has been added to the Special Drawing Rights basket created by the International Monetary Fund. However, there is no assurance that the PRC Government will continue to liberalise its control over cross-border Renminbi remittances in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the relevant Issuer to source Renminbi to finance its obligations under the RMB Securities. Each investor should consult its own advisers to obtain a more detailed explanation of how the PRC regulations and rules may affect their investment decisions.

All Renminbi payments under the RMB Securities will be made solely by credit to Renminbi bank accounts maintained at banks in the Offshore Renminbi Centre(s) specified in the applicable Pricing Supplement in accordance with the laws of such Offshore Renminbi Centre(s), and applicable regulations and guidelines issued by competent authorities in such Offshore Renminbi Centre(s). Investors may be required to provide certifications and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the RMB clearing and settlement system for participating banks in such Offshore Renminbi Centre(s).

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the RMB Securities and the relevant Issuer's or (in the case of Notes denominated in RMB) the Guarantor's ability to source Renminbi outside the PRC to service such RMB Securities or, as the case may be, the Guarantee in respect thereof

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. While the People's Bank of China (**PBOC**) has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the **Renminbi Clearing Banks**) and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the **Settlement Arrangements**), the current size of Renminbi-denominated financial assets outside the PRC remains limited.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or that the Settlement Arrangements with each RMB Clearing Bank will not be terminated or amended in the future, which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the RMB Securities. To the extent the relevant Issuer or (in the case of Notes denominated in RMB) the Guarantor is required to source Renminbi in the offshore market to service the RMB Securities, there is no assurance that the relevant Issuer or (in the case of Notes denominated in RMB) the Guarantor will be able to source such Renminbi on satisfactory terms, if at all.

Payments in respect of the RMB Securities will only be made to investors in the manner specified in the RMB Securities

All payments to investors in respect of the RMB Securities will be made solely by (a) when the RMB Securities are represented by a Global Note or a Global Perpetual Security, and held with CDP or the common depositary for Euroclear and Clearstream or any alternative clearing system, transfer to a Renminbi bank account maintained in the Offshore Renminbi Centre(s) specified in the applicable Pricing Supplement in accordance with prevailing CDP or Euroclear and Clearstream rules and procedures, and (b) when the RMB Securities are in definitive form, transfer to a Renminbi bank account maintained in the Offshore Renminbi Centre(s) specified in the applicable Pricing Supplement in accordance with prevailing rules and regulations. The relevant Issuer or, as the case may be, the Guarantor, cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

Investment in RMB Securities is subject to exchange rate risks

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. Recently, the PBOC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase

the volatility in the value of the Renminbi against foreign currencies. All payments of interest (in respect of Notes) or distribution (in respect of Perpetual Securities), as applicable, and principal will be made with respect to RMB Securities in Renminbi. As a result, the value of these Renminbi payments may vary in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the RMB Securities in that foreign currency will decline. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the RMB Securities entails foreign exchange related risks, including possible significant changes in the value of Renminbi relative to the currency by reference to which the investor measures its investment returns. Depreciation of the Renminbi against such currency could cause a decrease in the effective yield of the RMB Securities below their stated coupon rates and could result in a loss when the return on the RMB Securities is translated into such currency. In addition, there may be tax consequences for the investor, as a result of any foreign currency gains resulting from any investment in RMB Securities.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents (including those published or issued from time to time after the date hereof) shall be deemed to be incorporated in, and to form part of, this Offering Circular:

(a) each relevant Pricing Supplement;

(b) the most recently published audited financial statements of SRMTN and any New Issuer (including the auditors' report thereon and notes thereto) (if any) since the date of this Offering Circular and, if published later, the most recently published interim financial statements of SRMTN and any New Issuer from time to time, if any;

(c) the most recently published audited consolidated financial statements of the Group (including the auditors' report thereon and notes thereto) since the date of this Offering Circular and, if published later, the most recently published consolidated interim financial statements of the Group, if any; and

(d) all supplements or amendments to this Offering Circular circulated by the Issuers and the Guarantor from time to time,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular. Copies of the documents listed in (c) above which are deemed to be incorporated by reference in this Offering Circular may be obtained at the SGX-ST's website at www.sgx.com.

The full version of Suntec REIT's annual reports and the Group's consolidated financial statements published from time to time can be obtained from Suntec REIT's website at www.suntecreit.com.

The above website and any other websites referenced in this Offering Circular are intended as guides as to where other public information relating to the Issuers, the Guarantor, the Suntec REIT Manager, Suntec REIT and the Group may be obtained free of charge. Information appearing in such websites does not form part of this Offering Circular or any applicable Pricing Supplement and none of the Issuers, the Guarantor, the Suntec REIT Manager, Suntec REIT, the Arrangers and the Dealers accept any responsibility whatsoever that any information, if available, is accurate and/or up-to-date. Such information, if available, should not form the basis of any investment decision by an investor to subscribe for, purchase or deal in the Notes or Perpetual Securities.

A copy of any or all of the documents deemed to be incorporated herein by reference, unless such documents have been modified or superseded as specified above, will be (i) available (upon prior appointment and written request and satisfactory proof of holding) during usual business hours (being 9.00 a.m. to 3.00 p.m.) on any weekday (Saturdays, Sundays and public holiday excepted) from the specified office of each of the Issuing and Paying Agents or (ii) available electronically via e-mail from the Issuing and Paying Agent. A Pricing Supplement relating to unlisted Notes or Perpetual Securities will only be available for inspection by a holder of such Notes or Perpetual Securities, and such holder must produce evidence satisfactory to the Issuing and Paying Agent as to its holding of Notes or Perpetual Securities and its identity.

If the terms of the Programme are modified or amended in a manner which would make this Offering Circular, as so modified or amended, inaccurate or misleading, a new offering circular or a supplement to the Offering Circular will be prepared.

Any published unaudited interim financial statements in respect of SRMTN, any New Issuer (if any), Suntec REIT and their respective subsidiaries which are, from time to time, deemed to be incorporated by reference in this Offering Circular will not have been audited by the auditors of SRMTN, any New Issuer (if any), Suntec REIT and their respective subsidiaries. Accordingly, there can be no assurance that, had an audit been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance upon them.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without coupons attached. Notes (whether in bearer or registered form) will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**).

Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will be initially issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Pricing Supplement, a permanent global note (a **Permanent Global Note** and, together with the Temporary Global Notes, each a **Bearer Global Note**) which will be delivered on or prior to the original issue date of the Tranche to (i) the common depositary for Euroclear and Clearstream or (ii) CDP.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Bearer Note Exchange Date (as defined below) will be made against presentation of the Temporary Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream and/or CDP and (in the case of a Temporary Global Note delivered to a common depositary for Euroclear and Clearstream) Euroclear and/or Clearstream, as applicable, has given a like certification (based on the certifications it has received) to the Issuing and Paying Agent.

On and after the date (the **Bearer Note Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note may be exchanged (free of charge) upon notice being given as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Bearer Note Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Bearer Notes is improperly withheld or refused.

In respect of a Permanent Global Note held through Euroclear and/or Clearstream or CDP, payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream or CDP, as the case may be, against presentation or surrender (as the case may be) of the Permanent Global Note without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means:

(a) in the case of Notes cleared through Euroclear and Clearstream, that:

    (i) an Event of Default (as defined in Condition 10 of the Notes) has occurred and is continuing;

(ii) the relevant Issuer has been notified that in the case of Notes cleared through Euroclear and Clearstream, both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor or alternative clearing system satisfactory to the Trustee is available; or

(iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form and a certificate to such effect signed by an authorised signatory of the relevant Issuer is given to the Trustee; and

(b) in the case of Notes cleared through CDP, that:

(i) an event of default, enforcement event or analogous event entitling the Trustee to declare the Notes to be due and payable as provided in the Conditions has occurred and is continuing;

(ii) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business and no alternative clearing system is available; or

(iii) CDP has notified the relevant Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in its terms and conditions for the provision of depository services, and no alternative clearing system is available.

The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Global Note), or, as the case may be, the common depositary acting on behalf of Euroclear and/or Clearstream, may give notice to the Issuing and Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (a)(iii) above, the relevant Issuer may also give notice to the Issuing and Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Issuing and Paying Agent or the CDP Issuing and Paying Agent.

The following legend will appear on all Bearer Notes which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear, Clearstream or CDP, as the case may be.

The rights of the holders are set out in and subject to the provisions of the Trust Deed and the Conditions.

Direct Rights in respect of Bearer Global Notes cleared through CDP

Where a Bearer Global Note is cleared through CDP, if an Event of Default as provided in the Conditions has occurred and is continuing, the Trustee may state in a written notice to the CDP Issuing and Paying Agent and the relevant Issuer (the **default notice**) that an Event of Default has occurred and is continuing.

Following the giving of the default notice, the holder of the Notes represented by the Bearer Global Note cleared through CDP may (subject as provided below) elect that direct rights (**Direct Rights**) under the provisions of the relevant CDP Deed of Covenant (as defined in the Conditions) shall come into effect in respect of a nominal amount of Notes up to the aggregate nominal amount in respect of which such default notice has been given. Such election shall be made by notice to the CDP Issuing and Paying Agent and presentation of the Bearer Global Note to or to the order of the CDP Issuing and Paying Agent for reduction of the nominal amount of Notes represented by the Bearer Global Note by such amount as may be stated in such notice and by endorsement of the appropriate schedule to the Bearer Global Note of the nominal amount of Notes in respect of which Direct Rights have arisen under the relevant CDP Deed of Covenant. Upon each such notice being given, the Bearer Global Note shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Bearer Note Exchange Date unless the holder elects in such notice that the exchange for such Notes shall no longer take place.

Registered Notes

Each Tranche of Registered Notes will initially be represented by a global note in registered form (a **Registered Global Note** and, together with the Bearer Global Notes, each a **Global Note**). Registered Global Notes will be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream or deposited with CDP or its nominee, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.5 of the Notes) as the registered holder of the Registered Global Notes. None of the relevant Issuer, (where relevant) the Guarantor, the Trustee, any Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising, investigating, monitoring or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.5 of the Notes) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means:

(a) in the case of Notes cleared through Euroclear and Clearstream, that:

    (i) an Event of Default (as defined in Condition 10 of the Notes) has occurred and is continuing;

(ii) the relevant Issuer has been notified that in the case of Notes cleared through Euroclear and Clearstream, both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor or alternative clearing system satisfactory to the Trustee is available; or

(iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form and a certificate to such effect signed by an authorised signatory of the relevant Issuer is given to the Trustee; and

(b) in the case of Notes cleared through CDP, that:

(i) an event of default, enforcement event or analogous event entitling the Trustee to declare the Notes to be due and payable as provided in the Conditions has occurred and is continuing;

(ii) CDP has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) has announced an intention permanently to cease business and no alternative clearing system is available; or

(iii) CDP has notified the relevant Issuer that it is unable or unwilling to act as depository for the Notes and to continue performing its duties set out in its terms and conditions for the provision of depository services, and no alternative clearing system is available.

The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 of the Notes if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Registered Global Note), or, as the case may be, the common depositary acting on behalf of Euroclear and/or Clearstream may give notice to the Registrar, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (a)(iii) above, the relevant Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar (the last date for such exchange, the **Registered Note Exchange Date**).

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear, Clearstream or CDP or the case may be.

Direct Rights in respect of Registered Global Notes cleared through CDP

Where a Registered Global Note is cleared through CDP, if an Event of Default as provided in the Conditions has occurred and is continuing, the Trustee may state in a default notice given to the CDP Issuing and Paying Agent and the relevant Issuer that an Event of Default has occurred and is continuing.

Following the giving of the default notice, the holder of the Notes represented by the Registered Global Note cleared through CDP may (subject as provided below) elect that Direct Rights under the provisions of the relevant CDP Deed of Covenant shall come into effect in respect of a nominal amount of Notes up to the aggregate nominal amount in respect of which such default notice has been given. Such election shall be made by notice to the CDP Issuing and Paying Agent and presentation of the Registered Global Note to or to the order of the CDP Issuing and Paying Agent for reduction of the nominal amount of Notes represented by the Registered Global Note by such amount as may be stated in such notice and by entry by or on behalf of the CDP Registrar in the

Register of the nominal amount of Notes in respect of which Direct Rights have arisen under the relevant CDP Deed of Covenant. Upon each such notice being given, the Registered Global Note shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Registered Note Exchange Date unless the holder elects in such notice that the exchange for such Notes shall no longer take place.

General

Pursuant to the Agency Agreement, the Issuing and Paying Agent or the CDP Issuing and Paying Agent shall arrange for, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream or CDP, each person (other than Euroclear and/or Clearstream or CDP or its nominee) who is for the time being shown in the records of Euroclear or of Clearstream or CDP as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear and/or Clearstream or CDP as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the relevant Issuer, the Guarantor, the Trustee, (in the case of Registered Global Notes) the Registrar and all other agents of the relevant Issuer as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest and, in the case of Notes cleared through CDP, premium, redemption, purchase and/or any other amounts which accrue or are otherwise payable by the relevant Issuer through CDP, on such nominal amount of such Notes, for which purposes the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the relevant Issuer, the Guarantor, the Trustee and their agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expression **Noteholder** and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream and/or CDP shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

FORM OF THE PERPETUAL SECURITIES

The Perpetual Securities of each Series will be in either bearer form, with or without distribution coupons attached, or registered form, without coupons attached. Perpetual Securities (whether in bearer or registered form) will be issued outside the United States in reliance on Regulation S under the Securities Act (**Regulation S**).

Bearer Perpetual Securities

Each Tranche of Bearer Perpetual Securities will be in bearer form and will be initially issued in the form of a temporary global perpetual security (a **Temporary Global Perpetual Security**) or, if so specified in the applicable Pricing Supplement, a permanent global perpetual security (a **Permanent Global Perpetual Security** and, together with the Temporary Global Perpetual Securities, each a **Bearer Global Perpetual Security**) which will be delivered on or prior to the original issue date of the Tranche to (i) the common depositary for Euroclear and Clearstream or (ii) CDP.

Whilst any Perpetual Security is represented by a Temporary Global Perpetual Security, payments of principal, distribution (if any) and any other amount payable in respect of the Perpetual Securities due prior to the Bearer Perpetual Security Exchange Date (as defined below) will be made against presentation of the Temporary Global Perpetual Security only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Perpetual Security are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream and/or CDP and (in the case of a Temporary Global Perpetual Security delivered to a common depositary for Euroclear and Clearstream) Euroclear and/or Clearstream, as applicable, has given a like certification (based on the certifications it has received) to the Issuing and Paying Agent.

On and after the date (the **Bearer Perpetual Security Exchange Date**) which is 40 days after a Temporary Global Perpetual Security is issued, interests in such Temporary Global Perpetual Security may be exchanged (free of charge) upon notice being given as described therein either for (a) interests in a Permanent Global Perpetual Security of the same Series or (b) definitive Bearer Perpetual Securities of the same Series with, where applicable, distribution coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Perpetual Securities, to such notice period as is specified in the applicable Pricing Supplement), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Perpetual Security will not be entitled to collect any payment of distribution, principal or other amount due on or after the Bearer Perpetual Security Exchange Date unless, upon due certification, exchange of the Temporary Global Perpetual Security for an interest in a Permanent Global Perpetual Security or for definitive Bearer Perpetual Securities is improperly withheld or refused.

In respect of a Permanent Global Perpetual Security held through Euroclear and/or Clearstream or CDP, payments of principal, distribution (if any) or any other amounts on a Permanent Global Perpetual Security will be made through Euroclear and/or Clearstream or CDP, as the case may be, against presentation or surrender (as the case may be) of the Permanent Global Perpetual Security without any requirement for certification.

The applicable Pricing Supplement will specify that a Permanent Global Perpetual Security will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Perpetual Securities with, where applicable, distribution coupons and talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means:

(a) in the case of Perpetual Securities cleared through Euroclear and Clearstream, that:

(i) an Enforcement Event (as defined in Condition 9 of the Perpetual Securities) has occurred and is continuing;

(ii) the relevant Issuer has been notified that in the case of Perpetual Securities cleared through Euroclear and Clearstream, both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor or alternative clearing system satisfactory to the Trustee is available; or

(iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Perpetual Securities in definitive form and a certificate to such effect signed by an authorised signatory of the relevant Issuer is given to the Trustee; and

(b) in the case of Perpetual Securities cleared through CDP, that:

(i) an event of default, enforcement event or analogous event entitling the Trustee to declare the Perpetual Securities to be due and payable as provided in the Conditions has occurred and is continuing;

(ii) CDP has closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business and no alternative clearing system is available; or

(iii) CDP has notified the relevant Issuer that it is unable or unwilling to act as depository for the Perpetual Securities and to continue performing its duties set out in its terms and conditions for the provision of depository services, and no alternative clearing system is available.

The relevant Issuer will promptly give notice to Perpetual Securityholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Permanent Global Perpetual Security), or, as the case may be, the common depositary acting on behalf of Euroclear and/or Clearstream, may give notice to the Issuing and Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (a)(iii) above, the relevant Issuer may also give notice to the Issuing and Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Issuing and Paying Agent or the CDP Issuing and Paying Agent.

The following legend will appear on all Bearer Perpetual Securities which have an original maturity of more than 365 days and on all distribution coupons relating to such Perpetual Securities:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Perpetual Securities or distribution coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Perpetual Securities or distribution coupons.

Perpetual Securities which are represented by a Bearer Global Perpetual Security will only be transferable in accordance with the rules and procedures for the time being of Euroclear, Clearstream or CDP, as the case may be.

The rights of the holders are set out in and subject to the provisions of the Trust Deed and the Conditions.

Direct Rights in respect of Bearer Global Perpetual Securities cleared through CDP

Where a Bearer Global Perpetual Security is cleared through CDP, if there shall occur any Enforcement Event, the Trustee may exercise the right to institute proceedings for the Winding-Up of Suntec REIT and/or prove in the Winding-Up of the relevant Issuer and/or Suntec REIT and/or claim in the liquidation or termination of the relevant Issuer and/or Suntec REIT for payment, in accordance with the Conditions.

Following the exercise of such rights, the holder of the Perpetual Securities represented by the Bearer Global Perpetual Security cleared through CDP may (subject as provided below) elect that direct rights (**Direct Rights**) under the provisions of the relevant CDP Deed of Covenant (as defined in the Conditions) shall come into effect in respect of a nominal amount of Perpetual Securities up to the aggregate nominal amount in respect of which such rights have been exercised. Such election shall be made by notice to the CDP Issuing and Paying Agent and presentation of the Bearer Global Perpetual Security to or to the order of the CDP Issuing and Paying Agent for reduction of the nominal amount of Perpetual Securities represented by the Bearer Global Perpetual Security by such amount as may be stated in such notice and by endorsement of the appropriate schedule to the Bearer Global Perpetual Security of the nominal amount of Perpetual Securities in respect of which Direct Rights have arisen under the relevant CDP Deed of Covenant. Upon each such notice being given, the Bearer Global Perpetual Security shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Bearer Perpetual Security Exchange Date unless the holder elects in such notice that the exchange for such Perpetual Securities shall no longer take place.

Registered Perpetual Securities

Each Tranche of Registered Perpetual Securities will initially be represented by a global perpetual security in registered form (a **Registered Global Perpetual Security** and, together with the Bearer Global Perpetual Securities, each a **Global Perpetual Security**). Registered Global Perpetual Securities will be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream or deposited with CDP or its nominee, as specified in the applicable Pricing Supplement. Persons holding beneficial interests in Registered Global Perpetual Securities will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Perpetual Securities in fully registered form.

Payments of principal, distribution and any other amount in respect of the Registered Global Perpetual Securities will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 5.5 of the Perpetual Securities) as the registered holder of the Registered Global Perpetual Securities. None of the relevant Issuer, the Trustee, any Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Perpetual Securities or for maintaining, supervising, investigating, monitoring or reviewing any records relating to such beneficial ownership interests.

Payments of principal, distribution or any other amount in respect of the Registered Perpetual Securities in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 5.5 of the Perpetual Securities) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Perpetual Security will be exchangeable (free of charge), in whole but not in part, for definitive Registered Perpetual Securities without distribution coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means:

(a) in the case of Perpetual Securities cleared through Euroclear and Clearstream, that:

(i) an Enforcement Event (as defined in Condition 9 of the Perpetual Securities) has occurred and is continuing;

(ii) the relevant Issuer has been notified that in the case of Perpetual Securities cleared through Euroclear and Clearstream, both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor or alternative clearing system satisfactory to the Trustee is available; or

(iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Perpetual Securities in definitive form and a certificate to such effect signed by an authorised signatory of the relevant Issuer is given to the Trustee; and

(b) in the case of Perpetual Securities cleared through CDP, that:

(i) an event of default, enforcement event or analogous event entitling the Trustee to declare the Perpetual Securities to be due and payable as provided in the Conditions has occurred and is continuing;

(ii) CDP has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) has announced an intention permanently to cease business and no alternative clearing system is available; or

(iii) CDP has notified the relevant Issuer that it is unable or unwilling to act as depository for the Perpetual Securities and to continue performing its duties set out in its terms and conditions for the provision of depository services, and no alternative clearing system is available.

The relevant Issuer will promptly give notice to Perpetual Securityholders in accordance with Condition 13 of the Perpetual Securities if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, CDP or Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in such Registered Global Perpetual Security), or, as the case may be, the common depositary acting on behalf of Euroclear and/or Clearstream may give notice to the Registrar, requesting exchange and, in the event of the occurrence of an Exchange Event as described in (a)(iii) above, the relevant Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar (the last date for such exchange, the **Registered Perpetual Security Exchange Date**).

Interests in a Registered Global Perpetual Security may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Perpetual Security. No beneficial owner of an interest in a Registered Global Perpetual Security will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear, Clearstream or CDP or the case may be.

Direct Rights in respect of Registered Global Perpetual Securities cleared through CDP

Where a Registered Global Perpetual Security is cleared through CDP, if there shall occur any Enforcement Event, the Trustee may exercise the right to institute proceedings for the Winding-Up of Suntec REIT and/or prove in the Winding-Up of the relevant Issuer and/or Suntec REIT and/or claim in the liquidation or termination of the relevant Issuer and/or Suntec REIT for payment, in accordance with the Conditions.

Following the exercise of such rights, the holder of the Perpetual Securities represented by the Registered Global Perpetual Security cleared through CDP may (subject as provided below) elect that Direct Rights under the provisions of the relevant CDP Deed of Covenant shall come into effect in respect of a nominal amount of Perpetual Securities up to the aggregate nominal amount in respect of which such rights have been exercised. Such election shall be made by notice to the CDP Issuing and Paying Agent and presentation of the Registered Global Perpetual Security to or to the order of the CDP Issuing and Paying Agent for reduction of the nominal amount of Perpetual Securities represented by the Registered Global Perpetual Security by such amount as may be stated in such notice and by entry by or on behalf of the CDP Registrar in the Register of the nominal amount of Perpetual Securities in respect of which Direct Rights have arisen under the relevant CDP Deed of Covenant. Upon each such notice being given, the Registered Global Perpetual Security shall become void to the extent of the nominal amount stated in such notice, save to the extent that the appropriate Direct Rights shall fail to take effect. No such election may however be made on or before the Registered Perpetual Security Exchange Date unless the holder elects in such notice that the exchange for such Perpetual Securities shall no longer take place.

General

Pursuant to the Agency Agreement, the Issuing and Paying Agent or the CDP Issuing and Paying Agent shall arrange for, where a further Tranche of Perpetual Securities is issued which is intended to form a single Series with an existing Tranche of Perpetual Securities, the Perpetual Securities of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Perpetual Securities of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Perpetual Securities of such Tranche.

For so long as any of the Perpetual Securities is represented by a Global Perpetual Security held on behalf of Euroclear and/or Clearstream or CDP, each person (other than Euroclear and/or Clearstream or CDP or its nominee) who is for the time being shown in the records of Euroclear or of Clearstream or CDP as the holder of a particular nominal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear and/or Clearstream or CDP as to the nominal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the relevant Issuer, the Trustee, (in the case of Registered Global Perpetual Securities) the Registrar and all other agents of the relevant Issuer as the holder of such nominal amount of such Perpetual Securities for all purposes other than with respect to the payment of principal or distribution and, in the case of Perpetual Securities cleared through CDP, premium redemption, purchase and/or any other amounts which accrue or are otherwise payable by the relevant Issuer through CDP, on such nominal amount of such Perpetual Securities, for which purposes the bearer of the relevant Bearer Global Perpetual Security or the registered holder of the relevant Registered Global Perpetual Security shall be treated by the relevant Issuer, the Trustee and their agents as the holder of such

nominal amount of such Perpetual Securities in accordance with and subject to the terms of the relevant Global Perpetual Security and the expression **Perpetual Securityholder** and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream and/or CDP shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the relevant Issuer unless the Trustee, having become bound so to proceed, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

APPLICABLE PRICING SUPPLEMENT FOR NOTES

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Notes issued under the Programme

[**PRIIPs Regulation/PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**) or in the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the **Prospectus Regulation**). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]

[**MiFID II product governance/target market** – [*appropriate target market legend to be included*]]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time (the SFA) –** *to insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)*]

[*Date*]

[SUNTEC REIT MTN PTE. LTD.]/[NAME OF NEW ISSUER]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
Guaranteed by HSBC Institutional Trust Services (Singapore) Limited
(in its capacity as trustee of Suntec Real Estate Investment Trust)
under the U.S.$2,000,000,000
Euro Medium Term Securities Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 15 October 2020. This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with the Offering Circular. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

[***The following alternative language applies if the first Tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.***

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [*original date*]. This document is the Pricing Supplement for the Notes described herein and must be read in conjunction with the Offering Circular dated [*current date*], save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circulars dated [*current date*] and [*original date*].]

[***The following language applies if the Notes are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act, Chapter 134 of Singapore.***

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the **ITA**), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[***Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.***]

[***If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency.***]

1.	(a)	Issuer:	[Suntec REIT MTN Pte. Ltd./[*Name of New Issuer*]]
	(b)	Legal Entity Identifier (**LEI**) of the Issuer:	[●]
	(c)	Guarantor:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec Real Estate Investment Trust)
2.	(a)	Series Number:	[●]
	(b)	Tranche Number:	[●]
	(c)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/ exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [●] below, which is expected to occur on or about [*date*]]/[Not Applicable]
3.	Specified Currency or Currencies:		[●]
4.	Aggregate Nominal Amount:		
	(a)	Series:	[●]
	(b)	Tranche:	[●]

5.	(a)	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*if applicable*)]
	(b)	Private banking rebates:	[Yes/Not Applicable]
6.	(a)	Specified Denominations:	[●] (*N.B. In the case of Registered Notes, this means the minimum integral amount in which transfers can be made*) *Notes (including Notes denominated in Sterling) in respect of which issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).* *If the Specified Denomination is expressed to be €100,000 or its equivalent and multiples of a lower nominal amount (for example, €1,000), insert the following:* *"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]."*
	(b)	Calculation Amount:	[●] (*If only one Specified Denomination, insert the Specified Denomination.* *If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations*.)
7.	(a)	Issue Date:	[●]
	(b)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable] (*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.*)

8.	Maturity Date:	[*Fixed rate – specify date/Floating rate* – Interest Payment Date falling in or nearest to [*specify month or year*]][1]
9.	Interest Basis:	[[●] per cent. Fixed Rate] [[LIBOR/EURIBOR/SIBOR/SOR/CNH HIBOR]+/-[●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [*specify other*] (*further particulars specified below*)
10.	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [*specify other*]
11.	Change of Interest Basis or Redemption/Payment Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*]/[Not Applicable]
12.	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]

[1] Note that for Hong Kong dollar and Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to use the second option here.

13.	(a)	Status of the Notes:	Senior
	(b)	Status of the Guarantee:	Senior
	(c)	[Date [Board] approval for issuance of Notes and Guarantee obtained:	[●] [and [●], respectively]] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes or related Guarantee*)

Provisions Relating to Interest (if any) Payable

14.		Fixed Rate Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a)	Rate(s) of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/other (*specify*)] in arrear] (*If payable other than annually, consider amending Condition 5 of the Notes*)
	(b)	Interest Payment Date(s):	[[●] in each year up to and including the Maturity Date]/[*specify other*][1] (*N.B. This will need to be amended in the case of long or short coupons*)
	(c)	Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Condition):	[●] per Calculation Amount[2]
	(d)	Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Condition):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]

[1] Note that for certain Hong Kong dollar and Renminbi denominated Fixed Rate Notes the Interest Payment Dates are subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, **Business Day** means a day on which commercial banks and foreign exchange markets settle payments [in Renminbi] and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [Hong Kong][Singapore] and [●]"

[2] For Hong Kong dollar and Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following wording may be appropriate: "Each Fixed Coupon Amount shall be calculated by applying the Rate of Interest to each Calculation Amount, multiplying such sum by the [Day Count Fraction]/[actual number of days in the Fixed Interest Period divided by 365] and rounding the resultant figure to the nearest [HK$/CNY]0.01, with [HK$/CNY]0.005 being rounded upwards."

(e)	Day Count Fraction:	[[30/360]/[Actual/Actual (ICMA)]/[Actual/365 (Fixed)]/ [*specify other*]]
(f)	Determination Date(s):	[●] in each year *(Only relevant where Day Count Fraction is Actual/ Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
(g)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]
15.	Floating Rate Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Specified Period(s)/Specified Interest Payment Dates:	[●][, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]/Not Applicable]
(c)	Additional Business Centre(s):	[●]
(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/ *specify other*]
(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Calculation Agent):	[●] (the **Calculation Agent**)
(f)	Screen Rate Determination:	
	• Reference Rate:	[●] *(Either LIBOR, EURIBOR, SIBOR, SOR, CNH HIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)*

- Interest Determination Date(s): [●]

  (Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling, Singapore dollar, Hong Kong dollar or euro LIBOR), first day of each Interest Period if Sterling LIBOR or Singapore dollar or Hong Kong dollar LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR, or second business day prior to start of Interest Period if SIBOR or SOR, or the second Hong Kong business day prior to the start of each Interest Period if CNH HIBOR)

- Relevant Screen Page: [●]

  (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

- Reference Banks: [●]

- Relevant Financial Centre: [●]

(g) ISDA Determination:

- Floating Rate Option: [●]

- Designated Maturity: [●]

- Reset Date: [●]

  (In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)

  (N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)

(h) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]

(i) Margin(s): [+/-][●] per cent. per annum

(j)	Minimum Rate of Interest:	[●] per cent. per annum
(k)	Maximum Rate of Interest:	[●] per cent. per annum
(l)	Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360][Bond Basis] [30E/360] [Eurobond basis] [30E/360 (ISDA)] [*Other*] *(See Condition 5.2 of the Notes for alternatives)*
16.	Zero Coupon Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(a)	Accrual Yield:	[●] per cent. per annum
(b)	Reference Price:	[●]
(c)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]
17.	[Index Linked Interest Note Provisions	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(a)	Index/Formula:	[*give or annex details*]
(b)	Calculation Agent:	[*give name*]

(c)	Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Calculation Agent):	[●]
(d)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
(e)	Specified Period(s)/Specified Interest Payment Dates:	[●]
(f)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ *specify other*]
(g)	Additional Business Centre(s):	[●]
(h)	Minimum Rate of Interest:	[●] per cent. per annum
(i)	Maximum Rate of Interest:	[●] per cent. per annum
(j)	Day Count Fraction:	[●]
18.	Dual Currency Interest Note Provisions	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Rate of Exchange/method of calculating Rate of Exchange:	[*give or annex details*]
(b)	Party, if any, responsible for calculating the principal and/or interest due (if not the Principal Paying Agent):	[●]
(c)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
(d)	Person at whose option Specified Currency(ies) is/are payable:	[●]

Provisions Relating to Redemption

19.	Redemption at the Option of the Issuer:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(a) Optional Redemption Date(s):	[●]
	(b) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/*specify other*/see Appendix]
	(c) If redeemable in part:	
	(i) Minimum Redemption Amount:	[●] per Calculation Amount
	(ii) Maximum Redemption Amount:	[●] per Calculation Amount
	(d) Notice period (if other than as set out in the Conditions):	[●] (*N.B. When setting notice periods which are different to those provided in the Conditions, the relevant Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the relevant Issuer and the Issuing and Paying Agent or Trustee*)
20.	Investor Put:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Optional Redemption Date(s):	[●]
	(b) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount/*specify other*/see Appendix]

	(c) Notice period (if other than as set out in the Conditions):	[●] (*N.B. When setting notice periods which are different to those provided in the Conditions, the relevant Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the relevant Issuer and the Issuing and Paying Agent or Trustee*)
21.	Redemption in the case of Minimum Outstanding Amount:	[Applicable/Not Applicable] [[●] *Notice period (if other than as set out in the Conditions*] (*N.B. When setting notice periods which are different to those provided in the Conditions, the relevant Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the relevant Issuer and the Issuing and Paying Agent or Trustee*)
22.	Final Redemption Amount:	[●] per Calculation Amount
23.	Early Redemption Amount payable on redemption for taxation reasons or on event of default):	[●] per Calculation Amount (*N.B. consider where make-whole amounts or reference rates will be relevant*)

General Provisions Applicable to the Notes

24.	Form of Notes:	[Bearer Notes:] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event] [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Permanent Global Note exchangeable for Definitive Notes only upon an Exchange Event]

[Registered Notes:

Regulation S Registered Global Note ([U.S.$][●] nominal amount) exchangeable for Definitive Registered Notes only upon an Exchange Event registered in the name of a nominee for a common depositary for Euroclear Bank SA/NV and Clearstream Banking S.A.]

(*Specified Denomination construction substantially to the following effect: "*[*€100,000*] *and integral multiples of* [*€1,000*] *in excess thereof up to and including* [*€199,000*]."*is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.*)

25. Governing Law of the Notes: English Law

26. Additional Financial Centre(s): [Not Applicable/*give details*]

(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 15(c) and 17(g) relate)

27. Offshore Renminbi Centre(s): [Hong Kong[/and] Singapore/*other relevant jurisdiction where clearing bank agreements have been established*] [and a reference to the Offshore Renminbi Centre shall mean[, other than for the purpose of Condition 6.7(b) of the Notes,] a reference to [any] of them]

(Note that this paragraph relates to Conditions 6.1(c), 6.5 and 6.7(b) of the Notes and consideration should be given as to whether the relevant clearing system and the clearing bank agreements have appropriate mechanisms/procedures in place to deal with payments in the relevant offshore Renminbi centres)

28. Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*] [Not Applicable]

29.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the relevant Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details*. *N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
30.	Details relating to Instalment Notes:	
	(a) Instalment Amount(s):	[Not Applicable/*give details*]
	(b) Instalment Date(s):	[Not Applicable/*give details*]
31.	Other terms:	[Not Applicable/*give details*]

Distribution

32.	Method of distribution:	[Syndicated/Non-syndicated]
33.	(a) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(b) Date of Subscription Agreement:	[●]
	(c) Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
34.	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
35.	U.S. Selling Restrictions:	[Reg. S Compliance Category [1/2]; TEFRA D/TEFRA C/TEFRA not applicable]
36.	Prohibition of Sales to EEA and UK Retail Investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*
37.	Additional selling restrictions:	[Not Applicable/*give details*]

Operational Information

38.	ISIN Code:	[●]
39.	Common Code:	[●] *(Insert here any other relevant codes)*
40.	Any clearing system(s) other than Euroclear Bank SA/NV, and Clearstream Banking S.A.:	[CDP/Not Applicable/*Give name(s) and number(s)*]
41.	Delivery:	Delivery [against/free of] payment
42.	Names and addresses of additional Paying Agent(s) (if any):	[●]
43.	Registrar:	[●] (*include in respect of Registered Notes only*)
44.	Ratings:	[The Notes to be issued will not be rated/The Notes to be issued have been rated:] *(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*
45.	Listing:	[Singapore Exchange Securities Trading Limited/ *specify other*/None]
46.	[Details of Issuer:	[*Only applicable when New Issuer accedes to the Programme, specify country of incorporation, date of incorporation, details of its registered office, authorised share capital, business and directors*]]

Listing Application

This Pricing Supplement comprises the final terms required for issue and admission to trading on [the Singapore Exchange Securities Trading Limited] of the Notes described herein pursuant to the U.S.$2,000,000,000 Euro Medium Term Securities Programme of Suntec Real Estate Investment Trust.

Responsibility

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

[The Singapore Exchange Securities Trading Limited (the **SGX-ST**) assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Guarantor, Suntec REIT, the Programme or the Notes.]

Signed on behalf of **[SUNTEC REIT MTN PTE. LTD./[Name of New Issuer]]**:

By: _____
Duly authorised

Signed on behalf of **HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED (IN ITS CAPACITY AS TRUSTEE OF SUNTEC REAL ESTATE INVESTMENT TRUST)**:

By: _____
Duly authorised

By: _____
Duly authorised

APPLICABLE PRICING SUPPLEMENT FOR PERPETUAL SECURITIES

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Perpetual Securities issued under the Programme

[**PRIIPs Regulation/PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS** – The Perpetual Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**) or in the United Kingdom (the **UK**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the **Prospectus Regulation**). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Perpetual Securities or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Perpetual Securities or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]

[**MiFID II product governance/target market** – [*appropriate target market legend to be included*]]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act, Chapter 289 of Singapore, as modified or amended from time to time (the SFA) –** *to insert notice if classification of the Perpetual Securities is not "prescribed capital markets products", pursuant to Section 309B of the SFA or Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)*]

[*Date*]

HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED
(IN ITS CAPACITY AS TRUSTEE OF SUNTEC REAL ESTATE INVESTMENT TRUST)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Perpetual Securities]
under the U.S.$2,000,000,000
Euro Medium Term Securities Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 15 October 2020. This document constitutes the Pricing Supplement of the Perpetual Securities described herein and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Perpetual Securities is only available on the basis of the combination of this Pricing Supplement and the Offering Circular.

[***The following alternative language applies if the first Tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.***

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [*original date*]. This document is the Pricing Supplement for the Perpetual Securities described herein and must be read in conjunction with the Offering Circular dated [*current date*], save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto. Full information on the Issuer and the offer of the Perpetual Securities is only available on the basis of the combination of this Pricing Supplement and the Offering Circulars dated [*current date*] and [*original date*].]

[***The following language applies where an advance tax ruling will be requested from the Inland Revenue Authority of Singapore.***

An advance tax ruling will be requested from IRAS to confirm, amongst other things, whether IRAS would regard the Perpetual Securities as "debt securities" for the purposes of the Income Tax Act, Chapter 134 of Singapore (the **ITA**) and the distributions (including any [Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts]) made under the Perpetual Securities as interest payable on indebtedness such that holders of the Perpetual Securities may enjoy the tax concessions and exemptions available for qualifying debt securities under the qualifying debt securities scheme, as set out in the section "*Taxation – Singapore Taxation*" of the Offering Circular provided that the relevant conditions are met.

There is no guarantee that a favourable ruling will be obtained from IRAS. In addition, no assurance is given that the Issuer can provide all information or documents requested by IRAS for the purpose of the ruling request, and a ruling may not therefore be issued.

If the Perpetual Securities are not regarded as "debt securities" for the purposes of the ITA, the distributions (including any [Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts]) made under the Perpetual Securities are not regarded as interest payable on indebtedness and/or holders thereof are not eligible for the tax concessions or exemptions under the qualifying debt securities scheme, the tax treatment to holders may differ.

No assurance, warranty or guarantee is given on the tax treatment to holders of the Perpetual Securities in respect of the distributions payable to them (including any [Optional Distributions, Arrears of Distribution and any Additional Distribution Amounts]). Investors should therefore consult their own accounting and tax advisers regarding the Singapore income tax consequence of their acquisition, holding and disposal of the Perpetual Securities.]

[***The following language applies if the Perpetual Securities are intended to be Qualifying Debt Securities for the purposes of the Income Tax Act, Chapter 134 of Singapore.***

Where interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, prepayment fee, redemption premium or break cost is derived from any of the Perpetual Securities by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the [Income Tax Act, Chapter 134 of Singapore (the **ITA**)]/[ITA], shall not apply if such person acquires such Perpetual Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest (including distributions which are regarded as interest for Singapore income tax purposes), discount income, prepayment fee, redemption premium or break cost derived from the Perpetual Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.]

[***Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.***]

1.	(a)	Issuer:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec Real Estate Investment Trust)
	(b)	Legal Entity Identifier (**LEI**) of Suntec Real Estate Investment Trust:	549300C46QFXSI2F4K13

2.	(a)	Series Number:	[●]
	(b)	Tranche Number:	[●]
	(c)	Date on which the Perpetual Securities will be consolidated and form a single Series:	The Perpetual Securities will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Perpetual Security for interests in the Permanent Global Perpetual Security, as referred to in paragraph [●] below, which is expected to occur on or about [*date*]]/[Not Applicable]
3.		Specified Currency or Currencies:	[●]
4.		Aggregate Nominal Amount:	
	(a)	Series:	[●]
	(b)	Tranche:	[●]
5.	(a)	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued distribution from [*insert date*] (*if applicable*)]
	(b)	Private banking rebates:	[Yes/Not Applicable]
6.	(a)	Specified Denominations:	[●] (*N.B. In the case of Registered Perpetual Securities, this means the minimum integral amount in which transfers can be made*) *If the Specified Denomination is expressed to be €100,000 or its equivalent and multiples of a lower nominal amount (for example, €1,000), insert the following:* *"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Perpetual Securities in definitive form will be issued with a denomination above [€199,000]."*
	(b)	Calculation Amount:	[●] (*If only one Specified Denomination, insert the Specified Denomination.* *If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations*.)

7.	(a)	Issue Date:	[●]
	(b)	Distribution Commencement Date:	[*specify*/Issue Date/Not Applicable] (*N.B. An Distribution Commencement Date will not be relevant for certain Perpetual Securities*)
8.	Distributions:		
	(a)	Distribution Basis:	[[●] per cent. Fixed Rate] [[LIBOR/EURIBOR/SIBOR/SOR/CNH HIBOR]+/-[●] per cent. Floating Rate] [Index Linked Distribution] [Dual Currency Distribution] [*specify other*] (*further particulars specified below*)
	(b)	Distribution Deferral:	[Applicable/Not Applicable]
	(c)	Cumulative Deferral:	[Applicable/Not Applicable]
	(d)	Non-Cumulative Deferral:	[Applicable/Not Applicable]
	(e)	Optional Payment:	[Applicable/Not Applicable]
	(f)	Additional Distribution Amount:	[Applicable/Not Applicable]
	(g)	Dividend Pusher:	[Applicable/Not Applicable] [*Dividend Pusher periods*] (*N.B. If Dividend Pusher is applicable, to specify the period(s) during which a Compulsory Distribution Payment Event must not occur in order for the Issuer to defer any distribution.*) [*Specify any other Compulsory Distribution Payment Events*]
	(h)	Dividend Stopper:	[Applicable/Not Applicable]

9.	Payment Basis:	[Not Applicable] [Partly Paid] [*specify other*] (*N.B. If the Perpetual Securities are issued on a fully paid basis, select "Not Applicable"*)
10.	Change of Distribution Basis or Payment Basis:	[*Specify details of any provision for change of Perpetual Securities into another Distribution Basis or Payment Basis*]/[Not Applicable]
11.	Call Options:	[Redemption for Accounting Reasons] [Redemption for Tax Deductibility Event] [Redemption upon a Ratings Event] [Redemption upon a Regulatory Event] [Redemption at the Option of the Issuer] [Redemption in the case of Minimum Outstanding Amount] [(further particulars specified below)]
12.	(a) Status of the Perpetual Securities:	[Senior/Subordinated]
	(b) [Date [Board] approval for issuance of Perpetual Securities obtained:	[●] [and [●], respectively]] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Perpetual Securities*)
13.	[Ranking of claims:	[As specified in Condition 3.2/*give details on ranking of claims on Winding-Up*]]
14.	Parity Obligations:	[As specified in Condition 3.2/*give definition/details*]
15.	Junior Obligations:	[As specified in Condition 3.2/*give definition/details*]

Provisions Relating to Distribution (if any) Payable

16.	Fixed Rate Perpetual Security Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(a) Initial Rate(s) of Distribution:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/other (*specify*)] in arrear] (*If payable other than annually, consider amending Condition 4 of the Perpetual Securities*)
	(b) Step-Up:	[Applicable/Not Applicable]
	• Step-Up Margin:	[+/-][●] per cent. per annum
	• Step-Up Date:	[●]
	(c) Reset:	[Applicable/Not Applicable]
	• First Reset Date:	[●]
	• Reset Date(s):	The First Reset Date and each date falling every [●] after the First Reset Date
	• Reset Period:	[●] (*give details*)
	• Relevant Rate:	[Swap Offer Rate/*other (give details)*]
	• Initial Spread:	[●] per cent. per annum
	• Step-Up Margin:	[[+/-][●] per cent. per annum/Not Applicable]
	• Reference Banks:	[●]
	(d) Distribution Payment Date(s):	[[●] in each year up]/[*specify other*][1] (*N.B. This will need to be amended in the case of long or short coupons*)

[1] Note that for certain Hong Kong dollar and Renminbi denominated Fixed Rate Perpetual Securities the Distribution Payment Dates are subject to modification and the following words should be added: "provided that if any Distribution Payment Date falls on a day which is not a Business Day, the Distribution Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Distribution Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, **Business Day** means a day on which commercial banks and foreign exchange markets settle payments [in Renminbi] and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [Hong Kong][Singapore] and [●]"

(e)	Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Perpetual Securities in global form see Condition):	[●] per Calculation Amount[1]
(f)	Broken Amount(s): for Notes in definitive form (and in relation to Perpetual Securities in global form see Condition):	[●] per Calculation Amount, payable on the Distribution Payment Date falling [in/on] [●]
(g)	Day Count Fraction:	[30/360]/[Actual/Actual (ICMA)]/[Actual/365 (Fixed)]/ [*specify other*]]
(h)	Determination Date(s):	[●] in each year *(Only relevant where Day Count Fraction is Actual/ Actual (ICMA). In such a case, insert regular distribution payment dates, ignoring issue date in the case of a long or short first coupon)*
(i)	Other terms relating to the method of calculating distribution for Fixed Rate Perpetual Securities:	[None/*Give details*]
17.	Floating Rate Perpetual Security Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Specified Period(s)/Specified Distribution Payment Dates:	[●][, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ [*specify other*]/Not Applicable]
(c)	Additional Business Centre(s):	[●]

[1] For Hong Kong dollar and Renminbi denominated Fixed Rate Perpetual Securities where the Distribution Payment Dates are subject to modification the following wording may be appropriate: "Each Fixed Coupon Amount shall be calculated by applying the Rate of Distribution to each Calculation Amount, multiplying such sum by the [Day Count Fraction]/[actual number of days in the Fixed Distribution Period divided by 365] and rounding the resultant figure to the nearest [HK$/CNY]0.01, with [HK$/CNY]0.005 being rounded upwards."

(d)	Manner in which the Rate of Distribution and Distribution Amount is to be determined:	[Screen Rate Determination/ISDA Determination/ *specify other*]
(e)	Party responsible for calculating the Rate of Distribution and Distribution Amount (if not the Calculation Agent):	[●] (the **Calculation Agent**)
(f)	Screen Rate Determination:	
	• Reference Rate:	[●] *(Either LIBOR, EURIBOR, SIBOR, SOR, CNH HIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)*
	• Distribution Determination Date(s):	[●] *(Second London business day prior to the start of each Distribution Period if LIBOR (other than Sterling, Singapore dollar, Hong Kong dollar or euro LIBOR), first day of each Distribution Period if Sterling LIBOR or Singapore dollar or Hong Kong dollar LIBOR and the second day on which the TARGET2 System is open prior to the start of each Distribution Period if EURIBOR or euro LIBOR, or second business day prior to start of Distribution Period if SIBOR or SOR, or the second Hong Kong business day prior to the start of each Distribution Period if CNH HIBOR)*
	• Relevant Screen Page:	[●] *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
	• Reference Banks:	[●]
	• Relevant Financial Centre:	[●]
(g)	ISDA Determination:	
	• Floating Rate Option:	[●]

	• Designated Maturity:	[●]
	• Reset Date:	[●] *(In the case of a LIBOR or EURIBOR based option, the first day of the Distribution Period)* *(N.B. The fall-back provisions applicable to ISDA Determination under the 2006 ISDA Definitions are reliant upon the provision by reference banks of offered quotations for LIBOR and/or EURIBOR which, depending on market circumstances, may not be available at the relevant time)*
(h)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Distribution for the [long/short] [first/last] Distribution Period shall be calculated using Linear Interpolation (*specify for each short or long distribution period*)]
(i)	Margin(s):	[+/-][●] per cent. per annum
(j)	Minimum Rate of Distribution:	[●] per cent. per annum
(k)	Maximum Rate of Distribution:	[●] per cent. per annum
(l)	Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360][Bond Basis] [30E/360] [Eurobond basis] [30E/360 (ISDA)] [*Other*] *(See Condition 4.2 of the Perpetual Securities for alternatives)*
18.	Index Linked Distribution Perpetual Security Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
(a)	Index/Formula:	[*give or annex details*]

(b)	Calculation Agent:	[*give name*]
(c)	Party responsible for calculating the Rate of Distribution (if not the Calculation Agent) and Distribution Amount (if not the Calculation Agent):	[●]
(d)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
(e)	Specified Period(s)/Specified Distribution Payment Dates:	[●][, subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
(f)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ *specify other*]
(g)	Additional Business Centre(s):	[●]
(h)	Minimum Rate of Distribution:	[●] per cent. per annum
(i)	Maximum Rate of Distribution:	[●] per cent. per annum
(j)	Day Count Fraction:	[●]
19.	Dual Currency Distribution Perpetual Security Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
(a)	Rate of Exchange/method of calculating Rate of Exchange:	[*give or annex details*]
(b)	Party, if any, responsible for calculating the principal and/or distribution due (if not the Calculation Agent):	[●] (the **Calculation Agent**)

(c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [*need to include a description of market disruption or settlement disruption events and adjustment provisions*]

(d) Person at whose option Specified Currency(ies) is/are payable: [●]

Provisions Relating to Redemption

20. Redemption at the option of the Issuer: [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this paragraph)

(a) Optional Redemption Date(s): [●]

(b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[●] per Calculation Amount/*specify other*/see Appendix]

(c) If redeemable in part:

(i) Minimum Redemption Amount: [●] per Calculation Amount

(ii) Maximum Redemption Amount: [●] per Calculation Amount

(d) Notice period (if other than as set out in the Conditions): [●]

(*N.B. When setting notice periods which are different to those provided in the Conditions, the relevant Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the relevant Issuer and the Issuing and Paying Agent or Trustee*)

21. Redemption for Accounting Reasons: [Applicable/Not Applicable]

22. Redemption for Tax Deductibility Event: [Applicable/Not Applicable]

23.	Redemption upon a Ratings Event:	[Applicable/Not Applicable]
24.	Redemption upon a Regulatory Event:	[Applicable/Not Applicable]
25.	Redemption in the case of Minimum Outstanding Amount :	[Applicable/Not Applicable]
26.	Early Redemption Amount payable on redemption for taxation reasons or Accounting Reasons, upon the occurrence of a Tax Deductibility Event, upon the occurrence of a Ratings Event, upon the occurrence of a Regulatory Event, at the option of the Issuer, upon in the case of Minimum Outstanding Amount and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[[●] per Calculation Amount/*specify other*/see Appendix] (*N.B. consider where make-whole amounts or reference rates will be relevant*)

General Provisions Applicable to the Perpetual Securities

27.	Form of Perpetual Securities:	[Bearer Perpetual Securities:] [Temporary Global Perpetual Security exchangeable for a Permanent Global Perpetual Security which is exchangeable for Definitive Perpetual Securities only upon an Exchange Event] [Temporary Global Perpetual Security exchangeable for Definitive Perpetual Securities on and after the Exchange Date] [Permanent Global Perpetual Security exchangeable for Definitive Perpetual Securities only upon an Exchange Event] [Registered Perpetual Securities: Regulation S Registered Global Perpetual Security ([U.S.$][●] nominal amount) exchangeable for Definitive Registered Perpetual Securities only upon an Exchange Event registered in the name of a nominee for a common depositary for Euroclear Bank SA/NV and Clearstream Banking S.A.]

		(*Specified Denomination construction substantially to the following effect: "*[*€100,000*] *and integral multiples of* [*€1,000*] *in excess thereof up to and including* [*€199,000*]."*is not permitted in relation to any issue of Perpetual Securities which is to be represented on issue by a Temporary Global Perpetual Security exchangeable for Definitive Perpetual Securities.*)
28.	Governing Law of the Perpetual Securities:	[English Law][, except that the subordination provisions set out in Condition 3.2 of the Perpetual Securities shall be governed by and construed in accordance with Singapore Law]
29.	Additional Financial Centre(s) or other special provisions relating to Payment Days:	[Not Applicable/*give details*] *(Note that this paragraph relates to the place of payment and not Distribution Period end dates to which sub-paragraphs 17(c) and 18(g) relate)*
30.	Offshore Renminbi Centre(s):	[Hong Kong[/and]Singapore/*other relevant jurisdiction where clearing bank agreements have been established*][and a reference to the Offshore Renminbi Centre shall mean[, other than for the purpose of Condition 5.7(b) of the Perpetual Securities,] a reference to [any] of them] *(Note that this paragraph relates to Conditions 5.1(c), 5.5 and 5.7(b) of the Perpetual Securities and consideration should be given as to whether the relevant clearing system and the clearing bank agreements have appropriate mechanisms/ procedures in place to deal with payments in the relevant offshore Renminbi centres)*
31.	Talons for future Coupons to be attached to Definitive Bearer Perpetual Securities (and dates on which such Talons mature):	[Yes/No. *If yes, give details*][Not Applicable]
32.	Details relating to Partly Paid Perpetual Securities: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the relevant Issuer to forfeit the Perpetual Securities and distribution due on late payment:	[Not Applicable/*give details*. *N.B. a new form of Temporary Global Perpetual Security and/or Permanent Global Perpetual Security may be required for Partly Paid issues*]
33.	Other terms:	[Not Applicable/*give details*]

Distribution

34.	Method of distribution:	[Syndicated/Non-syndicated]
35. (a)	If syndicated, names of Managers:	[Not Applicable/*give names*]
(b)	Date of Subscription Agreement:	[●]
(c)	Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
36.	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
37.	U.S. Selling Restrictions:	[Reg. S Compliance Category [1/2]; TEFRA D/TEFRA C/TEFRA not applicable]
38.	Prohibition of Sales to EEA and UK Retail Investors:	[Applicable/Not Applicable] *(If the Perpetual Securities clearly do not constitute "packaged" products or the Perpetual Securities do constitute "packaged" products and a key information document will be prepared, "Not Applicable" should be specified. If the Perpetual Securities may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.)*
39.	Additional selling restrictions:	[Not Applicable/*give details*]

Operational Information

40.	ISIN Code:	[●]
41.	Common Code:	[●] *(Insert here any other relevant codes)*
42.	Any clearing system(s) other than Euroclear Bank SA/NV, and Clearstream Banking S.A.:	[CDP/Not Applicable/*Give name(s) and number(s)*]
43.	Delivery:	Delivery [against/free of] payment
44.	Names and addresses of additional Paying Agent(s) (if any):	[●]

45.	Registrar:	[●] (*include in respect of Registered Perpetual Securities only*)
46.	Ratings:	[The Perpetual Securities to be issued will not be rated/The Perpetual Securities to be issued have been rated:] *(The above disclosure should reflect the rating allocated to Perpetual Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*
47.	Listing:	[Singapore Exchange Securities Trading Limited/ *specify other*/None]

Listing Application

This Pricing Supplement comprises the final terms required for issue and admission to trading on [the Singapore Exchange Securities Trading Limited] of the Perpetual Securities described herein pursuant to the U.S.$2,000,000,000 Euro Medium Term Securities Programme of Suntec Real Estate Investment Trust.

Responsibility

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

[The Singapore Exchange Securities Trading Limited (the **SGX-ST**) assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. Approval in-principle from, admission to the Official List of, and listing and quotation of the Perpetual Securities on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Guarantor, Suntec REIT, the Programme or the Perpetual Securities.]

Signed on behalf of **HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED (IN ITS CAPACITY AS TRUSTEE OF SUNTEC REAL ESTATE INVESTMENT TRUST)**

By: _____
Duly authorised

By: _____
Duly authorised

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below), each Definitive Bearer Note (as defined below) and each Definitive Registered Note (as defined below), but, in the case of Definitive Bearer Notes and Definitive Registered Notes, only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer, the Guarantor and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Bearer Note or Definitive Registered Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Applicable Pricing Supplement for Notes" for a description of the content of Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Suntec REIT MTN Pte. Ltd. (**SRMTN**) or any additional issuer which has acceded to the Programme by executing an issuer letter of accession, and a supplemental trust deed and a supplemental agency agreement in accordance with the terms of the Trust Deed (as defined below) and Agency Agreement (as defined below) (each a **New Issuer** and, together with SRMTN, the **Issuers** and each an **Issuer**) (as specified in the applicable Pricing Supplement) constituted by a trust deed dated 15 October 2020 (as further amended and/or supplemented and/or restated from time to time, the **Trust Deed**) made between (1) SRMTN, as issuer of the Notes, (2) HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec Real Estate Investment Trust (**Suntec REIT**)) (**Suntec REIT Trustee**), as issuer of the perpetual securities, (3) the Suntec REIT Trustee (in its capacity as guarantor of the Notes, the **Guarantor**) and (4) The Bank of New York Mellon, London Branch (the **Trustee**, which expression shall include any successor as Trustee). The Trust Deed contains provisions for New Issuers to accede to the Trust Deed in order to become an Issuer.

These Terms and Conditions (the **Conditions**) include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;

(b) any Global Note in bearer form (each a **Bearer Global Note**);

(c) any Global Note in registered form (each a **Registered Global Note**);

(d) any definitive Notes in bearer form (**Definitive Bearer Notes** and, together with Bearer Global Notes, the **Bearer Notes**) issued in exchange for a Global Note in bearer form; and

(e) any definitive Notes in registered form (**Definitive Registered Notes** and, together with Registered Global Notes, the **Registered Notes**) (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated agency agreement dated 15 October 2020 (as further amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between (1) SRMTN, as issuer of the Notes, (2) the Suntec REIT Trustee, as issuer of the perpetual securities, (3) the Guarantor, (4) the Trustee, (5) The Bank of New York Mellon, London Branch as

Issuing and Paying Agent (the **Issuing and Paying Agent**, which expression shall include any successor issuing and paying agent) and calculation agent (the **Calculation Agent**, which expression shall include any successor calculation agent), (6) The Bank of New York Mellon, Singapore Branch as issuing and paying agent in Singapore solely for the purposes of and in connection with Notes cleared or to be cleared through The Central Depository (Pte) Limited (**CDP**) (the **CDP Issuing and Paying Agent**, which expression shall include any successor CDP issuing and paying agent in Singapore) and calculation agent in Singapore solely for the purposes of and in connection with such Notes (the **CDP Calculation Agent**, which expression shall include any successor CDP calculation agent in Singapore), the other paying agents named therein (together with the Issuing and Paying Agent and the CDP Issuing and Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), (7) The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the **Registrar**, which expression shall include any successor registrar) and transfer agent and the other transfer agents named therein (the **Transfer Agent**, which expression shall include any successor transfer agent), and (8) The Bank of New York Mellon, Singapore Branch as registrar in Singapore solely for the purposes of and in connection with Notes cleared or to be cleared CDP (the **CDP Registrar**, which expression shall include any successor CDP registrar in Singapore) and transfer agent in Singapore solely for the purposes of and in connection with such Notes and the other CDP transfer agents named therein (the **CDP Transfer Agent**, which expression shall include any successor CDP transfer agent in Singapore). The Agency Agreement contains provisions for New Issuers to accede to the Agency Agreement in order to become an Issuer. The Issuing and Paying Agent, the CDP Issuing and Paying Agent, the Calculation Agent, the CDP Calculation Agent, the Registrar, the CDP Registrar, the Paying Agents, the Transfer Agent and the CDP Transfer Agent are being together referred to as the **Agents**.

For the purposes of these Conditions, all references:

(i) to the **Issuing and Paying Agent** shall, with respect to a Series of Notes cleared or to be cleared through CDP, be deemed to be a reference to the CDP Issuing and Paying Agent;

(ii) to the **Registrar** shall, with respect to a Series of Notes cleared or to be cleared through CDP, be deemed to be a reference to the CDP Registrar;

(iii) to the **Transfer Agent** shall, with respect to a Series of Notes cleared or to be cleared through CDP, be deemed to be a reference to the CDP Transfer Agent;

(iv) to the **Calculation Agent** shall, with respect to a Series of Notes cleared or to be cleared through CDP, be deemed to be a reference to the CDP Calculation Agent; and

(v) to the **Issuer** shall be to the relevant Issuer of the Notes as specified in the applicable Pricing Supplement,

and all such references shall be construed accordingly.

Interest-bearing Definitive Bearer Notes have interest coupons (**Coupons**) and, in the case of Definitive Bearer Notes which have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes which are repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Global Notes and Registered Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in the Pricing Supplement attached to or endorsed on this Note which supplement these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent

inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Note. References to the **applicable Pricing Supplement** are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders of the Notes (the **Noteholders** or **holders** in relation to any Notes, which expression shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below), the holders of the Receipts (the **Receiptholders**) and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Where the Notes are cleared through CDP, the Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of (where the Issuer is SRMTN) the CDP deed of covenant dated 15 August 2013, as supplemented by the supplemental CDP deed of covenant dated 15 October 2020 as amended and/or supplemented and/or restated from time to time made by SRMTN, or, as the case may be, (where the Issuer is a New Issuer) the CDP Deed of Covenant to be entered into by such New Issuer on or before the Issue Date (together, the **CDP Deeds of Covenant**).

Copies of the Trust Deed, the Agency Agreement and the CDP Deeds of Covenant are (i) available for inspection upon prior appointment and written request and satisfactory proof of holding during normal business hours (being 9.00 a.m. to 3.00 p.m.) at the specified office of each of the Issuing and Paying Agents or (ii) available electronically via e-mail from the Issuing and Paying Agent Copies of the applicable Pricing Supplement are available for viewing upon prior written request at the registered office of the Issuer and each of the Issuing and Paying Agent or (in the case of Registered Notes) the Registrar provided that Noteholders must produce evidence satisfactory to the Issuer and the relevant Issuing and Paying Agent or (in the case of Registered Notes) the Registrar as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement, the applicable CDP Deed of Covenant and the applicable Pricing Supplement which are applicable to them.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1. FORM, DENOMINATION AND TITLE

The Notes are either in bearer form or in registered form, as specified in the applicable Pricing Supplement and, in the case of Definitive Bearer Notes, serially numbered, in the currency (the **Specified Currency)** and the denominations (the **Specified Denomination(s)**) specified in the applicable Pricing Supplement. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass on registration of transfers in the register which is kept by the Registrar in accordance with the Agency Agreement. The Issuer, the Guarantor, the Trustee and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream**), and/or CDP, each person (other than Euroclear, Clearstream or CDP) who is for the time being shown in the records of Euroclear, Clearstream or CDP as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream or CDP as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the Issuer, the Guarantor, the Trustee and the relevant Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest, and in the case of Notes cleared through CDP, premium, redemption, purchase and/or any other amounts which accrue or are otherwise payable by the Issuer through CDP, on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Guarantor, the Trustee and any relevant Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream and/or CDP, as the case may be. References to Euroclear, Clearstream and CDP shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the Issuer, the Guarantor, the Trustee and the relevant Agents.

2. TRANSFER OF REGISTERED NOTES

2.1 Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear, Clearstream or CDP, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Registered Notes or for a beneficial interest in another Registered Global Note of the same Series only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream or CDP, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee of a common depository for Euroclear, Clearstream or CDP shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of Euroclear, Clearstream or CDP (as the case may be) or to a successor of Euroclear, Clearstream or CDP (as the case may be) or such successor's nominee.

2.2 Transfers of Definitive Registered Notes

Subject as provided in Condition 2.3 (*Registration of transfer upon partial redemption*) and Condition 2.5 (*Closed periods*) below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer:

(a) the holder or holders must:

  (i) surrender the Definitive Registered Note for registration of the transfer of the Definitive Registered Note (or the relevant part of the Definitive Registered Note) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and

  (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent; and

(b) the relevant Transfer Agent must be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 3 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within five business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the relevant request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver or procure the authentication of and delivery, at its specified office, to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Definitive Registered Note of a like aggregate nominal amount to the Definitive Registered Note (or the relevant part of the Definitive Registered Note) transferred. In the case of the transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Definitive Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7 (*Redemption and Purchase*), the Issuer shall not be required to register or procure the registration of the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

2.4 Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.5 Closed periods

No Noteholder may require the transfer of a Registered Note to be registered during the period of (i) 15 days ending on (and including) the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before (and including) any date on which Notes may be called for redemption by the Issuer pursuant to Condition 7.3 (*Redemption at the option of the Issuer (Issuer Call)*) and (iii) seven days ending on (and including) any Record Date (as defined in Condition 6.5 (*Payments in respect of Registered Notes*)).

2.6 Exchanges and transfers of Registered Notes generally

Holders of Definitive Registered Notes may exchange such Notes for interests in a Registered Global Note of the same type at any time.

3. STATUS OF THE NOTES AND THE GUARANTEE IN RESPECT OF THE NOTES

3.1 Status of the Notes

The Notes and any related Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 (*Negative Pledge*)) unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

3.2 Status of the Guarantee

The payment of principal and interest in respect of the Notes and all other moneys payable by the Issuer under or pursuant to the Trust Deed has been unconditionally and irrevocably guaranteed by the Guarantor in the Trust Deed (the **Guarantee**). The payment obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.1 (*Negative Pledge*) unsecured obligations of the Guarantor and rank (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

4. NEGATIVE PLEDGE AND COVENANTS

4.1 Negative Pledge

So long as any Note, Receipt or Coupon (in respect thereof) remains outstanding, neither the Issuer nor the Guarantor will, and the Guarantor will ensure that none of the Principal Subsidiaries of Suntec REIT will, create or permit to subsist any Security, other than a Permitted Security Interest (as defined below), on the whole or any part of their respective assets and properties, present or future, or any rights or interests with respect thereto, where such Security secures any Relevant Indebtedness (as defined below) of the Issuer or the Guarantor or any guarantee or indemnity of the Issuer or the Guarantor in respect of any Relevant Indebtedness:

(a) unless, at the same time or prior thereto, the Issuer's obligations under the Notes or Coupons and the Trust Deed or, as the case may be, the Guarantor's obligations under the Guarantee and the Trust Deed:

(i) are secured on a *pari passu* basis;

(ii) are secured by other properties or assets of Suntec REIT or its Subsidiaries which at the date of the creation of such Security are at least of equal value or similar value based on an opinion or appraisal issued by an independent investment banking firm, accounting firm or valuation or appraisal firm; or

(iii) have the benefit of such other Security, guarantee, indemnity or other arrangement as the Trustee may, but is not obliged to, determine is not materially less beneficial to the Noteholders or as shall be approved by an Extraordinary Resolution of the Noteholders; or

(b) except with the approval of the Noteholders by an Extraordinary Resolution.

4.2 Shareholding Covenant

So long as any Notes, Receipts or Coupons (in respect thereof) remain outstanding, the Guarantor will procure that Suntec REIT shall at all times retain a 100 per cent. direct and/or indirect shareholding interest in the entire issued share capital of each Issuer.

For the purpose of these Conditions, the terms:

Group means Suntec REIT and its Subsidiaries;

Permitted Security Interest means:

(a) any Security arising by operation of law (or by agreement to the same effect);

(b) any Security existing as at the Issue Date or any Security created for the refinancing of any liability or obligation secured by such Security;

(c) any Security created over any of the assets or properties of Suntec REIT or any Principal Subsidiary, or any rights or interests with respect thereto, for the purpose of financing or refinancing the cost of acquisition (including acquisition by way of acquisition of the shares in the company or entity owning (directly or indirectly) such assets), purchase, development, construction, redevelopment, ownership or working capital relating to such assets or properties or any rights or interests with respect thereto (including, without limitation, the equipping, alteration or improvement of such assets or properties

following its acquisition, purchase, redevelopment, development or construction), provided that (A) any such Security is created no later than six months after the completion of such financing, or, as the case may be, refinancing, and (B) any such Security is limited to such asset or property or any rights or interests with respect thereto, including any part acquired, purchased, developed or under construction or redevelopment; or

(d) any Security existing, at the time of the acquisition of, over any asset directly or indirectly acquired by the Issuer, the Guarantor or any Subsidiary of Suntec REIT after the Issue Date and any substitute Security created on that asset in connection with the extension, refinancing or increase in the facility limit of the credit facilities secured by such Security over such asset at any time, provided that, such Security was not created in anticipation of such asset being acquired by the Issuer, the Guarantor or the relevant Subsidiary of Suntec REIT (as the case may be);

Relevant Indebtedness means any present or future indebtedness in the form of, or represented by, bonds, debentures, notes or other debt securities which are for the time being, or are intended to be quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or other securities market, having an original maturity of more than 365 days from the date of issue, and for the avoidance of doubt, excludes collateralised mortgage backed securities (whether or not so quoted, listed, dealt or traded), bilateral and syndicated loans arranged or granted by a bank or other financial institution;

Security means any mortgage, charge, pledge, lien or other form of encumbrance or security interest; and

Subsidiary means any company which is for the time being, a subsidiary (within the meaning of Section 5 of the Companies Act, Chapter 50 of Singapore), and in relation to Suntec REIT, means any company, corporation, trust, fund or other entity (whether or not a body corporate):

(a) which is controlled, directly or indirectly, by the Suntec REIT Trustee; or

(b) more than half the interests of which are beneficially owned, directly or indirectly, by the Suntec REIT Trustee; or

(c) which is a subsidiary of any company, corporation, trust, fund or other entity (whether or not a body corporate) to which paragraph (a) or (b) above applies,

and for these purposes, any company, corporation, trust, fund or other entity (whether or not a body corporate) shall be treated as being controlled by Suntec REIT Trustee if Suntec REIT (whether through its trustee or otherwise) is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

5. INTEREST

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in these Conditions:

Fixed Interest Period means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(a) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes (or, in each case, if they are Partly Paid Notes, the aggregate amount paid up); or

(b) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rates Notes which are Registered Notes in definitive form or the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.1 (*Interest on Fixed Rate Notes*):

(a) if "**Actual/Actual (ICMA)**" is specified in the applicable Pricing Supplement:

(i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(b) if "**30/360**" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and

(c) if "**Actual/365 (Fixed)**" is specified in the applicable Pricing Supplement, the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant Interest Payment Date divided by 365.

In these Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

5.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Pricing Supplement; or

(ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date.

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Singapore, London and each Additional Business Centre (other than the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**)) specified in the applicable Pricing Supplement;

(b) if TARGET2 System is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the TARGET2 System is open; and

(c) either (i) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open; or (iii) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or

public holiday) on which commercial banks and foreign exchange markets are open for business and settlement of Renminbi payments in the Offshore Renminbi Centre(s).

For the purpose of these Conditions, the term **Renminbi** means the lawful currency of the People's Republic of China.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Pricing Supplement.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this paragraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as calculation agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

(A) the Floating Rate Option is as specified in the applicable Pricing Supplement;

(B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and

(C) the relevant Reset Date is the day specified in the applicable Pricing Supplement.

For the purposes of this paragraph (i), **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being LIBOR, EURIBOR or CNH HIBOR

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) or at approximately 11.15 a.m. (Hong Kong time, in the case of CNH HIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

(iii) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being the Singapore dollar interbank offer rate (**SIBOR**) or the Singapore dollar swap offer rate (**SOR**)

(A) Each Floating Rate Note where the Reference Rate is specified as being SIBOR (in which case such Note will be a **SIBOR Note**) or SOR (in which case such Note will be a **Swap Rate Note**) bears interest at a floating rate determined by reference to SIBOR or, as the case may be, SOR as specified in the applicable Pricing Supplement.

(B) The Rate of Interest payable from time to time in respect of each Floating Rate Note under this Condition 5.2(b)(iii) will be determined by the Calculation Agent on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

(aa) the Calculation Agent will, at or about the Specified Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX1 page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 A.M. SINGAPORE TIME" and the column headed "SGD SIBOR" (or such other Relevant Screen Page) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

(bb) if no such rate appears on Reuters Screen ABSIRFIX1 Page (or such other Relevant Screen Page) or if Reuters Screen ABSIRFIX1 Page (or such other Relevant Screen Page) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Period as being the offered rate for deposits in

Singapore dollars for a period equal to the duration of such Interest Period which appears on the Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

(cc) if on any Interest Determination Date the Calculation Agent is unable to determine the Rate of Interest under paragraphs (aa) and (bb) above, the Issuer (or the independent advisor appointed by it) will request the Reference Banks to provide the rate at which deposits in Singapore dollars are offered by it at approximately the Specified Time on the Interest Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate nominal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations notified to the Calculation Agent, plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), as determined by the Calculation Agent;

(dd) if on any Interest Determination Date two but not all the Reference Banks provide the Issuer (or the independent advisor appointed by it) with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (cc) above on the basis of the quotations of those Reference Banks providing such quotations plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any); and

(ee) if on any Interest Determination Date one only or none of the Reference Banks provides the Issuer (or the independent advisor appointed by it) with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Issuer (or the independent advisor appointed by it) at or about the Specified Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate nominal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate or if on such Interest Determination Date one only or none of the Reference Banks provides the Issuer (or the independent advisor appointed by it) with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks to the Issuer (or the independent advisor appointed by it) at or about the Specified Time on such Interest Determination Date and notified to the Calculation Agent plus or

minus (as indicated in the applicable Pricing Supplement) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period).

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

(aa) the Calculation Agent will, at or about the Specified Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX1 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Specified Time on such Interest Determination Date and for a period equal to the duration of such Interest Period plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

(bb) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Interest Period published by a recognised industry body selected by the Issuer (or the independent advisor appointed by it) and notified to the Calculation Agent where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Issuer (or the independent advisor appointed by it) may select and notify to the Calculation Agent plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

(cc) if on any Interest Determination Date the Calculation Agent is otherwise unable to determine the Rate of Interest under paragraphs (aa) and (bb) above, the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Issuer (or the independent advisor appointed by it) at or about the Specified Time on such Interest Determination Date and notified to the Calculation Agent as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or

authorities) of funding an amount equal to the aggregate nominal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate, or if on such Interest Determination Date, one only or none of the Reference Banks provides the Issuer (or the independent advisor appointed by it) with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks to the Issuer (or the independent advisor appointed by it) at or about the Specified Time on such Interest Determination Date and notified to the Calculation Agent plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any); and

(dd) if paragraph (cc) above applies and fewer than two Reference Banks are quoting the rate as being their cost of funding or quoting the prime lending rates for Singapore Dollars on such Interest Determination Date, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(C) On the last day of each Interest Period, the Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than LIBOR, EURIBOR, CNH HIBOR, SIBOR or SOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Interest shall be deemed to be zero.

In these Conditions:

Reference Banks means, in the case of a determination of LIBOR, the principal London offices of four major banks in the London interbank market and, in the case of a determination of EURIBOR, the principal Euro-zone offices of four major banks in the Euro-zone interbank market and, in the case of a determination of the SIBOR or the SOR, the principal Singapore offices of each of the three major banks in the Singapore interbank market and, in the case of a determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Chinese Yuan in the Hong Kong inter-bank market, in each case selected by the Issuer (or the independent advisor appointed by it) or as specified in the applicable Pricing Supplement;

Reference Rate means the rate specified in the applicable Pricing Supplement;

Relevant Screen Page means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Pricing Supplement or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate; and

Specified Time means in the case of a determination of SIBOR, 11.00 a.m. (Singapore time) and in the case of a determination of SOR, 11.00 a.m. (London time).

(c) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 5.2(b) (*Rate of Interest*) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. Unless otherwise stated in the applicable Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 5.2(b) (*Rate of Interest*) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) Determination of Rate of Interest and calculation of Interest Amounts

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Calculation Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(i) in the case of Floating Rate Notes which are (x) represented by a Global Note or (y) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Notes represented by such Global Note or (B) such Registered Notes (or, in each case, if they are Partly Paid Notes, the aggregate amount paid up); or

(ii) in the case of Floating Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note which are Bearer Notes in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2 (*Interest on Floating Rate Notes*):

(i) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;

(iii) if "**Actual/365 (Sterling)**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "**Actual/360**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{D_1}$ is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

$\mathbf{D_2}$ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

(vii) if "**30E/360 (ISDA)**" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Issuer (or the

independent advisor appointed by it) shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Notification of Rate of Interest and Interest Amounts

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Guarantor, the Trustee and the Issuing and Paying Agent as soon as possible after its determination but in no event later than the fourth business day thereafter. If so required by the Issuer, the Calculation Agent will cause the Rate of Interest, the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 14 (*Notices*) after its determination. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified by the Calculation Agent to the Issuer, the Guarantor, the Trustee and the Issuing and Paying Agent and, if so required by the Issuer, to the Noteholders in accordance with Condition 14 (*Notices*).

For the purposes of this paragraph, the expression business day means:

(i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for general business in Singapore; and

(ii) (in the case of Notes denominated in a currency other than Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for business in Singapore and the principal financial centre for that currency.

(g) Determination or Calculation by independent advisor

If for any reason at any relevant time the Issuing and Paying Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Issuing and Paying Agent defaults in its obligation to calculate any Interest Amount in accordance with Condition 5.2(b)(i), Condition 5.2(b)(ii) or Condition 5.2(b)(iii) above (as the case may be) or as otherwise specified in the applicable Pricing Supplement, as the case may be, and in each case in accordance with Condition 5.2(d) above and no replacement Issuing and Paying Agent or, as the case may be, Calculation Agent has been appointed by the Issuer within two Business Days of the relevant Interest Payment Date, an independent advisor or an agent appointed by the Issuer shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the independent advisor shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances.

(h) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2 (*Interest on Floating Rate Notes*), whether by the Calculation Agent or independent advisor, shall (in the absence of wilful default or manifest error) be binding on the Issuer, the Guarantor, the Trustee, the Issuing and Paying Agent, the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or manifest error) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Other Reference Rates, Index Linked Interest Notes, Partly Paid Notes etc.

In the case of Notes where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than LIBOR, EURIBOR, CNH HIBOR, SIBOR or SOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

The rate or amount of interest payable in respect of Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Pricing Supplement, provided that (a) where such Notes are Index Linked Interest Notes the provisions of Condition 5.2 shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Notes were references to Index Linked Interest Notes, and (b) where the Notes are Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

In the case of Index Linked Interest Notes, the Calculation Agent will notify the Paying Agents of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

5.4 Benchmark discontinuation

In addition, notwithstanding the provisions above in this Condition 5 (*Interest*), if a Benchmark Event occurs in relation to a Reference Rate when any Rate of Interest (or the relevant component part thereof) remains to be determined by such Reference Rate, then the following provisions shall apply:

(a) the Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in good faith and in a commercially reasonable manner), no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (or such other date as may be agreed with the Calculation Agent) (the **IA Determination Cut-off Date**), a Successor Rate (as defined below) or, alternatively, if there is no Successor Rate, an Alternative Reference Rate (as defined below) for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes;

(b) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate;

(c) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, such Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 5.4 (*Benchmark discontinuation*)); *provided*, however, that if paragraph (b) applies and the Issuer is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the preceding Interest Period (or alternatively, if there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest (if any)) (subject, where applicable, to substituting the Margin that applied to such preceding Interest Period for the Margin that is to be applied to the relevant Interest Period); for the avoidance of doubt, the proviso in this paragraph (c) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 5.4 (*Benchmark discontinuation*);

(d) if the Independent Adviser or the Issuer determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser or the Issuer (as applicable), may also specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. For the avoidance of doubt, the Trustee and the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5.4 (*Benchmark discontinuation*). Noteholder consent shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Trustee or the Agents (if required); and

(e) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable) and any related Adjustment Spread, give notice thereof to the Trustee, the Issuing and Paying Agent, the Calculation Agent and the Noteholders, which shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable) and any related Adjustment Spread and any consequential changes made to these Conditions.

For the purposes of this Condition 5.4 (*Benchmark discontinuation*):

Adjustment Spread means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders, Receiptholders and Couponholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body;

(b) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(c) if no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

Alternative Reference Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the relevant Reference Rate.

Benchmark Event means:

(a) the relevant Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist;

(b) a public statement by the administrator of the relevant Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate), unless such cessation is reasonably expected by the Issuer to not occur prior to the Maturity Date;

(c) a public statement by the supervisor of the administrator of the relevant Reference Rate, that the relevant Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued, unless such discontinuation is reasonably expected by the Issuer to not occur prior to the Maturity Date;

(d) a public statement by the supervisor of the administrator of the relevant Reference Rate as a consequence of which the relevant Reference Rate will be prohibited from being used either generally, or in respect of the Notes, and in each case within the following six months, unless such prohibition is reasonably expected by the Issuer to not occur prior to the Maturity Date;

(e) it has become unlawful for any Issuing and Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder using the relevant Reference Rate; or

(f) the making of a public statement by the supervisor of the administrator of the relevant Reference Rate announcing that such Reference Rate is no longer representative or may no longer be used.

Independent Adviser means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense.

Relevant Nominating Body means, in respect of a Reference Rate:

(a) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or

(b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the Reference Rate relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (C) a group of the aforementioned central banks or other supervisory authorities, or (D) the Financial Stability Board or any part thereof.

Successor Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

5.5 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) as provided in the Trust Deed.

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee; and

(c) payments in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the relevant Noteholder with a bank in the Offshore Renminbi Centre(s).

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8 (*Taxation*)) any law implementing an intergovernmental approach thereto.

6.2 Presentation of Definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) and save as provided in Condition 6.4 (*Specific provisions in relation to payments in respect of certain types of Bearer Notes*) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any Definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Note.

6.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note, against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream or CDP, as applicable.

6.4 Specific provisions in relation to payments in respect of certain types of Bearer Notes

Payments of instalments of principal (if any) in respect of Definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 6.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Definitive Bearer Note to which it appertains. Receipts presented without the Definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Upon the date on which any Dual Currency Note or Index Linked Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

6.5 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders

of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, where (A) the Registered Notes are cleared through Euroclear and Clearstream, at the close of business on the Clearing System Business Day before the due date for such payments, where **Clearing System Business Day** means a weekday (Monday to Friday, inclusive) except 25 December and 1 January and (B) the Registered Notes are cleared through CDP, at the date falling five business days before the due date for such payments (or such other date as may be prescribed by CDP), and (ii) where in definitive form, at the close of business on the fifteenth day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro and Renminbi) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); (in the case of a payment in euro) any bank which processes payments in euro; and (in the case of a payment in Renminbi) any bank in the Offshore Renminbi Centre(s) which processes payments in Renminbi in the Offshore Renminbi Centre(s).

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, where (A) the Registered Notes are cleared through Euroclear and Clearstream, at the close of business on the Clearing System Business Day before the due date for such payments and (B) the Registered Notes are cleared through CDP, at the date falling five business days before the due date for such payments (or such other date as may be prescribed by CDP), and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the nominal amount of such Registered Note.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or interest in respect of Registered Notes.

None of the Issuer, the Guarantor, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.6 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream or CDP, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream or CDP, as the case may be, for his share of each payment so made by the Issuer or as the case may be, the Guarantor to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Guarantor, adverse tax consequences to the Issuer or the Guarantor.

6.7 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9 (*Prescription*)) is:

(a) in the case of Notes, Receipts or Coupons denominated in a Specified Currency other than Renminbi:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):

(A) in the case of Notes in definitive form only, in the relevant place of presentation; and

(B) in each Additional Financial Centre (other than TARGET2 System) specified in the applicable Pricing Supplement;

(ii) if TARGET2 System is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which the TARGET2 System is open; and

(iii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and

(b) in the case of Notes, Receipts or Coupons denominated in Renminbi, a day on which commercial banks and foreign exchange markets settle Renminbi payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in (i) in the case of Notes in definitive form only, the relevant place of presentation and (ii) the Offshore Renminbi Centre(s).

6.8 Interpretation of principal and interest

Any reference in these Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Notes redeemable in instalments, the Instalment Amounts; and

(f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

7. REDEMPTION AND PURCHASE

7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the applicable Pricing Supplement.

7.2 Redemption for tax reasons

Subject to Condition 7.9 (*Specific redemption provisions applicable to certain types of Notes*), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or a Dual Currency Interest Note), on giving not less than 30 days' nor more than 60 days' notice to the Trustee and the Issuing and Paying Agent and, in accordance with Condition 14 (*Notices*), the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

(a) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) or increase the payment of such additional amounts, or (if the Guarantee was called) the Guarantor would be required to pay such additional amounts, in each case as a result of

any change in, or amendment to, the laws (or any rules, regulations, rulings or other administrative pronouncements promulgated or practice related thereto or thereunder) of a Tax Jurisdiction (as defined in Condition 8 (*Taxation*)) or any change in the application or official interpretation of such laws, rules, regulations, rulings or other administrative pronouncements promulgated or practice related thereto which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(b) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor, taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Trustee a certificate signed by an authorised signatory of the Issuer or, as the case may be, two authorised signatories of the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent tax or legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor, has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

Notes redeemed pursuant to this Condition 7.2 (*Redemption for tax reasons*) will be redeemed at their Early Redemption Amount referred to in Condition 7.8 (*Early Redemption Amounts*) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

7.3 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than 15 days' nor more than 30 days' notice to the Noteholders in accordance with Condition 14 (*Notices*) (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement), which notice shall be irrevocable and shall specify the date fixed for redemption, redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement. In the case of a partial redemption of Definitive Bearer Notes or Definitive Registered Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Bearer Notes or Definitive Registered Notes, and in accordance with the rules of Euroclear, Clearstream and/or CDP (as applicable), in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by Notes in definitive form, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7.3

(*Redemption at the option of the Issuer (Issuer Call)*) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 (*Notices*) at least five days prior to the Selection Date.

7.4 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Pricing Supplement, upon the holder of any Note giving to the Issuer in accordance with Condition 14 (*Notices*) not less than 15 nor more than 30 days' notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement), the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note, the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream and CDP, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar, falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (*Transfers of Definitive Registered Notes*). If this Note is in definitive bearer form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream or CDP, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Issuing and Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream or CDP (which may include notice being given on his instruction by Euroclear, Clearstream or CDP or any common depositary, as the case may be for them to the Issuing and Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream or, as the case may be, CDP from time to time.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream or, as the case may be, CDP given by a holder of any Note pursuant to this Condition 7.4 (*Redemption at the option of the Noteholders (Investor Put)*) shall be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10.1 (*Events of Default*), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.4 (*Redemption at the option of the Noteholders (Investor Put)*).

7.5 Mandatory Redemption upon Termination of Suntec REIT

In the event that Suntec REIT is terminated in accordance with the provisions of the Suntec REIT Trust Deed (as defined below), the Issuer shall redeem all (and not some only) of the Notes at their Early Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption on any date on which interest is due to be paid on such Notes or if earlier, the date of termination of Suntec REIT.

The Issuer shall forthwith notify the Noteholders pursuant to Condition 14 (*Notices*), the Trustee and the Agents of the termination of Suntec REIT.

7.6 Redemption upon cessation or suspension in trading of Units in Suntec REIT (Delisting/ Suspension of Trading Put Right)

In the event the Units (i) cease to be listed or admitted to trading on the Singapore Exchange Securities Trading Limited (**SGX-ST**) or, if applicable, the Alternative Stock Exchange (a **Delisting**) or (ii) are suspended from trading on the SGX-ST or, if applicable, the Alternative Stock Exchange for a period of more than 45 consecutive Trading Days (a **Suspension**), the holder of each Note shall have the right (the **Delisting/Suspension of Trading Put Right**), at such Noteholder's option, to require the Issuer to redeem in whole but not in part such Noteholder's Notes at its Early Redemption Amount (together with interest accrued to (but excluding) the Delisting/Suspension of Trading Put Date (as defined below)). Promptly after becoming aware of a Delisting or Suspension, as the case may be, the Issuer shall procure that notice regarding the Delisting/Suspension of Trading Put Right shall be given to Noteholders (in accordance with Condition 14 (*Notices*)) stating:

(a) the Delisting/Suspension of Trading Put Date;

(b) the date of such Delisting or Suspension, as the case may be and, briefly, the events causing such Delisting or Suspension, as the case may be;

(c) the date by which the Delisting/Suspension of Trading Put Notice (as defined below) must be given; and

(d) the procedures that Noteholders must follow and the requirements that Noteholders must satisfy in order to exercise the Delisting/Suspension of Trading Put Right.

To exercise the right to require redemption of this Note, the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream and CDP, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar, falling within the period (the **Delisting/Suspension of Trading Put Period**) from the date the Delisting or Suspension occurred to and excluding the later of (x) 20 calendar days following the Delisting or Suspension, as the case may be, and (y) if such notice is given, 20 calendar days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 14 (*Notices*), a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a **Delisting/Suspension of Trading Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2.2 (*Transfers of Definitive Registered Notes*). If this Note is in definitive bearer form, the Delisting/Suspension of Trading Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Delisting/Suspension of Trading Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream or CDP, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Issuing and Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream or CDP (which may include notice being given on his instruction by Euroclear, Clearstream or CDP or any common depositary, as the case may be for them to the Issuing and Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream or, as the case may be, CDP from time to time.

Any Delisting/Suspension of Trading Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream or CDP given by a holder of any Note pursuant to this Condition 7.6 (*Redemption upon cessation or suspension in trading of Units in Suntec REIT (Delisting/Suspension of Trading Put Right)*) shall be irrevocable and the Issuer shall redeem the Notes which form the subject of the relevant Delisting Exercise Notice, on the date falling 14 days after the expiry of the Delisting/Suspension of Trading Put Period (the **Delisting/Suspension of Trading Put Date**) except where, prior to the due date of redemption, an Event of Default has occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10.1 (*Events of Default*), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.6 (*Redemption upon cessation or suspension in trading of Units in Suntec REIT (Delisting/Suspension of Trading Put Right)*).

For the purposes of this Condition 7.6:

Alternative Stock Exchange means at any time, in the case of the Units, if they are not at that time listed and traded on the SGX-ST, the principal stock exchange or securities market on which the Units are then listed or quoted or dealt in;

Trading Day means a day when the SGX-ST or the Alternative Stock Exchange, as the case may be, is open for dealing business, provided that if no closing price is reported in respect of the relevant Units on the SGX-ST or the Alternative Stock Exchange, as the case may be, for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days; and

Unit means an undivided interest in Suntec REIT as provided for in the Suntec REIT Trust Deed.

7.7 Redemption in the case of Minimum Outstanding Amount

If Minimal Outstanding Amount Redemption Option is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at any time (if this Note is neither a Floating Rate Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' irrevocable notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Trustee and the Issuing and Paying Agent and in accordance with Condition 14 (*Notices*), the Noteholders (or such other notice period as may be specified in the applicable Pricing Supplement) redeem the Notes, in whole, but not in part, at their Early Redemption Amount as specified in the applicable Pricing Supplement (together with interest accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Notes outstanding is less than 20 per cent. of the aggregate amount originally issued. All Notes shall be redeemed on the date specified in such notice in accordance with this Condition 7.7 (*Redemption in the case of Minimum Outstanding Amount*).

7.8 Early Redemption Amounts

For the purpose of Condition 7.2 (*Redemption for tax reasons*), Condition 7.5 (*Mandatory Redemption upon Termination of Suntec REIT*), Condition 7.6 (*Redemption upon cessation or suspension in trading of Units in Suntec REIT (Delisting/Suspension of Trading Put Right)*) and Condition 10.1 (*Events of Default*):

(a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and

(b) each Zero Coupon Note will be redeemed at its Early Redemption Amount calculated in accordance with the following formula:

Early Redemption Amount = RP x $(1 + AY)^y$ where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

^{y} is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

7.9 Specific redemption provisions applicable to certain types of Notes

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Condition 7.2 (*Redemption for tax reasons*), Dual Currency Interest Notes may be redeemed only on an Interest Payment Date.

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Pricing Supplement.

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

7.10 Purchases

The Issuer, the Guarantor or any of the respective Subsidiaries of the Issuer and the Guarantor may at any time purchase Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. All such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) for cancellation.

7.11 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 7.10 (*Purchases*) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Issuing and Paying Agent and cannot be reissued or resold.

7.12 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1 (*Redemption at maturity*), 7.2 (*Redemption for tax reasons*), 7.3 (*Redemption at the option of the Issuer (Issuer Call)*), 7.4 (Redemption at the option of the Noteholders (Investor Put)), Condition 7.5 (*Mandatory Redemption upon Termination of Suntec REIT*) or Condition 7.6 (*Redemption upon cessation or suspension in trading of Units in Suntec REIT (Delisting/Suspension of Trading Put Right)*) above or upon its becoming due and repayable as provided in Condition 10.1 (*Events of Default*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.8 (*Early Redemption Amounts*) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Issuing and Paying Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 14 (*Notices*).

8. TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer or the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or the Guarantor, as the case may be, will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) presented for payment in any Tax Jurisdiction; or

(b) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon, or by the receipt of amounts in respect of such Note, Receipt or Coupon or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or residence or other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so;

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.7 (*Payment Day*));

(d) to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any such third party complies with any statutory requirements or by making or procuring that any such third party makes a declaration of non-residence or residence or any other similar claim for exemption to any tax authority; or

(e) by or on behalf of a holder or a beneficial owner who would have been able to avoid such withholding or deduction by satisfying any statutory or procedural requirements.

Notwithstanding any other provision of these Conditions, in no event will the Issuer or the Guarantor be required to pay any additional amounts in respect of the Notes, Receipts and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein:

(i) **Tax Jurisdiction** means in the case of the Suntec REIT Trustee and SRMTN, Singapore and, in the case of a New Issuer, its jurisdiction of incorporation or, in either case, any political subdivision or any authority thereof or therein having power to tax; and

(ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Issuing and Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14 (*Notices*).

9. PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 (*Presentation of Definitive Bearer Notes, Receipts and Coupons*) or any Talon which would be void pursuant to Condition 6.2 (*Presentation of Definitive Bearer Notes, Receipts and Coupons*).

10. EVENTS OF DEFAULT

10.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least 30 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of Noteholders shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice to the Issuer and the Guarantor that the Notes are, and they shall accordingly forthwith become, immediately due and repayable at their Early Redemption Amount, together with accrued interest as provided in the Trust Deed, if any of the following events (each an **Event of Default**) shall occur:

(a) a default is made in the payment of any principal or interest and, in the case of interest only, such default is not remedied within seven Business Days;

(b) the Issuer or the Guarantor does not perform or comply with one or more of its obligations (other than the obligations referred to in paragraph (a)) under the Notes or the Trust Deed and which is not remedied within 30 days after the date of the written notice of such default shall have been given to the Issuer or the Guarantor by the Trustee requiring the same to be remedied;

(c) the Issuer, Suntec REIT or any of the Principal Subsidiaries is, or could properly be, deemed by law or a court to be, insolvent or bankrupt or unable to pay its debts as and when they fall due, stops, suspends or threatens to stop or suspend, payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts (or of any material part which it will or might otherwise be unable to pay when due), applies for a moratorium in respect of or affecting all or any material part of its indebtedness, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed, declared or otherwise (by operation of law) arises in respect of or affecting all or any material part of (or of a particular type of) the debts of the Issuer, Suntec REIT or any of the Principal Subsidiaries;

(d) if (i) any other present or future indebtedness of the Issuer, Suntec REIT or the Principal Subsidiaries of Suntec REIT for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described) and is not repaid within any applicable grace period, or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer, Suntec REIT or any of the Principal Subsidiaries of Suntec REIT fails to pay when due (or within any applicable grace period) any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that, in each case, the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10.1(d) have occurred equals or exceeds S$50,000,000 or its equivalent (as reasonably determined on the basis of the middle spot rate for the relevant currency against the Singapore dollar as quoted by any leading bank on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantee or indemnity);

(e) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer, Suntec REIT or any of the Principal Subsidiaries, which is not discharged or stayed within 45 days;

(f) an order is made or an effective resolution passed for the winding-up, dissolution, judicial management, administration or termination of the Issuer, Suntec REIT or any of the Principal Subsidiaries, or the Issuer, Suntec REIT or any of the Principal Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, in each case, except (i) for the purpose of, and followed by, a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the Noteholders or (ii) in the case of a voluntary liquidation not involving insolvency of a Principal Subsidiary only, for the purpose of, and followed by, a reconstruction, amalgamation, reorganisation, merger or consolidation or transfer of assets to Suntec REIT or a subsidiary of Suntec REIT;

(g) an encumbrancer takes possession of or an administrative or other receiver or an administrator is appointed to the whole or substantially all of the property, assets or revenues of the Issuer, Suntec REIT or any of the Principal Subsidiaries and is not discharged within 45 days;

(h) it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of their respective obligations under any of the Notes or the Trust Deed and any such unlawfulness is not remedied within 30 days;

(i) any step is taken by any person that will result in the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer, Suntec REIT or any of the Principal Subsidiaries;

(j) the Guarantee ceases to be, or is claimed by the Guarantor not to be, in full force and effect;

(k) if (i) (1) the Suntec REIT Trustee resigns or is removed; (2) an order is made for the winding-up of the Suntec REIT Trustee (other than the amalgamation, reconstruction or reorganisation of the Suntec REIT Trustee), a liquidator (including a provisional liquidator), receiver, judicial manager, trustee, administrator, agent or similar officer (in each case, including any provisional, interim or temporary officer or appointee) of the Suntec REIT Trustee is appointed; and/or (3) there is a declaration, imposition or promulgation in Singapore or elsewhere of a moratorium, any form of exchange control or any law, directive or regulation of any agency or the amalgamation, reconstruction or reorganisation of the Suntec REIT Trustee which prevents or restricts the ability of the Suntec REIT Trustee to perform its obligations under any of the Trust Deed, Agency Agreement or any of the Notes and (ii) the replacement or substitute trustee of Suntec REIT is not appointed in accordance with the terms of the Suntec REIT Trust Deed;

(l) the Suntec REIT Manager is removed pursuant to the terms of the Suntec REIT Trust Deed, and the replacement or substitute manager of Suntec REIT is not appointed in accordance with the terms of the Suntec REIT Trust Deed;

(m) for any reason the Suntec REIT Trustee is not entitled to be indemnified out of the assets of Suntec REIT in accordance with the terms of the Suntec REIT Trust Deed, in respect of any liability, claim, demand or action under or in connection with any of the Trust Deed, Agency Agreement or any of the Notes and which has not been remedied within 30 days after the date of the written notice of such loss of right shall have been given to the Guarantor by the Trustee requiring the same to be remedied; and

(n) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in foregoing paragraphs (c), (e), (f), (g) or (i).

For the purposes of these Conditions:

Principal Subsidiary means a Subsidiary of Suntec REIT:

(i) whose total assets, as shown by the accounts of such Subsidiary (consolidated in the case of an entity which itself has Subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 20 per cent. of the total assets of the Group as shown by such audited consolidated accounts; or

(ii) whose net profits after tax, as shown by the accounts of such Subsidiary (consolidated in the case of an entity which itself has Subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, is at least 20 per cent. of the consolidated net profits after tax of the Group as shown by such audited consolidated accounts,

provided that if any such Subsidiary (the **transferor**) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another Subsidiary or Suntec REIT (the **transferee**) then:

(A) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is Suntec REIT) shall thereupon become a Principal Subsidiary; and

(B) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is Suntec REIT) shall thereupon become a Principal Subsidiary,

provided further that in the case of a Subsidiary of Suntec REIT acquired or an entity which becomes a Subsidiary after the end of the financial period to which the then latest audited consolidated accounts of Suntec REIT and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of the Group for the purposes of the calculation above shall, until consolidated audited accounts for the financial period in which the acquisition is made or, as the case may be, in which such entity becomes a Subsidiary, have been prepared and audited as aforesaid, be deemed to be a reference to the then latest audited consolidated accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by Suntec REIT.

Any Subsidiary which becomes a Principal Subsidiary by virtue of (A) above or which remains or becomes a Principal Subsidiary by virtue of (B) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the total assets or (as the case may be) net profits after tax as shown by the accounts of such Subsidiary (consolidated (if any) in the case of an entity which itself has Subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 20 per cent. of the total assets or, as the case may be, the consolidated net profits after tax of the Group, as shown by such audited consolidated accounts.

A report by the Auditors (as defined in the Trust Deed) whether or not addressed to the Trustee, who shall also be responsible for producing any pro-forma accounts required for the above purposes, that in their opinion a Subsidiary of Suntec REIT is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary may be relied

upon by the Trustee without further enquiry or evidence and, if relied upon by the Trustee, shall, in the absence of manifest error, be conclusive and binding on all parties;

Suntec REIT Manager means ARA Trust Management (Suntec) Limited, in its capacity as manager of Suntec REIT; and

Suntec REIT Trust Deed means the trust deed constituting Suntec REIT dated 1 November 2004 made between (1) the Suntec REIT Manager, and (2) HSBC Institutional Trust Services (Singapore) Limited, as supplemented by a First Supplemental Deed dated 25 January 2006, a Second Supplemental Deed dated 20 April 2006, a Third Supplemental Deed dated 30 July 2007, a Fourth Supplemental Deed dated 11 October 2007, a Fifth Supplemental Deed dated 29 September 2008 and a Sixth Supplemental Deed dated 14 April 2010 and as amended and restated by a First Amending & Restating Deed dated 7 September 2010 and a Second Amending & Restating Deed dated 14 April 2016, and as supplemented by a Ninth Supplemental Deed dated 21 May 2018, a Tenth Supplemental Deed dated 23 July 2018 and an Eleventh Supplemental Deed dated 2 April 2020 (in each case made between the same parties), and as further amended, modified or supplemented from time to time.

10.2 Enforcement

At any time after the Notes shall have become due and payable, the Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least 30 per cent. in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

11. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issuing and Paying Agent, or as the case may be, the Registrar, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer, the Issuing and Paying Agent or the Registrar may require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. PAYING AGENTS AND REGISTRAR

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in the applicable Pricing Supplement

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be an Issuing and Paying Agent and a Registrar;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority or entity, there will at all times be a Paying Agent, which may be the Issuing and Paying Agent, and a Transfer Agent, which may be the Registrar, with a

specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority or entity; and

(c) so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, if the Notes are issued in definitive form, there will at all times be a Paying Agent in Singapore.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.6 (*General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the Guarantor and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its corporate trust business to become the successor paying agent.

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9 (*Prescription*).

14. NOTICES

All notices regarding Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in Singapore, which is expected to be The Business Times. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes will be deemed to be validly given if sent by mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of (i) Euroclear, Clearstream, be substituted for such publication in such newspaper(s) or such mailing, the delivery of the relevant notice to Euroclear, Clearstream for communication by them to the holders of the Notes, (ii) CDP, be substituted for such publication in such newspaper(s) or such mailing, (A) (subject to the agreement of CDP) the delivery of the relevant notice to CDP for communication by them to the holders of the Notes, (B) the delivery of the relevant notice to the persons shown in the records maintained by the CDP no earlier than three Business Days

preceding the date of despatch of such notice as holding interests in the relevant Global Notes, or (C) for so long as the Notes are listed on the SGX-ST, the publication of the relevant notice on the website of the SGX-ST at http://www.sgx.com, and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on (x) the day after the day on which the said notice was given to Euroclear, Clearstream and/or CDP, as the case may be, and/or (y) (in the case of Notes cleared through CDP) the day after the date of the despatch of such notice to the persons shown in the records maintained by CDP, and/or (z) (in the case of Notes cleared through CDP) the date of publication of such notice on the website of the SGX-ST.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Issuing and Paying Agent or the Registrar through Euroclear, Clearstream and/or CDP, in each case in such manner as the Issuing and Paying Agent, the Registrar, Euroclear, Clearstream and/or CDP as the case may be, may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

15.1 The Trust Deed contains provisions for convening meetings (including by way of teleconference or videoconference call) of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Guarantor or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is two or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be two or more persons holding or representing not less than three-quarters in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting two or more persons holding or representing not less than one-quarter in nominal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-quarters of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-quarters in nominal amount of the Notes for the time being outstanding (a **Written Resolution**) or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-quarters in nominal amount of the Notes for the time being outstanding (an **Electronic Consent**), shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and all Receiptholders and Couponholders. A Written Resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders, Receiptholders and/or Couponholders A Written

Resolution and/or Electronic Consent will be binding on all Noteholders whether or not they participated in such Written Resolution and/or Electronic Consent, and all Receiptholders and Couponholders as the case may be.

15.2 The Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed or the Agency Agreement, or determine, without any such consent as aforesaid, that any Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or is made to cure any ambiguity or correct a manifest error or an error which, in the opinion of the Trustee, is proven, or to comply with mandatory provisions of law or is required by Euroclear, Clearstream, CDP and/or any other clearing system in which the Notes may be held. Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

15.3 In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 8 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 (*Taxation*) pursuant to the Trust Deed.

15.4 The Trustee may, without the consent of the Noteholders, agree with the Issuer and the Guarantor to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of another company being the Guarantor or a Subsidiary of Suntec REIT, subject to:

(i) except in the case of the substitution of the Issuer by the Guarantor, the Notes being unconditionally and irrevocably guaranteed by the Guarantor;

(ii) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution; and

(iii) certain other conditions set out in the Trust Deed being complied with.

15.5 Substitutions

In addition, the Guarantor may substitute in place of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec REIT) (or of the previous substitute under this Condition 15.5) as the guarantor under the Notes, the Receipts, the Coupons and the Trust Deed another company being appointed as the replacement or substitute trustee of Suntec REIT (such substituted company being hereinafter called the **New Suntec REIT Trustee**) in accordance with the terms of the Suntec REIT Trust Deed, subject to:

(i) relevant accession or supplemental agreements, trust deeds or deeds poll being executed or some other form of undertaking being given by the New Suntec REIT Trustee, agreeing to be bound by the provisions of the Trust Deed as fully as if the New Suntec REIT Trustee had been named in the Trust Deed as the principal debtor in place of the Issuer (or of the previous substitute under this Condition 15.5);

(ii) the Trustee being provided with evidence to its satisfaction that the appointment of the New Suntec REIT Trustee has been completed in accordance with the terms of the Suntec REIT Trust Deed, including a copy of the deed supplemental to the Suntec REIT Trust Deed providing for such appointment, a confirmation from the Suntec REIT Manager that the Deposited Property (as defined in the Suntec REIT Trust Deed) has been vested in the New Suntec REIT Trustee, and an opinion from independent legal advisers of recognised standing to the effect such appointment of the New Suntec REIT Trustee is legal, valid and binding on Suntec REIT; and

(iii) certain other conditions set out in the Trust Deed being complied with.

The Guarantor shall deliver to the Trustee a certificate signed by two duly authorised signatory of the Guarantor stating that the appointment of the New Suntec REIT Trustee has been completed in accordance with the terms of the Suntec REIT Trust Deed and that the conditions set out in the Trust Deed for the substitution of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec REIT) (or of any previous substitute) have been complied with and the Trustee shall be entitled to accept the certificate as sufficient evidence of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

15.6 Upon the execution of such documents and compliance with such requirements, the New Suntec REIT Trustee shall be deemed to be named in the Notes, the Receipts, the Coupons and the Trust Deed as the guarantor in place of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec REIT) (or in place of the previous substitute under this Condition 15.5) under the Notes, the Receipts, the Coupons and the Trust Deed and the Notes, the Receipts, the Coupons and the Trust Deed shall be deemed to be modified in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in the Notes, the Coupons and the Trust Deed to HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec REIT) and/or the Suntec REIT Trustee (or such previous substitute under this Condition 15.5), unless the context otherwise requires, be deemed to be or include references to the New Suntec REIT Trustee.

16. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER AND, WHERE APPLICABLE, THE GUARANTOR

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer, the Guarantor and/or any person or body corporate associated with the Issuer or the Guarantor and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the Guarantor, Suntec REIT and/or any of their respective Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing law

The Notes, the Receipts, the Coupons, the Trust Deed, the Agency Agreement and any non-contractual obligations arising out of or in connection with the Notes, the Receipts, the Coupons, the Trust Deed and the Agency Agreement are governed by and shall be construed in accordance with English law.

19.2 Submission to jurisdiction

(a) Subject to Condition 19.2(c), the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons (a **Dispute**) and accordingly each of the Issuer, the Guarantor, the Trustee, any Noteholders, Receiptholders and Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(b) For the purposes of this Condition 19.2 (*Submission to jurisdiction*), each of the Issuer and the Guarantor waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) To the extent allowed by law, the Trustee, the Noteholders, the Receiptholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

19.3 Appointment of Process Agent

The Issuer and the Guarantor irrevocably appoint Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, the Issuer or, as the case may be, the Guarantor will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer and the Guarantor agree that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

20. LIABILITY OF HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED (IN ITS CAPACITY AS TRUSTEE OF SUNTEC REIT)

20.1 Notwithstanding any provision to the contrary in these Conditions, the Trust Deed, the Notes and any Coupons, it is hereby agreed and acknowledged that HSBC Institutional Trust Services (Singapore) Limited (**HSBCITS**) has entered into the Trust Deed only in its capacity as trustee of Suntec REIT and not in its personal capacity and all references to the "Suntec REIT Trustee" and/or the "Guarantor" in these Conditions, the Trust Deed, the Notes and any Coupons shall be construed accordingly. As such, notwithstanding any provision to the contrary in these Conditions, the Trust Deed, the Notes or any Coupons, HSBCITS has assumed all obligations under these Conditions, the Trust Deed, the Notes and any Coupons only in its capacity as trustee of Suntec REIT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given or to be given by the Suntec REIT Trustee in its capacity as the Guarantor under these Conditions, the Trust Deed, the Notes or any Coupons is given by HSBCITS in its capacity as trustee of Suntec REIT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate under these Conditions, the Trust Deed, the Notes or any Coupons is limited to the assets of or held on trust for Suntec REIT over which HSBCITS in its capacity as trustee of Suntec REIT has recourse and shall not extend to any personal assets of HSBCITS or any assets held by HSBCITS in its capacity as trustee of any other trusts. Any obligation, matter, act, action or thing required to be done, performed or undertaken or any covenant, representation, warranty or undertaking given by the Suntec REIT Trustee in its capacity as the Guarantor under these Conditions, the Trust Deed, the Notes or any Coupons shall only be in connection with matters relating to Suntec REIT and shall not extend to the obligations of HSBCITS in respect of any other trust or real estate investment trust of which it is a trustee.

20.2 Notwithstanding any provision to the contrary in these Conditions, the Trust Deed, the Notes or any Coupons, it is hereby acknowledged and agreed that the obligations of the Suntec REIT Trustee in its capacity as the Guarantor under these Conditions, the Trust Deed, the Notes and any Coupons will be solely the corporate obligations of the Suntec REIT Trustee in its capacity as the Guarantor and that no party to the Trust Deed shall have any recourse against the shareholders, directors, officers or employees of HSBCITS for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of these Conditions, the Trust Deed, the Notes or any Coupons.

20.3 Notwithstanding any provision to the contrary in these Conditions, the Trust Deed, the Notes or any Coupons and for the avoidance of doubt, any legal action or proceedings commenced against the Suntec REIT Trustee in its capacity as the Guarantor whether in England or elsewhere pursuant to the Trust Deed shall be brought against HSBCITS in its capacity as trustee of Suntec REIT and not in its personal capacity. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Noteholders or the Couponholders under law or equity in connection with any gross negligence, fraud or breach of trust of HSBCITS.

20.4 This Condition 20 (*Liability of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as Trustee of Suntec REIT)*) shall survive the termination or rescission of the Trust Deed, and the redemption or cancellation of the Notes and/or any Coupons.

20.5 The provisions of this Condition 20 (*Liability of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as Trustee of Suntec REIT)*) shall apply, *mutatis mutandis*, to any notice, certificate or other document which the Suntec REIT Trustee issues under or pursuant to these Conditions, the Trust Deed, the Notes or any Coupons, as if expressly set out in such notice, certificate or document.

TERMS AND CONDITIONS OF THE PERPETUAL SECURITIES

The following are the Terms and Conditions of the Perpetual Securities which will be incorporated by reference into each Global Perpetual Security (as defined below), each Definitive Bearer Perpetual Security (as defined below) and each Definitive Registered Perpetual Security (as defined below), but, in the case of Definitive Bearer Perpetual Securities and Definitive Registered Perpetual Securities, only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Bearer Perpetual Security or Definitive Registered Perpetual Security will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Perpetual Securities may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Perpetual Securities. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Perpetual Security and definitive Perpetual Security. Reference should be made to "Applicable Pricing Supplement for Perpetual Securities" for a description of the content of Pricing Supplement which will specify which of such terms are to apply in relation to the relevant Perpetual Securities.

This Perpetual Security is one of a Series (as defined below) of Perpetual Securities issued by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec Real Estate Investment Trust (**Suntec REIT**)) (**Suntec REIT Trustee** or the **Issuer**) constituted by a trust deed dated 15 October 2020 (as further amended and/or supplemented and/or restated from time to time, the **Trust Deed**) made between (1) Suntec REIT MTN Pte. Ltd. (**SRMTN**), as issuer of the Notes (as defined in the Trust Deed), (2) the Suntec REIT Trustee, as issuer of the Perpetual Securities, (3) the Suntec REIT Trustee (in its capacity as guarantor of the Notes, the **Guarantor**) and (4) The Bank of New York Mellon, London Branch (the **Trustee**, which expression shall include any successor as Trustee).

These Terms and Conditions (the **Conditions**) include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

References herein to the **Perpetual Securities** shall be references to the Perpetual Securities of this Series and shall mean:

(a) in relation to any Perpetual Securities represented by a global Perpetual Security (a **Global Perpetual Security**), units of each Specified Denomination in the Specified Currency;

(b) any Global Perpetual Security in bearer form (each a **Bearer Global Perpetual Security**);

(c) any Global Perpetual Security in registered form (each a **Registered Global Perpetual Security**);

(d) any definitive Perpetual Securities in bearer form (**Definitive Bearer Perpetual Securities** and, together with Bearer Global Perpetual Securities, the **Bearer Perpetual Securities**) issued in exchange for a Global Perpetual Security in bearer form; and

(e) any definitive Perpetual Securities in registered form (**Definitive Registered Perpetual Securities** and, together with Registered Global Perpetual Securities, the **Registered Perpetual Securities**) (whether or not issued in exchange for a Global Perpetual Security in registered form).

The Perpetual Securities and the Coupons (as defined below) have the benefit of an amended and restated agency agreement dated 15 October 2020 (as further amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between (1) SRMTN, as issuer of the Notes, (2) the Suntec REIT Trustee, as issuer of the Perpetual Securities, (3) the Guarantor, (4) the Trustee, (5) The Bank of New York Mellon, London Branch as Issuing and Paying Agent (the **Issuing and Paying Agent**, which expression shall include any successor issuing and paying agent) and calculation agent (the **Calculation Agent**, which expression shall include any successor calculation agent), (6) The Bank of New York Mellon, Singapore Branch as issuing and paying agent in Singapore solely for the purposes of and in connection with Perpetual Securities cleared or to be cleared through The Central Depository (Pte) Limited (**CDP**) (the **CDP Issuing and Paying Agent**, which expression shall include any successor CDP issuing and paying agent in Singapore) and calculation agent in Singapore solely for the purposes of and in connection with such Perpetual Securities (the **CDP Calculation Agent**, which expression shall include any successor CDP calculation agent in Singapore), the other paying agents named therein (together with the Issuing and Paying Agent and the CDP Issuing and Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), (7) The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the **Registrar**, which expression shall include any successor registrar) and transfer agent and the other transfer agents named therein (the **Transfer Agent**, which expression shall include any successor transfer agent), and (8) The Bank of New York Mellon, Singapore Branch as registrar in Singapore solely for the purposes of and in connection with Perpetual Securities cleared or to be cleared CDP (the **CDP Registrar**, which expression shall include any successor CDP registrar in Singapore) and transfer agent in Singapore solely for the purposes of and in connection with such Perpetual Securities and the other CDP transfer agents named therein (the **CDP Transfer Agent**, which expression shall include any successor CDP transfer agent in Singapore). The Issuing and Paying Agent, the CDP Issuing and Paying Agent, the Calculation Agent, the CDP Calculation Agent, the Registrar, the CDP Registrar, the Paying Agents, the Transfer Agent and the CDP Transfer Agent are being together referred to as the **Agents**.

For the purposes of these Conditions, all references:

(i) to the **Issuing and Paying Agent** shall, with respect to a Series of Perpetual Securities cleared or to be cleared through CDP, be deemed to be a reference to the CDP Issuing and Paying Agent;

(ii) to the **Registrar** shall, with respect to a Series of Perpetual Securities cleared or to be cleared through CDP, be deemed to be a reference to the CDP Registrar;

(iii) to the **Transfer Agent** shall, with respect to a Series of Perpetual Securities cleared or to be cleared through CDP, be deemed to be a reference to the CDP Transfer Agent; and

(iv) to the **Calculation Agent** shall, with respect to a Series of Perpetual Securities cleared or to be cleared through CDP, be deemed to be a reference to the CDP Calculation Agent,

and all such references shall be construed accordingly.

Distribution-bearing Definitive Bearer Perpetual Securities have distribution coupons (**Coupons**) and, in the case of Definitive Bearer Perpetual Securities which have more than 27 distribution payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Perpetual Securities and Registered Perpetual Securities do not have Coupons or Talons attached on issue.

The final terms for this Perpetual Security (or the relevant provisions thereof) are set out in the Pricing Supplement attached to or endorsed on this Perpetual Security which supplement these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Perpetual Security. References to the **applicable Pricing Supplement** are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Perpetual Security.

The Trustee acts for the benefit of the holders of the Perpetual Securities (the **Perpetual Securityholders** or **holders** in relation to any Perpetual Securities, which expression shall mean (in the case of Bearer Perpetual Securities) the holders of the Perpetual Securities and (in the case of Registered Perpetual Securities) the persons in whose name the Perpetual Securities are registered and shall, in relation to any Perpetual Securities represented by a Global Perpetual Security, be construed as provided below), the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Perpetual Securities which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Perpetual Securities together with any further Tranche or Tranches of Perpetual Securities which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of distribution thereon and the date from which distribution starts to accrue.

Where the Perpetual Securities are cleared through CDP, the Perpetual Securityholders and the Couponholders are entitled to the benefit of the CDP deed of covenant dated 15 October 2020 (as amended and/or supplemented and/or restated from time to time, the **CDP Deed of Covenant**) made by the Suntec REIT Trustee.

Copies of the Trust Deed, the Agency Agreement and the CDP Deed of Covenant are (i) available for inspection upon prior appointment and written request and satisfactory proof of holding during normal business hours (being 9.00 a.m. to 3.00 p.m.) at the specified office of each of the Issuing and Paying Agents or (ii) available electronically via e-mail from the Issuing and Paying Agent. Copies of the applicable Pricing Supplement are available for viewing upon prior written request at the registered office of the Issuer and each of the Issuing and Paying Agent or (in the case of Registered Perpetual Securities) the Registrar provided that Perpetual Securityholders must produce evidence satisfactory to the Issuer and the relevant Issuing and Paying Agent or (in the case of Registered Perpetual Securities) the Registrar as to its holding of such Perpetual Securities and identity. The Perpetual Securityholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement, the applicable CDP Deed of Covenant and the applicable Pricing Supplement which are applicable to them.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1. FORM, DENOMINATION AND TITLE

The Perpetual Securities are either in bearer form or in registered form, as specified in the applicable Pricing Supplement and, in the case of Definitive Bearer Perpetual Securities, serially numbered, in the currency (the **Specified Currency)** and the denominations (the **Specified Denomination(s)**) specified in the applicable Pricing Supplement. Bearer Perpetual Securities of one Specified Denomination may not be exchanged for Bearer Perpetual Securities of another Specified Denomination and Bearer Perpetual Securities may not be exchanged for Registered Perpetual Securities and *vice versa*.

This Perpetual Security may be a Fixed Rate Perpetual Security, a Floating Rate Perpetual Security, an Index Linked Distribution Perpetual Security, a Dual Currency Distribution Perpetual Security or a combination of any of the foregoing, depending upon the Distribution Basis shown in the applicable Pricing Supplement.

This Perpetual Security may be an Index Linked Redemption Perpetual Security, a Dual Currency Redemption Perpetual Security, a Partly Paid Perpetual Security or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Bearer Perpetual Securities are issued with Coupons attached.

Subject as set out below, title to the Bearer Perpetual Securities and Coupons will pass by delivery and title to the Registered Perpetual Securities will pass on registration of transfers in the register which is kept by the Registrar in accordance with the Agency Agreement. The Issuer, the Trustee and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Perpetual Security or Coupon and the registered holder of any Registered Perpetual Security as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Perpetual Security, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Perpetual Securities is represented by a Global Perpetual Security held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream**), and/or CDP, each person (other than Euroclear, Clearstream or CDP) who is for the time being shown in the records of Euroclear, Clearstream or CDP as the holder of a particular nominal amount of such Perpetual Securities (in which regard any certificate or other document issued by Euroclear, Clearstream or CDP as to the nominal amount of such Perpetual Securities standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the Issuer, the Trustee and the relevant Agent as the holder of such nominal amount of such Perpetual Securities for all purposes other than with respect to the payment of principal or distribution, and in the case of Perpetual Securities cleared through CDP, premium, redemption, purchase and/or any other amounts which accrue or are otherwise payable by the Issuer through CDP, on such nominal amount of such Perpetual Securities, for which purpose the bearer of the relevant Bearer Global Perpetual Security or the registered holder of the relevant Registered Global Perpetual Security shall be treated by the Issuer, the Trustee and any relevant Agent as the holder of such nominal amount of such Perpetual Securities in accordance with and subject to the terms of the relevant Global Perpetual Security and the expressions **Perpetual Securityholder** and **holder of Perpetual Securities** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Perpetual Securities as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Perpetual Securities which are represented by a Global Perpetual Security will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream and/or CDP, as the case may be. References to Euroclear, Clearstream and CDP shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement or as may otherwise be approved by the Issuer, the Trustee and the relevant Agents.

2. TRANSFER OF REGISTERED PERPETUAL SECURITIES

2.1 Transfers of interests in Registered Global Perpetual Securities

Transfers of beneficial interests in Registered Global Perpetual Securities will be effected by Euroclear, Clearstream or CDP, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a Registered Global Perpetual Security will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Registered Perpetual Securities or for a beneficial interest in another Registered Global Perpetual Security of the same Series only in the authorised denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream or CDP, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement. Transfers of a Registered Global Perpetual Security registered in the name of a nominee of a common depository for Euroclear, Clearstream or CDP shall be limited to transfers of such Registered Global Perpetual Security, in whole but not in part, to another nominee of Euroclear, Clearstream or CDP (as the case may be) or to a successor of Euroclear, Clearstream or CDP (as the case may be) or such successor's nominee.

2.2 Transfers of Definitive Registered Perpetual Securities

Subject as provided in Condition 2.3 (*Registration of transfer upon partial redemption*) and Condition 2.5 (*Closed periods*) below, upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Definitive Registered Perpetual Security may be transferred in whole or in part (in the authorised denominations set out in the applicable Pricing Supplement). In order to effect any such transfer:

(a) the holder or holders must:

  (i) surrender the Definitive Registered Perpetual Security for registration of the transfer of the Definitive Registered Perpetual Security (or the relevant part of the Definitive Registered Perpetual Security) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and

  (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent; and

(b) the relevant Transfer Agent must be satisfied with the documents of title and the identity of the person making the request.

Any such transfer will be subject to such regulations as the Issuer, the Trustee and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 3 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within five business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located)

of the relevant request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver or procure the authentication of and delivery, at its specified office, to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Definitive Registered Perpetual Security of a like aggregate nominal amount to the Definitive Registered Perpetual Security (or the relevant part of the Definitive Registered Perpetual Security) transferred. In the case of the transfer of part only of a Definitive Registered Perpetual Security, a new Definitive Registered Perpetual Security in respect of the balance of the Definitive Registered Perpetual Security not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

2.3 Registration of transfer upon partial redemption

In the event of a partial redemption of Perpetual Securities under Condition 6 (*Redemption and Purchase*), the Issuer shall not be required to register or procure the registration of the transfer of any Registered Perpetual Security, or part of a Registered Perpetual Security, called for partial redemption.

2.4 Costs of registration

Perpetual Securityholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

2.5 Closed periods

No Perpetual Securityholder may require the transfer of a Registered Perpetual Security to be registered during the period of (i) 15 days ending on (and including) the due date for redemption of that Perpetual Security, (ii) during the period of 15 days before (and including) any date on which Perpetual Securities may be called for redemption by the Issuer pursuant to Condition 6.7 (*Redemption at the option of the Issuer (Issuer Call)*) and (iii) seven days ending on (and including) any Record Date (as defined in Condition 5.5 (*Payments in respect of Registered Perpetual Securities*).

2.6 Exchanges and transfers of Registered Perpetual Securities generally

Holders of Definitive Registered Perpetual Securities may exchange such Perpetual Securities for interests in a Registered Global Perpetual Security of the same type at any time.

3. STATUS OF THE PERPETUAL SECURITIES

3.1 Perpetual Securities

This Condition 3.1 (*Perpetual Securities*) *applies to Perpetual Securities that are specified in the applicable Pricing Supplement to be Senior.*

(a) The Senior Perpetual Securities and any related Coupons are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

3.2 Subordinated Perpetual Securities

This Condition 3.2 (Subordinated Perpetual Securities) applies to Perpetual Securities that are specified in the applicable Pricing Supplement to be Subordinated.

(a) **Status:** The Subordinated Perpetual Securities and any related Coupons constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference or priority among themselves and with any Parity Obligations, from time to time outstanding. The rights and claims of the Perpetual Securityholders are subordinated in the manner described in Condition 3.2(b) (*Subordination*).

(b) **Subordination:** Subject to the insolvency laws of Singapore and other applicable laws, in the event of the final and effective Winding-Up of the Issuer or Suntec REIT, there shall be payable by the Issuer in respect of each Subordinated Perpetual Security relating to them (in lieu of any other payment by the Issuer), such amount, if any, as would have been payable to the Perpetual Securityholder of such Subordinated Perpetual Security if, on the day prior to the commencement of the Winding-Up of the Issuer or Suntec REIT, and thereafter, such Perpetual Securityholder were the holder of one of a class of the preferred units in the capital of Suntec REIT (and if more than one class of preferred units is outstanding, the most junior ranking class of such preferred units) (**Suntec REIT Notional Preferred Units**) having an equal right to return of assets in the Winding-Up of the Issuer or Suntec REIT and so ranking *pari passu* with the holders of that class or classes of preferred units (if any) which have a preferential right to return of assets in the Winding-Up of the Issuer or Suntec REIT, and so rank ahead of, the holders of the Junior Obligations, but junior to the claims of all other present and future creditors of the Issuer (other than the Parity Obligations), on the assumption that the amount that such Perpetual Securityholder of a Subordinated Perpetual Security was entitled to receive under these Conditions in respect of each Suntec REIT Notional Preferred Unit on a return of assets in such Winding-Up were an amount equal to the principal amount (and any applicable premium outstanding) of the relevant Subordinated Perpetual Security together with distributions accrued and unpaid since the immediately preceding Distribution Payment Date or the Issue Date (as the case may be) and any unpaid Optional Distributions (as defined in Condition 4.6(f) (*Optional Distribution*)) in respect of which the Issuer has given notice to the Perpetual Securityholders in accordance with these Conditions and/or as otherwise specified in the applicable Pricing Supplement.

(c) **Set-off:** Subject to applicable law, no Perpetual Securityholder or Couponholder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities and the Coupons relating to them, as the case may be, and each Perpetual Securityholder or Couponholder shall, by virtue of his holding of any Subordinated Perpetual Securities or any Coupons related to them, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer. Notwithstanding the preceding sentence, if any of the amounts owing to any Perpetual Securityholder or Couponholder by the Issuer in respect of, or arising under or in connection with the Subordinated Perpetual Securities, as the case may be, is discharged by set-off, such Perpetual Securityholder or Couponholder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of the Winding-Up or administration of the Issuer or Suntec REIT, the liquidator or, as appropriate, administrator of the Issuer or, as the case may be, Suntec REIT) and, until such time as payment is made, shall hold such amount in trust for Suntec REIT (or the liquidator or, as appropriate, administrator of the Issuer or, as the case may be, Suntec REIT) and accordingly any such discharge shall be deemed not to have taken place.

For the purposes of these Conditions:

Junior Obligation means:

(i) the ordinary units of Suntec REIT and any class of equity capital in Suntec REIT and any other instrument or security issued, entered into or guaranteed by the Issuer, other than any instrument or security (including without limitation any preferred units) ranking in priority in payment and in all other respects to the ordinary units of Suntec REIT; or

(ii) as otherwise specified in the applicable Pricing Supplement.

Parity Obligation means:

(i) any instrument or security (including without limitation any preferred units in Suntec REIT) issued, entered into or guaranteed by the Issuer (i) which ranks or is expressed to rank, by its terms or by operation of law, *pari passu* with a Suntec REIT Notional Preferred Unit and/or other Parity Obligations and (ii) the terms of which provide that the making of payments thereon or distributions in respect thereof are fully at the discretion of the Issuer and/or, in the case of an instrument or security guaranteed by the Issuer, the issuer thereof; or

(ii) as otherwise specified in the applicable Pricing Supplement.

Winding-Up of a person means the bankruptcy, termination, winding-up, administration, judicial management, dissolution, liquidation or similar proceedings of that person.

3.3 Winding-Up of the Issuer

For the purposes of these Conditions (which, for the avoidance of doubt, includes Condition 3.2 (*Subordinated Perpetual Securities*), Condition 4.6(h) (*Satisfaction of Arrears of Distribution*) and Condition 9 (*Enforcement Event*)), any reference to the Winding-Up of the Issuer shall only apply in the circumstances where (i) a final and effective order is made or an effective resolution is passed for the Winding-Up of HSBC Institutional Trust Services (Singapore) Limited affecting its role as trustee of Suntec REIT (or of any previous replacement or substitute trustee of Suntec REIT) and (ii) the replacement or substitute trustee of Suntec REIT is not appointed in accordance with the terms of the Suntec REIT Trust Deed (as defined in the Trust Deed) or by a court of competent jurisdiction within six months of such order or resolution; provided that nothing in these Conditions shall prevent the taking of any steps by the Trustee or, as the case may be, the Perpetual Securityholders or Couponholders, in such Winding-Up of the Suntec REIT Trustee (including but not limited to the proving in such Winding-Up) within any prescribed time limit (if such time limit falls within six months of such order or resolution of Winding-Up) as stipulated under any applicable laws, order of court or which may otherwise be imposed by the relevant legislative body, court, governmental agency, regulatory authority, or a liquidator, receiver, judicial manager, administrator or other officer acting on behalf of HSBC Institutional Trust Services (Singapore) Limited (or of any previous replacement or substitute trustee of Suntec REIT) in such Winding-Up at the appropriate juncture, but not well in advance of the expiry of such applicable time period.

3.4 Final and effective Winding-Up

For the purposes of these Conditions (which, for the avoidance of doubt, includes Condition 3.2 (*Subordinated Perpetual Securities*), Condition 4.6(h) (*Satisfaction of Arrears of Distribution*) and Condition 9 (*Enforcement Event*)), any reference to Winding-Up being **final and effective** shall refer to any order, resolution, declaration or other determination for an effective Winding-Up which has not been stayed, suspended or otherwise set-aside.

4. DISTRIBUTION

4.1 Distribution on Fixed Rate Perpetual Securities

(a) Distribution Payment Dates

Each Fixed Rate Perpetual Security confers a right to receive distribution from (and including) the Distribution Commencement Date at the rate(s) per annum equal to the Rate(s) of Distribution. Distribution will be payable in arrear on the Distribution Payment Date(s) in each year up to (and including) the due date for redemption.

If the Perpetual Securities are in definitive form, except as provided in the applicable Pricing Supplement, the amount of distribution payable on each Distribution Payment Date in respect of the Fixed Distribution Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of distribution on any Distribution Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in these Conditions:

Fixed Distribution Period means the period from (and including) a Distribution Payment Date (or the Distribution Commencement Date) to (but excluding) the next (or first) Distribution Payment Date.

Except in the case of Perpetual Securities in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, distribution shall be calculated in respect of any period by applying the Rate of Distribution to:

(i) in the case of Fixed Rate Perpetual Securities which are (A) represented by a Global Perpetual Security or (B) Registered Perpetual Securities in definitive form, the aggregate outstanding nominal amount of (x) the Fixed Rate Perpetual Securities represented by such Global Perpetual Security or (y) such Registered Perpetual Securities (or, in each case, if they are Partly Paid Perpetual Securities, the aggregate amount paid up); or

(ii) in the case of Fixed Rate Perpetual Securities which are Bearer Perpetual Securities in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rates Perpetual Securities which are Registered Perpetual Securities in definitive form or the Calculation Amount in the case of Fixed Rate Perpetual Securities which are Bearer Perpetual Securities in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Perpetual Security which is a Bearer Perpetual Security in definitive form is a multiple of the Calculation Amount, the amount of distribution payable in respect of such Fixed Rate Perpetual Security shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of distribution in accordance with this Condition 4.1 (*Distribution on Fixed Rate Perpetual Securities*):

(a) if "**Actual/Actual (ICMA)**" is specified in the applicable Pricing Supplement:

(i) in the case of Perpetual Securities where the number of days in the relevant period from (and including) the most recent Distribution Payment Date (or, if none, the Distribution Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(ii) in the case of Perpetual Securities where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(b) if "**30/360**" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Distribution Payment Date (or, if none, the Distribution Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and

(c) if "**Actual/365 (Fixed)**" is specified in the applicable Pricing Supplement, the actual number of days in the period from (and including) the most recent Distribution Payment Date (or, if none, the Distribution Commencement Date) to (but excluding) the relevant Distribution Payment Date divided by 365.

In these Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Distribution Commencement Date or the final Distribution Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

(b) Rate of Distribution

The Rate(s) of Distribution payable from time to time in respect of Fixed Rate Perpetual Securities will be determined and may be reset in the manner specified in the applicable Pricing Supplement. Subject to the terms of the applicable Pricing Supplement, the Rate(s) of Distribution in respect of a Fixed Rate Perpetual Security shall be:

(i) (if no Reset Date is specified in the applicable Pricing Supplement):

(A) if no Step-Up Margin is specified in the applicable Pricing Supplement, the Initial Rate of Distribution as specified in the applicable Pricing Supplement; or

(B) if a Step-Up Margin is specified in the applicable Pricing Supplement, (x) for the period from, and including, the Distribution Commencement Date to, but excluding, the Step-Up Date specified in the applicable Pricing Supplement, the Initial Rate of Distribution and (y) for the period from, and including, the Step-Up Date, the Initial Rate of Distribution plus the Step-Up Margin specified in the applicable Pricing Supplement; and

(ii) (if a Reset Date is specified in the applicable Pricing Supplement):

(A) for the period from, and including, the Distribution Commencement Date to, but excluding, the First Reset Date specified in the applicable Pricing Supplement, the Initial Rate of Distribution as specified in the applicable Pricing Supplement; and

(B) for the period from, and including, the First Reset Date and each Reset Date (as specified in the applicable Pricing Supplement) falling thereafter to, but excluding, the immediately following Reset Date, the Reset Rate of Distribution.

In these Conditions:

Reset Rate of Distribution means the Swap Offer Rate or such other Relevant Rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date plus the Initial Spread (as specified in the applicable Pricing Supplement) plus the Step-Up Margin (if applicable, as specified in the applicable Pricing Supplement); and

Swap Offer Rate means:

(i) the rate per annum (expressed as a percentage) notified by the Calculation Agent to the Issuer equal to the swap offer rate published by the Association of Banks in Singapore (or such other equivalent body) for a period equal to the duration of the Reset Period specified in the applicable Pricing Supplement on the second Business Day prior to the relevant Reset Date (the **Reset Determination Date**);

(ii) if on the Reset Determination Date, there is no swap offer rate published by the Association of Banks in Singapore (or such other equivalent body), the Calculation Agent will determine the swap offer rate for such Reset Period (determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates (excluding the highest and the lowest rates) which appears on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" and the column headed "Ask" (or if such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Issuer (or the independent advisor appointed by it) after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on each of the five consecutive Business Days prior to and ending on the Reset Determination Date);

(iii) if on the Reset Determination Date, rates are not available on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" and the column headed "Ask" (or if such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Issuer (or the independent advisor appointed by it) after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business on one or more of the said five consecutive Business Days, the swap offer rate will be the rate per annum notified by the Calculation Agent to the Issuer equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates which are available in such five-consecutive-business-day period or, if only one rate is available in such five-consecutive-business-day period, such rate;

(iv) if on the Reset Determination Date, no rate is available on Page TPIS on the monitor of the Bloomberg Agency under the caption "Tullett Prebon – Rates – Interest Rate Swaps – Asia Pac – SGD" and the column headed "Ask" (or if such page has ceased to be the commonly accepted page for determining the swap offer rate, such other replacement page as may be specified by the Issuer (or the independent advisor appointed by it) after taking into account the industry practice at that relevant time and the recommendations by the Association of Banks in Singapore (or such other equivalent body)) at the close of business in such five-consecutive-business-day period, the Issuer (or the independent advisor appointed by it) will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotation(s) of their swap offer rates for a period equivalent to the duration of the Reset Period at the close of business on the Reset Determination Date. The swap offer rate for such Reset Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations, as determined by the Calculation Agent or, if only one of the Reference Banks provides the Issuer (or the independent advisor appointed by it) with such quotation, such rate quoted by that Reference Bank; and

(v) in the event that the swap offer rate is unable to be determined in accordance with paragraphs (i) to (iv) above, the swap offer rate for such Reset Period shall be the same rate as that in the preceding Distribution Period,

provided that, in each case, in the event the Swap Offer Rate as determined in accordance with the foregoing is less than zero, the Swap Offer Rate shall be equal to zero per cent. per annum.

(c) Determination and notification of the Reset Rate of Distribution

The Calculation Agent shall on the second Business Day prior to each Reset Date determine the applicable Reset Rate of Distribution in respect of each Perpetual Security on each Reset Determination Date and cause the applicable Reset Rate of Distribution to be notified to the Trustee, the Issuer, the Issuing and Paying Agent and the Perpetual Securityholders as soon as possible after their determination but in no event later than the fourth Business Day thereafter. For the purposes of this paragraph, the expression Business Day means (i) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for general business in Singapore, and (ii) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for business in Singapore and the principal financial centre for that currency.

The determination of any rate, the obtaining of each quotation and the making of each determination or calculation for the purposes of this Condition 4.1(c) **(***Determination and notification of the Reset Rate of Distribution*), whether by the Calculation Agent or independent advisor, shall (in the absence of wilful default or manifest error) be binding on the Issuer, the Trustee, the Issuing and Paying Agent, the other Agents and all Perpetual Securityholders and Couponholders and (in the absence of wilful default or manifest error) no liability to the Issuer, the Perpetual Securityholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.2 Distribution on Floating Rate Perpetual Securities

(a) Distribution Payment Dates

Each Floating Rate Perpetual Security confers a right to receive distribution from (and including) the Distribution Commencement Date and such distribution will be payable in arrear on either:

(i) the Specified Distribution Payment Date(s) in each year specified in the applicable Pricing Supplement; or

(ii) if no Specified Distribution Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each such date, together with each Specified Distribution Payment Date, a **Distribution Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Distribution Payment Date or, in the case of the first Distribution Payment Date, after the Distribution Commencement Date.

Such distribution will be payable in respect of each Distribution Period. In these Conditions, **Distribution Period** means the period from (and including) a Distribution Payment Date (or the Distribution Commencement Date) to (but excluding) the next (or first) Distribution Payment Date or the relevant payment date if the Perpetual Securities become payable on a date other than a Distribution Payment Date.

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month in which a Distribution Payment Date should occur or (y) if any Distribution Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 4.2(a)(ii) above, the Floating Rate Convention, such Distribution Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Distribution Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Distribution Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Distribution Payment Date occurred; or

(B) the Following Business Day Convention, such Distribution Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Distribution Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Distribution Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Distribution Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, **Business Day** means:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Singapore, London and each Additional Business Centre (other than the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**)) specified in the applicable Pricing Supplement;

(b) if TARGET2 System is specified as an Additional Business Centre in the applicable Pricing Supplement, a day on which the TARGET2 System is open; and

(c) either (i) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively); (ii) in relation to any sum payable in euro, a day on which the TARGET2 System is open; or (iii) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business and settlement of Renminbi payments in the Offshore Renminbi Centre(s).

For the purpose of these Conditions, the term **Renminbi** means the lawful currency of the People's Republic of China.

(b) Rate of Distribution

The Rate of Distribution payable from time to time in respect of Floating Rate Perpetual Securities will be determined and may be reset in the manner specified in the applicable Pricing Supplement.

(i) ISDA Determination for Floating Rate Perpetual Securities

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Distribution is to be determined, the Rate of Distribution for each Distribution Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this paragraph (i), **ISDA Rate** for a Distribution Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as calculation agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Perpetual Securities (the **ISDA Definitions**) and under which:

(A) the Floating Rate Option is as specified in the applicable Pricing Supplement;

(B) the Designated Maturity is a period specified in the applicable Pricing Supplement; and

(C) the relevant Reset Date is the day specified in the applicable Pricing Supplement.

For the purposes of this paragraph (i), **Floating Rate**, **Floating Rate Option**, **Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Distribution shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Perpetual Securities where the Reference Rate is specified as being LIBOR, EURIBOR or CNH HIBOR

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Distribution is to be determined, the Rate of Distribution for each Distribution Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) or at approximately 11.15 a.m. (Hong Kong time, in the case of CNH HIBOR) on the

Distribution Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Distribution in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Distribution shall be deemed to be zero.

(iii) Screen Rate Determination for Floating Rate Perpetual Securities where the Reference Rate is specified as being the Singapore dollar interbank offer rate (**SIBOR**) or the Singapore dollar swap offer rate (**SOR**)

(A) Each Floating Rate Perpetual Security where the Reference Rate is specified as being SIBOR (in which case such Perpetual Security will be a **SIBOR Perpetual Security**) or SOR (in which case such Perpetual Security will be a **Swap Rate Perpetual Security**) confers a right to receive distribution at a floating rate determined by reference to SIBOR or, as the case may be, SOR as specified in the applicable Pricing Supplement.

(B) The Rate of Distribution payable from time to time in respect of each Floating Rate Perpetual Security under this Condition 4.2(b)(iii) will be determined by the Calculation Agent on the basis of the following provisions:

(1) in the case of Floating Rate Perpetual Securities which are SIBOR Perpetual Securities:

(aa) the Calculation Agent will, at or about the Specified Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the Reuters Screen ABSIRFIX1 page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 A.M. SINGAPORE TIME" and the column headed "SGD SIBOR" (or such other Relevant Screen Page) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

(bb) if no such rate appears on Reuters Screen ABSIRFIX1 Page (or such other Relevant Screen Page) or if Reuters Screen ABSIRFIX1 Page (or such other Relevant Screen Page) is unavailable for any reason, the Calculation Agent will determine the Rate of Distribution for such Distribution Period as being the offered rate for deposits in Singapore dollars for a period equal to the duration of such Distribution Period which appears on the

Bloomberg Screen Swap Offer and SIBOR (ABSIRFIX) Page under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

(cc) if on any Distribution Determination Date the Calculation Agent is unable to determine the Rate of Distribution under paragraphs (aa) and (bb) above, the Issuer (or the independent advisor appointed by it) will request the Reference Banks to provide the rate at which deposits in Singapore dollars are offered by it at approximately the Specified Time on the Distribution Determination Date to prime banks in the Singapore inter-bank market for a period equivalent to the duration of such Distribution Period commencing on such Distribution Payment Date in an amount comparable to the aggregate nominal amount of the relevant Floating Rate Perpetual Securities. The Rate of Distribution for such Distribution Period shall be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of such offered quotations notified to the Calculation Agent, plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), as determined by the Calculation Agent;

(dd) if on any Distribution Determination Date two but not all the Reference Banks provide the Issuer (or the independent advisor appointed by it) with such quotations, the Rate of Distribution for the relevant Distribution Period shall be determined in accordance with (cc) above on the basis of the quotations of those Reference Banks providing such quotations plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any); and

(ee) if on any Distribution Determination Date one only or none of the Reference Banks provides the Issuer (or the independent advisor appointed by it) with such quotations, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Issuer (or the independent advisor appointed by it) at or about the Specified Time on such Distribution Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Distribution Period, an amount equal to the aggregate nominal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate or if on such Distribution Determination Date one only or none of the Reference Banks provides the Issuer (or the independent advisor appointed by it) with such quotation, the rate per annum which the Calculation Agent determines to be arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore dollars quoted by the

Reference Banks to the Issuer (or the independent advisor appointed by it) at or about the Specified Time on such Distribution Determination Date and notified to the Calculation Agent plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), provided that, if the Rate of Distribution cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Distribution shall be determined as at the last preceding Distribution Determination Date (though substituting, where a different Margin or Maximum Rate of Distribution or Minimum Rate of Distribution is to be applied to the relevant Distribution Period from that which applied to the last preceding Distribution Period, the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to the relevant Distribution Period, in place of the Margin or Maximum Rate of Distribution or Minimum Rate of Distribution relating to that last preceding Distribution Period).

(2) in the case of Floating Rate Perpetual Securities which are Swap Rate Perpetual Securities:

(aa) the Calculation Agent will, at or about the Specified Time on the relevant Distribution Determination Date in respect of each Distribution Period, determine the Rate of Distribution for such Distribution Period as being the rate which appears on the Reuters Screen ABSFIX1 Page under the caption "SGD SOR rates as of 11:00 hrs London Time" under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Specified Time on such Distribution Determination Date and for a period equal to the duration of such Distribution Period plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

(bb) if on any Distribution Determination Date, no such rate is quoted on Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX1 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Distribution for such Distribution Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest four decimal places)) for a period equal to the duration of such Distribution Period published by a recognised industry body selected by the Issuer (or the independent advisor appointed by it) and notified to the Calculation Agent where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Issuer (or the independent advisor appointed by it) may select and notify to the Calculation Agent plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any);

(cc) if on any Distribution Determination Date the Calculation Agent is otherwise unable to determine the Rate of Distribution under paragraphs (aa) and (bb) above, the Rate of Distribution shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the

nearest four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Issuer (or the independent advisor appointed by it) at or about the Specified Time on such Distribution Determination Date and notified to the Calculation Agent as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding an amount equal to the aggregate nominal amount of the relevant Floating Rate Perpetual Securities for such Distribution Period by whatever means they determine to be most appropriate, or if on such Distribution Determination Date, one only or none of the Reference Banks provides the Issuer (or the independent advisor appointed by it) with such quotation, the Rate of Distribution for the relevant Distribution Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest four decimal places) of the prime lending rates for Singapore Dollars quoted by the Reference Banks to the Issuer (or the independent advisor appointed by it) at or about the Specified Time on such Distribution Determination Date and notified to the Calculation Agent plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any); and

(dd) if paragraph (cc) above applies and fewer than two Reference Banks are quoting the rate as being their cost of funding or quoting the prime lending rates for Singapore Dollars on such Distribution Determination Date, the Rate of Distribution shall be the Rate of Distribution determined on the previous Distribution Determination Date.

(C) On the last day of each Distribution Period, the Issuer will pay distribution on each Floating Rate Perpetual Security to which such Distribution Period relates at the Rate of Distribution for such Distribution Period.

(iv) If the Reference Rate from time to time in respect of Floating Rate Perpetual Securities is specified in the applicable Pricing Supplement as being other than LIBOR, EURIBOR, CNH HIBOR, SIBOR or SOR, the Rate of Distribution in respect of such Perpetual Securities will be determined as provided in the applicable Pricing Supplement.

Unless otherwise stated in the applicable Pricing Supplement the Minimum Rate of Distribution shall be deemed to be zero.

In these Conditions:

Reference Banks means, in the case of a determination of LIBOR, the principal London offices of four major banks in the London interbank market and, in the case of a determination of EURIBOR, the principal Euro-zone offices of four major banks in the Euro-zone interbank market and, in the case of a determination of the SIBOR or the SOR, the principal Singapore offices of each of the three major banks in the Singapore interbank market and, in the case of a determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Chinese Yuan in the Hong Kong inter-bank market, in each case selected by the Issuer (or the independent advisor appointed by it) or as specified in the applicable Pricing Supplement;

Reference Rate means (in the case of Fixed Rate Perpetual Securities) the Swap Offer Rate or such other Relevant Rate to be specified in the applicable Pricing Supplement with respect to the relevant Reset Date and (in the case of Floating Rate Perpetual Securities) the rate specified in the applicable Pricing Supplement;

Relevant Screen Page means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Pricing Supplement or such other page, section, caption, column or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate; and

Specified Time means in the case of a determination of SIBOR, 11.00 a.m. (Singapore time) and in the case of a determination of SOR, 11.00 a.m. (London time).

(c) Minimum Rate of Distribution and/or Maximum Rate of Distribution

If the applicable Pricing Supplement specifies a Minimum Rate of Distribution for any Distribution Period, then, in the event that the Rate of Distribution in respect of such Distribution Period determined in accordance with the provisions of Condition 4.2(b) (*Rate of Distribution*) above is less than such Minimum Rate of Distribution, the Rate of Distribution for such Distribution Period shall be such Minimum Rate of Distribution. Unless otherwise stated in the applicable Pricing Supplement, the Minimum Rate of Distribution shall be deemed to be zero.

If the applicable Pricing Supplement specifies a Maximum Rate of Distribution for any Distribution Period, then, in the event that the Rate of Distribution in respect of such Distribution Period determined in accordance with the provisions of Condition 4.2(b) (*Rate of Distribution*) above is greater than such Maximum Rate of Distribution, the Rate of Distribution for such Distribution Period shall be such Maximum Rate of Distribution.

(d) Determination of Rate of Distribution and calculation of Distribution Amounts

The Calculation Agent will at or as soon as practicable after each time at which the Rate of Distribution is to be determined, determine the Rate of Distribution for the relevant Distribution Period.

The Calculation Agent will calculate the amount of distribution (the **Distribution Amount**) payable on the Floating Rate Perpetual Securities for the relevant Distribution Period by applying the Rate of Distribution to:

(i) in the case of Floating Rate Perpetual Securities which are (x) represented by a Global Perpetual Security or (y) Registered Perpetual Securities in definitive form, the aggregate outstanding nominal amount of (A) the Perpetual Securities represented by such Global Perpetual Security or (B) such Registered Perpetual Securities (or, in each case, if they are Partly Paid Perpetual Securities, the aggregate amount paid up); or

(ii) in the case of Floating Rate Perpetual Securities which are Bearer Perpetual Securities in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with

applicable market convention. Where the Specified Denomination of a Floating Rate Perpetual Security which are Bearer Perpetual Securities in definitive form is a multiple of the Calculation Amount, the Distribution Amount payable in respect of such Perpetual Security shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of distribution in accordance with this Condition 4.2 (*Distribution on Floating Rate Perpetual Securities*):

(i) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period divided by 365 (or, if any portion of that Distribution Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Distribution Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Distribution Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period divided by 365;

(iii) if "**Actual/365 (Sterling)**" is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period divided by 365 or, in the case of a Distribution Payment Date falling in a leap year, 366;

(iv) if "**Actual/360**" is specified in the applicable Pricing Supplement, the actual number of days in the Distribution Period divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Distribution Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Distribution Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Distribution Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

$\mathbf{D_1}$ is the first calendar day, expressed as a number, of the Distribution Period, unless such number is 31, in which case D1 will be 30; and

$\mathbf{D_2}$ is the calendar day, expressed as a number, immediately following the last day included in the Distribution Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Distribution Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Distribution Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Distribution Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

$\mathbf{D_1}$ is the first calendar day, expressed as a number, of the Distribution Period, unless such number would be 31, in which case D1 will be 30; and

$\mathbf{D_2}$ is the calendar day, expressed as a number, immediately following the last day included in the Distribution Period, unless such number would be 31, in which case D2 will be 30;

(vii) if "**30E/360 (ISDA)**" is specified in the applicable Pricing Supplement, the number of days in the Distribution Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Distribution Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Distribution Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day of the Distribution Period falls;

$\mathbf{D_1}$ is the first calendar day, expressed as a number, of the Distribution Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Distribution Period, unless (i) that day is the last day of February but not the due date for redemption or (ii) such number would be 31, in which case D2 will be 30.

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of a Distribution Period in the applicable Pricing Supplement, the Rate of Distribution for such Distribution Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Pricing Supplement) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Pricing Supplement), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Distribution Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Distribution Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Issuer (or the independent advisor appointed by it) shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Notification of Rate of Distribution and Distribution Amounts

The Calculation Agent will cause the Rate of Distribution and each Distribution Amount for each Distribution Period and the relevant Distribution Payment Date to be notified to the Issuer, the Trustee and the Issuing and Paying Agent as soon as possible after its determination but in no event later than the fourth business day thereafter. If so required by the Issuer, the Calculation Agent will cause the Rate of Distribution, the Distribution Amounts for each Distribution Period and the relevant Distribution Payment Date to be notified to Perpetual Securityholders in accordance with Condition 13 (*Notices*) after its determination. Each Distribution Amount and Distribution Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Distribution Period. Any such amendment will be promptly notified by the Calculation Agent to the Issuer, the Trustee and the Issuing and Paying Agent and, if so required by the Issuer, to the Perpetual Securityholders in accordance with Condition 13 (*Notices*).

For the purposes of this paragraph, the expression business day means:

(i) (in the case of Perpetual Securities denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for general business in Singapore; and

(ii) (in the case of Perpetual Securities denominated in a currency other than Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks and foreign exchange markets are open for business in Singapore and the principal financial centre for that currency.

(g) Determination or Calculation by independent advisor

If for any reason at any relevant time the Issuing and Paying Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Distribution or the Issuing and Paying Agent defaults in its obligation to calculate any Distribution Amount in accordance with Condition 4.2(b)(i), Condition 4.2(b)(ii) or Condition 4.2(b)(iii) above (as the case may be) or as otherwise specified in the applicable Pricing Supplement, as the case may be, and in each case in accordance with Condition 4.2(d) above and no replacement Issuing and Paying Agent or, as the case may be, Calculation Agent has been appointed by the Issuer within two Business Days of the relevant Distribution Payment Date, an independent advisor or an agent appointed by the Issuer shall determine the Rate of Distribution at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Distribution or Maximum Rate of Distribution specified in the applicable Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the independent advisor shall calculate the Distribution Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances.

(h) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4.2 (*Distribution on Floating Rate Perpetual Securities*), whether by the Calculation Agent or independent advisor, shall (in the absence of wilful default or manifest error) be binding on the Issuer, the Trustee, the Issuing and Paying Agent, the other Agents and all Perpetual Securityholders and Couponholders and (in the absence of wilful default or manifest error) no liability to the Issuer, the Perpetual Securityholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4.3 Other Reference Rates, Index Linked Distribution Perpetual Securities, Partly Paid Perpetual Securities etc.

In the case of Perpetual Securities where the applicable Pricing Supplement identifies that Screen Rate Determination applies to the calculation of distribution, if the Reference Rate from time to time is specified in the applicable Pricing Supplement as being other than LIBOR, EURIBOR, CNH HIBOR, SIBOR or SOR, the Rate of Distribution in respect of such Perpetual Securities will be determined as provided in the applicable Pricing Supplement.

The rate or amount of distribution payable in respect of Perpetual Securities which are not also Fixed Rate Perpetual Securities or Floating Rate Perpetual Securities shall be determined in the manner specified in the applicable Pricing Supplement, provided that (a) where such Perpetual Securities are Index Linked Distribution Perpetual Securities the provisions of Condition 4.2 (*Distribution on Floating Rate Perpetual Securities*) and Condition 4.4 (*Benchmark discontinuation*) shall, save to the extent amended in the applicable Pricing Supplement, apply as if the references therein to Floating Rate Perpetual Securities were references to Index Linked Distribution Perpetual Securities, and (b) where the Perpetual Securities are Partly Paid Perpetual Securities, distribution will accrue as aforesaid on the paid-up nominal amount of such Perpetual Securities and otherwise as specified in the applicable Pricing Supplement.

In the case of Index Linked Distribution Perpetual Securities, the Calculation Agent will notify the Paying Agents of the Rate of Distribution for the relevant Distribution Period as soon as practicable after calculating the same.

4.4 Benchmark discontinuation

In addition, notwithstanding the provisions above in this Condition 4 (*Distribution*), if a Benchmark Event occurs in relation to a Reference Rate when any (in the case of Fixed Rate Perpetual Securities) Reset Rate of Distribution and (in the case of Floating Rate Perpetual Securities) Rate of Distribution (or the relevant component part thereof) remains to be determined by such Reference Rate, then the following provisions shall apply:

(a) the Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in good faith and in a commercially reasonable manner), (in the case of Fixed Rate Perpetual Securities) no later than five Business Days prior to the relevant Reset Determination Date relating to the next succeeding Reset Period (or such other date as may be agreed with the Calculation Agent) or (in the case of Floating Rate Perpetual Securities) no later than five Business Days prior to the relevant Distribution Determination Date relating to the next succeeding Distribution Period (or such other date as may be agreed with the Calculation Agent) (the **IA Determination Cut-off Date**), a Successor Rate (as defined below) or, alternatively, if there is no Successor Rate, an Alternative Reference Rate (as defined below) for purposes of determining the Reset Rate of Distribution or, as the case may be, Rate of Distribution (or the relevant component part thereof) applicable to the Perpetual Securities;

(b) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate;

(c) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, such Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future (in the case of Fixed Rate Perpetual Securities) Reset Periods or (in the case of Floating Rate Perpetual Securities) Distribution Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 4.4 (*Benchmark discontinuation*); *provided*, however, that if paragraph (b) applies and the Issuer is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Distribution Determination Date:

(i) (in the case of Fixed Rate Perpetual Securities) the Reset Rate of Distribution applicable to the next succeeding Reset Period shall be equal to the Reset Rate of Distribution last determined in relation to the Perpetual Securities in respect of the preceding Reset Period (or alternatively, if there has not been a First Reset Date, the Reset Rate of Distribution shall be the initial Rate of Distribution (if any)) (subject, where applicable, to substituting the Margin that applied to such preceding Reset Period for the Margin that is to be applied to the relevant Reset Period); for the avoidance of doubt, the proviso in this paragraph (c) shall apply to the relevant Reset Period only and any subsequent Reset Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4.4 (*Benchmark discontinuation*); and

(ii) (in the case of Floating Rate Perpetual Securities) the Rate of Distribution applicable to the next succeeding Distribution Period shall be equal to the Rate of Distribution last determined in relation to the Perpetual Securities in respect of the preceding Distribution Period (or alternatively, if there has not been a first Distribution Payment Date, the Rate of Distribution shall be the initial Rate of Distribution (if any)) (subject, where applicable, to substituting the Margin that applied to such preceding Distribution Period for the Margin that is to be applied to the relevant Distribution Period); for the avoidance of doubt, the proviso in this paragraph (c) shall apply to the relevant Distribution Period only and any subsequent Distribution Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4.4 (*Benchmark discontinuation*);

(d) if the Independent Adviser or the Issuer determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser or the Issuer (as applicable), may also specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Reset Determination Date or as the case may be, Distribution Determination Date and/or the definition of Reference Rate applicable to the Perpetual Securities, and the method for determining the fallback rate in relation to the Perpetual Securities, in order to follow market practice in relation to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. For the avoidance of doubt, the Trustee and the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 4.4 (*Benchmark discontinuation*). Perpetual Securityholder consent shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Trustee or the Agents (if required); and

(e) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable) and any related Adjustment Spread, give notice thereof to the Trustee, the Issuing and Paying Agent, the Calculation Agent and the Perpetual Securityholders, which shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable) and any related Adjustment Spread and any consequential changes made to these Conditions.

For the purposes of this Condition 4.4 (*Benchmark discontinuation*):

Adjustment Spread means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Perpetual Securityholders and Couponholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body;

(ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(iii) if no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in good faith and in a commercially reasonable manner) to be appropriate.

Alternative Reference Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of distribution in respect of perpetual securities denominated in the Specified Currency and of a comparable duration to the relevant Reset Period or, as the case may be, Distribution Period, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the relevant Reference Rate.

Benchmark Event means:

(i) the relevant Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist;

(ii) a public statement by the administrator of the relevant Reference Rate that it will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate);

(iii) a public statement by the supervisor of the administrator of the relevant Reference Rate, that the relevant Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued;

(iv) a public statement by the supervisor of the administrator of the relevant Reference Rate as a consequence of which the relevant Reference Rate will be prohibited from being used either generally, or in respect of the Perpetual Securities, and in each case within the following six months;

(v) it has become unlawful for any Issuing and Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Perpetual Securityholder using the relevant Reference Rate; or

(vi) the making of a public statement by the supervisor of the administrator of the relevant Reference Rate announcing that such Reference Rate is no longer representative or may no longer be used.

Independent Adviser means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense.

Relevant Nominating Body means, in respect of a Reference Rate:

(i) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the Reference Rate relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate, (C) a group of the aforementioned central banks or other supervisory authorities, or (D) the Financial Stability Board or any part thereof.

Successor Rate means the rate that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

4.5 Accrual of distribution

Each Perpetual Security (or in the case of the redemption of part only of a Perpetual Security, that part only of such Perpetual Security) will cease to bear distribution (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, distribution will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Perpetual Security have been paid; and

(b) as provided in the Trust Deed.

4.6 Distribution deferral

(a) **Optional Deferral:** If Distribution Deferral is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at its sole discretion, elect to defer any Distribution (in whole or in part) which is otherwise scheduled to be paid on a Distribution Payment Date, by giving notice (a **Deferral Election Notice**) to the Perpetual Securityholders in accordance with Condition 13 (*Notices*), the Trustee and the Agents not more than 15 nor less than five Business Days prior to a scheduled Distribution Payment Date (or such other notice period as may be specified in the applicable Pricing Supplement).

If Dividend Pusher is specified as being applicable in the applicable Pricing Supplement, the Issuer may not elect to defer any Distribution if, during such period(s) prior to such Distribution Payment Date as may be specified in the applicable Pricing Supplement, any of the following has occurred:

(i) the Issuer or any of its Subsidiaries (as defined in the Trust Deed) has voluntarily declared or paid any dividends, distributions or made any other payment on, or procured any dividend, distribution or other payment to be made on any of the Junior Obligations or (except on a *pro rata* basis) any of the Parity Obligations; and/or

(ii) the Issuer or any of its Subsidiaries has voluntarily redeemed, purchased, cancelled, reduced, bought-back or otherwise acquired for any consideration any of the Junior Obligations or (except on a *pro rata* basis) any of the Parity Obligations; and/or

(iii) as otherwise specified in the applicable Pricing Supplement,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, officers, directors or consultants of the Group (as defined in the Trust Deed) or (2) as a result of the exchange or conversion of the Parity Obligations for the Junior Obligations (a **Compulsory Distribution Payment Event**).

(b) **No obligation to pay**: The Issuer shall have no obligation to pay any Distribution (including any Arrears of Distribution and any Additional Distribution Amount) on any Distribution Payment Date if it validly elects not to do so in accordance with Condition 4.6(a) (*Optional Deferral*) and any failure to pay Distributions so deferred shall not constitute a default of the Issuer in respect of the Perpetual Securities.

(c) **Requirements as to Notice**: Each Deferral Election Notice shall be accompanied, in the case of the notice to the Trustee and the Issuing and Paying Agent, and if Dividend Pusher is specified as being applicable in the applicable Pricing Supplement, by a certificate signed by two authorised signatories of the Issuer confirming that no Compulsory Distribution Payment Event has occurred. Any such certificate shall be conclusive evidence that no Compulsory Distribution Payment Event has occurred and the Trustee and the Issuing and Paying Agent shall be entitled to rely without any obligation to verify the same and without liability to any Perpetual Securityholder or Couponholder or any other person on any Deferral Election Notice or any certificate as aforementioned. Each Deferral Election Notice shall be conclusive and binding on the Perpetual Securityholders and the Couponholders.

(d) **Cumulative Deferral**: If Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, any Distribution validly deferred pursuant to this Condition 4.6 (*Distribution deferral*) shall constitute **Arrears of Distribution**. The Issuer may, at its sole discretion, elect to (in the circumstances set out in Condition 4.6(a) (*Optional Deferral*)) further defer any Arrears of Distribution by complying with the foregoing notice requirements applicable to any deferral of an accrued Distribution. The Issuer is not subject to any limit as to the number of times Distributions and Arrears of Distribution can or shall be deferred pursuant to this Condition 4.6 (*Distribution deferral*) by complying with the foregoing notice requirements except that this Condition 4.6(d) (*Cumulative Deferral*) shall be complied with until all outstanding Arrears of Distribution have been paid in full.

If Additional Distribution Amount is specified as being applicable in the applicable Pricing Supplement, each amount of Arrears of Distribution shall bear further distribution as if it constituted the principal of the Perpetual Securities at the Rate of Distribution and the amount of such distribution (the **Additional Distribution Amount**) with respect to Arrears of Distribution shall be due and payable pursuant to Condition 4 (*Distribution*) and shall be calculated by applying the applicable Rate of Distribution to the amount of the Arrears of Distribution and otherwise mutatis mutandis as provided in the foregoing provisions of this Condition 4 (*Distribution*). The Additional Distribution Amount accrued up to any Distribution Payment Date shall be added, for the purpose of calculating the Additional Distribution Amount accruing thereafter, to the amount of Arrears of Distribution remaining unpaid on such Distribution Payment Date so that it will itself become Arrears of Distribution.

(e) **Non-Cumulative Deferral**: If Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement, any Distribution deferred pursuant to this Condition 4.6 (*Distribution deferral*) is non-cumulative and will not accrue distribution. The Issuer is not under any obligation to pay that or any other Distributions that have not been paid in whole or in part.

(f) **Optional Distribution**: If Optional Distribution is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at its sole discretion, and at any time, elect to pay an optional amount equal to the amount of Distribution which is unpaid in whole or in part (an **Optional Distribution**) at any time by giving irrevocable notice of such election to the Perpetual Securityholders (in accordance with Condition 13 (*Notices*)) and the Trustee and the Issuing and Paying Agent, not more than 20 nor less than 10 Business Days (or such other notice period as may be specified in the applicable Pricing Supplement) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Optional Distribution on the payment date specified in such notice).

Any partial payment of outstanding Optional Distribution by the Issuer shall be shared by the Perpetual Securityholders or Couponholders of all outstanding Perpetual Securities and the Coupons related to them on a pro-rata basis. Further provisions relating to this Condition 4.6(f) (*Optional Distribution*) may be specified in the applicable Pricing Supplement.

(g) **Restrictions in the case of Deferral**: If Dividend Stopper is specified as being applicable in the applicable Pricing Supplement and on any Distribution Payment Date, payment of Distributions (including Arrears of Distribution and Additional Distribution Amount) scheduled to be made on such date is not made in full by reason of this Condition 4.6 (*Distribution deferral*), the Issuer shall not, and shall procure that none of its Subsidiaries shall, in respect of the Junior Obligations or the Parity Obligations:

(i) voluntarily declare or pay any dividends, distributions or make any other payment on, and will procure that no dividend, distribution or other payment is made on any of the Junior Obligations or (except on a *pro rata* basis) any of the Parity Obligations; or

(ii) voluntarily redeem, purchase, cancel, reduce, buy-back or otherwise acquire for any consideration on any of the Junior Obligations or (except on a *pro rata* basis) any of the Parity Obligations,

in each case, other than (1) in connection with any employee benefit plan or similar arrangements with or for the benefit of the employees, officers, directors or consultants of the Group (as defined in the Trust Deed) or (2) as a result of the exchange or conversion of the Parity Obligations for the Junior Obligations unless and until (x) (if Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) if the Issuer has made payment in whole (and not in part only) of all outstanding Arrears of Distributions and any Additional Distribution Amounts; or (y) (if Non-Cumulative Deferral is specified as being applicable in the applicable Pricing Supplement) a redemption of all the outstanding Perpetual Securities in accordance with Condition 6 (*Redemption and Purchase*) has occurred, the next scheduled Distribution has been paid in full, or an Optional Distribution equal to the amount of a Distribution payable with respect to the most recent Distribution Payment Date that was unpaid in full or in part, has been paid in full; or (z) when so permitted by an Extraordinary Resolution (as defined in the Trust Deed) of the Perpetual Securityholders.

(h) **Satisfaction of Arrears of Distribution**:

The Issuer:

(i) may satisfy any Arrears of Distribution (in whole or in part) at any time by giving notice of such election to the Perpetual Securityholders (in accordance with Condition 13 (*Notices*)) and the Trustee and the Issuing and Paying Agent, not more than 20 nor less than 10 Business Days (or such other notice period as may be specified in the applicable Pricing Supplement) prior to the relevant payment date specified in such notice (which notice is irrevocable and shall oblige the Issuer to pay the relevant Arrears of Distribution on the payment date specified in such notice); and

(ii) in any event shall satisfy any outstanding Arrears of Distribution (in whole but not in part) on the earliest of:

(A) the date of redemption of the Perpetual Securities in accordance with the redemption events set out in Condition 6 (*Redemption and Purchase*);

(B) the next Distribution Payment Date on the occurrence of a breach of Condition 4.6(g) or the occurrence of a Compulsory Distribution Payment Event; and

(C) the date such amount becomes due under Condition 9 (*Enforcement Event*) or on a final and effective Winding-Up of the Issuer or Suntec REIT.

Any partial payment of outstanding Arrears of Distribution by the Issuer shall be shared by the Perpetual Securityholders or Couponholders of all outstanding Perpetual Securities and the Coupons related to them on a *pro-rata* basis. Further provisions relating to this Condition 4.6(h) may be specified in the applicable Pricing Supplement.

(i) **No default:** Notwithstanding any other provision in these Conditions or the Trust Deed, the deferral of any Distribution payment in accordance with this Condition 4.6 (*Distribution deferral*) shall not constitute a default for any other purpose (including, without limitation, pursuant to Condition 9 (*Enforcement Event*) on the part of the Issuer).

5. PAYMENTS

5.1 Method of payment

Subject as provided below:

(a) payments in a Specified Currency other than euro and Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);

(b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee; and

(c) payments in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the relevant Perpetual Securityholder with a bank in the Offshore Renminbi Centre(s).

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (*Taxation*)) any law implementing an intergovernmental approach thereto.

5.2 Presentation of Definitive Bearer Perpetual Securities and Coupons

Payments of principal in respect of Definitive Bearer Perpetual Securities will (subject as provided below) be made in the manner provided in Condition 5.1 (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Perpetual Securities, and payments of distribution in respect of Definitive Bearer Perpetual Securities will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Perpetual Securities in definitive bearer form and save as provided in Condition 5.4 (*Specific provisions in relation to payments in respect of certain types of Bearer Perpetual Securities*) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Perpetual Security in definitive bearer form becoming due and repayable, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Perpetual Security in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any Definitive Bearer Perpetual Security is not a Distribution Payment Date, distribution (if any) accrued in respect of such Perpetual Security from (and including) the preceding Distribution Payment Date or, as the case may be, the Distribution Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Perpetual Security.

5.3 Payments in respect of Bearer Global Perpetual Securities

Payments of principal and distribution (if any) in respect of Perpetual Securities represented by any Bearer Global Perpetual Security will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Perpetual Securities or otherwise in the manner specified in the relevant Global Perpetual Security, against presentation or surrender, as the case may be, of such Global Perpetual Security at the specified office of any Paying Agent outside the United States. A record of each payment made distinguishing between any payment of principal and any payment of distribution, will be made on such Global Perpetual Security by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream or CDP, as applicable.

5.4 Specific provisions in relation to payments in respect of certain types of Bearer Perpetual Securities

Upon the date on which any Dual Currency Perpetual Security or Index Linked Perpetual Security in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

5.5 Payments in respect of Registered Perpetual Securities

Payments of principal in respect of each Registered Perpetual Security (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Perpetual Security at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Perpetual Security appearing in the register of holders of the Registered Perpetual Securities maintained by the Registrar (the **Register**) (i) where in global form, where (A) the Registered Perpetual Securities are cleared through Euroclear and Clearstream, at the close of business on the Clearing System Business Day before the due date for such payments, where **Clearing System Business Day** means a weekday (Monday to Friday, inclusive) except 25 December and 1 January and (B) the Registered Perpetual Securities are cleared through CDP, at the date falling five business days before the due date for such payments (or such other date as may be prescribed by CDP), and (ii) where in definitive form, at the close of business on the fifteenth day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as

such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro and Renminbi) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); (in the case of a payment in euro) any bank which processes payments in euro; and (in the case of a payment in Renminbi) any bank in the Offshore Renminbi Centre(s) which processes payments in Renminbi in the Offshore Renminbi Centre(s).

Payments of distribution in respect of each Registered Perpetual Security (whether or not in global form) will be made by transfer on the due date to the Designated Account of the holder (or the first named of joint holders) of the Registered Perpetual Security appearing in the Register (i) where in global form, where (A) the Registered Perpetual Securities are cleared through Euroclear and Clearstream, at the close of business on the Clearing System Business Day before the due date for such payments and (B) the Registered Perpetual Securities are cleared through CDP, at the date falling five business days before the due date for such payments (or such other date as may be prescribed by CDP), and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**). Payment of the distribution due in respect of each Registered Perpetual Security on redemption will be made in the same manner as payment of the nominal amount of such Registered Perpetual Security.

No commissions or expenses shall be charged to the holders by the Registrar in respect of any payments of principal or distribution in respect of Registered Perpetual Securities.

None of the Issuer, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Perpetual Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

5.6 General provisions applicable to payments

The holder of a Global Perpetual Security shall be the only person entitled to receive payments in respect of Perpetual Securities represented by such Global Perpetual Security and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Perpetual Security in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream or CDP, as the beneficial holder of a particular nominal amount of Perpetual Securities represented by such Global Perpetual Security must look solely to Euroclear, Clearstream or CDP, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Perpetual Security.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or distribution in respect of Bearer Perpetual Securities is payable in U.S. dollars, such U.S. dollar payments of principal and/or distribution in respect of such Perpetual Securities will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and distribution on the Bearer Perpetual Securities in the manner provided above when due;

(b) payment of the full amount of such principal and distribution at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and distribution in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

5.7 Payment Day

If the date for payment of any amount in respect of any Perpetual Security or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further distribution or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 8 (*Prescription*)) is:

(a) in the case of Perpetual Securities or Coupons denominated in a Specified Currency other than Renminbi:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):

(A) in the case of Perpetual Securities in definitive form only, in the relevant place of presentation; and

(B) in each Additional Financial Centre (other than TARGET2 System) specified in the applicable Pricing Supplement;

(ii) if TARGET2 System is specified as an Additional Financial Centre in the applicable Pricing Supplement, a day on which the TARGET2 System is open; and

(iii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open; and

(b) in the case of Perpetual Securities or Coupons denominated in Renminbi, a day on which commercial banks and foreign exchange markets settle Renminbi payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in (i) in the case of Perpetual Securities in definitive form only, the relevant place of presentation and (ii) the Offshore Renminbi Centre(s).

5.8 Interpretation of principal and distribution

Any reference in these Conditions to principal in respect of the Perpetual Securities shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

(b) the Early Redemption Amount of the Perpetual Securities;

(c) the Optional Redemption Amount(s) (if any) of the Perpetual Securities; and

(d) any premium and any other amounts (other than distribution) which may be payable by the Issuer under or in respect of the Perpetual Securities.

Any reference in these Conditions to distribution in respect of the Perpetual Securities shall be deemed to include, as applicable, any additional amounts which may be payable with respect to distribution under Condition 7 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

6. REDEMPTION AND PURCHASE

6.1 No fixed redemption date

The Perpetual Securities are perpetual securities in respect of which there is no fixed redemption date. Subject to the provisions of Condition 3 (*Status of the Perpetual Securities*) and without prejudice to Condition 9 (*Enforcement Event*), the Perpetual Securities may not be redeemed at the option of the Issuer other than in accordance with this Condition 6 (*Redemption and Purchase*).

6.2 Redemption for tax reasons

Subject to Condition 6.9 (*Specific redemption provisions applicable to certain types of Perpetual Securities*), the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Perpetual Security is neither a Floating Rate Perpetual Security nor a Dual Currency Distribution Perpetual Security) or on any Distribution Payment Date (if this Perpetual Security is either a Floating Rate Perpetual Security or a Dual Currency Distribution Perpetual Security), on giving not less than 30 days' nor more than 60 days' notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Trustee and the Issuing and Paying Agent and, in accordance with Condition 13 (*Notices*), the Perpetual Securityholders (which notice shall be irrevocable), if:

(a) the Issuer (or the Suntec Reit Manager (as defined in the Trust Deed), as the case may be) receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that:

(i) the Perpetual Securities will not be regarded as "debt securities" for the purposes of Section 43N(4) of the Income Tax Act, Chapter 134 of Singapore (**ITA**) and Regulation 2 of the Income Tax (Qualifying Debt Securities) Regulations; or

(ii) the distributions (including any Optional Distribution, Arrears of Distribution and any Additional Distribution Amount) will not be regarded as interest payable by the Issuer for the purposes of the withholding tax exemption on interest for "qualifying debt securities" under the ITA; or

(b) the Issuer satisfies the Trustee immediately before the giving of such notice that:

(i) on the occasion of the next payment due under the Perpetual Securities, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) or increase the payment of additional amounts, in each case as a result of any change in, or amendment to, the laws (or any rules, regulations, rulings or other administrative pronouncements

promulgated or practice related thereto or thereunder) of a Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) or any change in the application or official interpretation of such laws, rules, regulations, rulings or other administrative pronouncements promulgated or practice related thereto which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Securities; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Perpetual Securities then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6.2 (*Redemption for tax reasons*), the Issuer shall deliver to the Trustee:

(A) a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and

(B) in the case of a notice of redemption pursuant to Condition 6.2(a) above, a copy of the ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) to such effect as stated in Condition 6.2(a) or, in the case of a notice of redemption pursuant to Condition 6.2(b) above, an opinion of independent tax or legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment, interpretation or pronouncement.

and the Trustee shall be entitled to accept the certificate, notice and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders and the Couponholders.

Perpetual Securities redeemed pursuant to this Condition 6.2 (*Redemption for tax reasons*) will be redeemed at their Early Redemption Amount, as specified in the applicable Pricing Supplement, together (if appropriate) with Distribution accrued to (but excluding) the date of redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable).

6.3 Redemption for Accounting Reasons

If Redemption for Accounting Reasons is specified as being applicable in the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Perpetual Security is not a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security) or on any Distribution Payment Date (if this Perpetual Security is a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security), on giving not less than 30 nor more than 60 days' notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Trustee and the Issuing and Paying Agent and in accordance with Condition 13 (*Notices*), the Perpetual Securityholders (which notice shall be irrevocable) at their Early Redemption Amount, as specified in the applicable Pricing Supplement, together (if appropriate) with Distribution accrued to (but excluding) the date of redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) if, as a result of any changes or amendments to Singapore Financial Reporting Standards issued by the Singapore Accounting Standards Council (as amended from time to time, the **SFRS**) or

any other accounting standards that may replace SFRS for the purposes of the consolidated financial statements of Suntec REIT or other internationally generally accepted accounting standards that Suntec REIT has adopted for the purposes of the preparation of its audited consolidated financial statements (the **Relevant Accounting Standard**), the Perpetual Securities may no longer be recorded as "equity" of Suntec REIT pursuant to the Relevant Accounting Standard (the **Accounting Event**), provided that such date for redemption shall be no earlier than the last day before the date on which the Perpetual Securities will not or will no longer be recorded as "equity" in the consolidated financial statements of Suntec REIT prepared in accordance with the Relevant Accounting Standard.

Prior to the publication of any notice of redemption pursuant to this Condition 6.3 (*Redemption for Accounting Reasons*), the Issuer shall deliver to the Trustee (a) a certificate signed by two authorised signatories of the Issuer stating that an Accounting Event has occurred and the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (b) an opinion of independent auditors of recognised standing to the effect that an Accounting Event has occurred and is prevailing, and the date on which the relevant change or amendment to the Relevant Accounting Standards is due to take effect.

The Trustee shall be entitled to accept the certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders and the Couponholders. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition 6.3 (*Redemption for Accounting Reasons*).

6.4 Redemption for Tax Deductibility Event

If Redemption for Tax Deductibility Event is specified as being applicable in the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Perpetual Security is not a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security) or on any Distribution Payment Date (if this Perpetual Security is a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security), on giving not less than 30 nor more than 60 days' notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Trustee and the Issuing and Paying Agent and in accordance with Condition 13 (*Notices*), the Perpetual Securityholders (which notice shall be irrevocable) at their Early Redemption Amount, as specified in the applicable Pricing Supplement, together (if appropriate) with Distribution accrued to (but excluding) the date of redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) if:

(a) the Issuer satisfies the Trustee immediately before giving such notice that, as a result of:

(i) any amendment to, or change in, the laws (or any rules, regulations, rulings or other administrative pronouncements promulgated or practice related thereto or thereunder) of Singapore or any political subdivision or any taxing authority thereof or therein which is made public, enacted, promulgated, issued or becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Securities;

(ii) any amendment to, or change in, an application or official interpretation of any such laws, rules, regulations, rulings or other administrative pronouncements promulgated or practice related thereto or by any legislative body, court, governmental agency or regulatory authority (including the enactment of any legislation and the publication of any judicial decision or regulatory determination) which is made public, enacted, promulgated, issued or becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Securities; or

(iii) any applicable official interpretation or pronouncement which is issued or announced on or after the date on which agreement is reached to issue the first Tranche of the Perpetual Securities that provides for a position with respect to such laws, rules, regulations or practice related thereto that differs from the previous generally accepted position,

the distributions (including any Optional Distribution, Arrears of Distribution and any Additional Distribution Amount) by the Issuer are no longer, or would in the Distribution Period immediately following that Distribution Payment Date no longer be, regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA; or

(b) the Issuer (or the Suntec REIT Manager, as the case may be) receives a ruling by the Comptroller of Income Tax in Singapore (or other relevant authority) which confirms that the distributions (including any Optional Distribution, Arrears of Distribution and any Additional Distribution Amount (if any)) will not be regarded as sums "payable by way of interest upon any money borrowed" for the purpose of Section 14(1)(a) of the ITA,

(the **Tax Deductibility Event**), provided that no notice of redemption may be given earlier than 90 days prior to the effective date on which payments on the Perpetual Securities would not be fully tax deductible by Suntec REIT for Singapore profits tax.

Prior to the publication of any notice of redemption pursuant to this Condition 6.4 (*Redemption for Tax Deductibility Event*), the Issuer shall deliver to the Trustee:

(A) a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred; and

(B) in the case of a notice of redemption pursuant to Condition 6.4(a)above, an opinion of independent tax or legal advisers of recognised standing to the effect that the circumstances referred to above prevail and the date on which the relevant change, amendment, interpretation or pronouncement has taken place or is due to take effect or in the case of a notice of redemption pursuant to Condition 6.4(b) above, a copy of the ruling from the Comptroller of Income Tax in Singapore (or other relevant authority) to such effect as stated in Condition 6.4(b),

and the Trustee shall be entitled to accept the certificate, notice and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders and the Couponholders. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition 6.4 (*Redemption for Tax Deductibility Event*).

6.5 Redemption upon a Ratings Event

If Redemption Upon a Ratings Event is specified as being applicable in the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Perpetual Security is not a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security) or on any Distribution Payment Date (if this Perpetual Security is a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security), on giving not less than 30 nor more than 60 days' notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Trustee and the Issuing and Paying Agent and in accordance with Condition 13 (*Notices*), the Perpetual Securityholders (which notice shall be irrevocable) at their Early Redemption Amount, as specified in the applicable Pricing Supplement, together (if appropriate) with Distribution accrued to (but excluding) the date of redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) if, an amendment, clarification or change has occurred or will occur in the equity credit criteria, guidelines or methodology of any Rating Agency requested from time to time by the Issuer to grant an equity classification to the Perpetual Securities and in each case, any of their respective successors to the rating business thereof, which amendment, clarification or change results in a lower equity credit for the Perpetual Securities than the equity credit assigned on the Issue Date or, if equity credit is not assigned on the Issue Date, at the date when equity credit is assigned for the first time (**Ratings Event**).

Prior to the publication of any notice of redemption pursuant to this Condition 6.5 (*Redemption upon a Ratings Event*), the Issuer shall deliver to the Trustee a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

For the purposes of this Condition 6.5 (*Redemption upon a Ratings Event*):

Rating Agency means Moody's Investors Service or its successors, Fitch, Inc or its successors or Standard & Poor's Rating Services, a division of The McGraw Hill Companies Inc. or its successors.

6.6 Redemption upon a Regulatory Event

If Redemption upon a Regulatory Event is specified as being applicable in the applicable Pricing Supplement, the Perpetual Securities may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Perpetual Security is not a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security) or on any Distribution Payment Date (if this Perpetual Security is a Floating Rate Perpetual Security or Dual Currency Distribution Perpetual Security), on giving not less than 30 nor more than 60 days' notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Trustee and the Issuing and Paying Agent and in accordance with Condition 13 (*Notices*), the Perpetual Securityholders (which notice shall be irrevocable) at their Early Redemption Amount, as specified in the applicable Pricing Supplement, together (if appropriate) with Distribution accrued to (but excluding) the date of redemption (including any Arrears of Distribution and any Additional Distribution Amount, if applicable) if, as a result of any change in, or amendment to, the Property Funds Appendix, or any change in the application or official interpretation of the Property Funds Appendix, the Perpetual Securities count or, in the Distribution Payment Period immediately following that Distribution Payment Date, will count towards the Aggregate Leverage under the Property Funds Appendix, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Perpetual Securities will count towards the Aggregate Leverage.

Prior to the publication of any notice of redemption pursuant to this Condition 6.6 (*Redemption upon a Regulatory Event*), the Issuer shall deliver to the Trustee (i) a certificate, signed by two authorised signatories of the Issuer, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of an independent legal adviser of recognised standing stating that the circumstances referred to above prevail and the date on which the relevant change or amendment to, or change in application or interpretation of, the Property Funds Appendix, has taken place or is due to take effect, and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders and the Couponholders. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition Condition 6.6 (*Redemption upon a Regulatory Event*).

For the purposes of this Condition 6.6 (*Redemption upon a Regulatory Event*):

Aggregate Leverage means, as defined under the Property Funds Appendix, the total borrowings and deferred payments of a property fund, or such other definition as may from time to time be provided for under the Property Funds Appendix; and

Property Funds Appendix means Appendix 6 of the Code on Collective Investment Schemes, issued by the Monetary Authority of Singapore, as amended, varied or supplemented from time to time.

6.7 Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Pricing Supplement, the Issuer may, having given not less than 15 days' nor more than 30 days' notice to the Perpetual Securityholders in accordance with Condition 13 (*Notices*) (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement), which notice shall be irrevocable and shall specify the date fixed for redemption, redeem all or some only of the Perpetual Securities then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with distribution accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement. In the case of a partial redemption of Definitive Bearer Perpetual Securities or Definitive Registered Perpetual Securities, the Perpetual Securities to be redeemed (**Redeemed Perpetual Securities**) will be selected individually by lot, in the case of Redeemed Perpetual Securities represented by Definitive Bearer Perpetual Securities or Definitive Registered Perpetual Securities, and in accordance with the rules of Euroclear, Clearstream and/or CDP (as applicable), in the case of Redeemed Perpetual Securities represented by a Global Perpetual Security, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Perpetual Securities represented by Perpetual Securities in definitive form, a list of the serial numbers of such Redeemed Perpetual Securities will be published in accordance with Condition 13 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Perpetual Security will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6.7 (*Redemption at the option of the Issuer (Issuer Call)*) and notice to that effect shall be given by the Issuer to the Perpetual Securityholders in accordance with Condition 13 (*Notices*) at least five days prior to the Selection Date.

6.8 Redemption in the case of Minimum Outstanding Amount

If Minimal Outstanding Amount Redemption Option is specified as being applicable in the applicable Pricing Supplement, the Issuer may, at any time (if this Perpetual Security is neither a Floating Rate Perpetual Security nor a Dual Currency Distribution Perpetual Security) or on any Distribution Payment Date (if this Perpetual Security is either a Floating Rate Perpetual Security or a Dual Currency Distribution Perpetual Security), on giving not less than 30 nor more than 60 days' irrevocable notice (or such other maximum and minimum notice period as may be specified in the applicable Pricing Supplement) to the Trustee and the Issuing and Paying Agent and in accordance with Condition 13 (*Notices*), the Perpetual Securityholders (or such other notice period as may be specified in the applicable Pricing Supplement) redeem the Perpetual Securities, in whole, but not in part, at their Early Redemption Amount as specified in the applicable Pricing Supplement (together with distributions accrued to (but excluding) the date fixed for redemption) if, immediately before giving such notice, the aggregate principal amount of the Perpetual Securities outstanding is less than 20 per cent. of the aggregate principal amount originally issued. All Perpetual Securities shall be redeemed on the date specified in such notice in accordance with this Condition 6.8 (*Redemption in the case of Minimum Outstanding Amount*).

6.9 Specific redemption provisions applicable to certain types of Perpetual Securities

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Floating Rate Perpetual Securities and Dual Currency Redemption Perpetual Securities may be specified in, or determined in the manner specified in, the applicable Pricing Supplement. For the purposes of Conditions 6.2 (*Redemption for tax reasons*) to Condition 6.8 (*Redemption in the case of Minimum Outstanding Amount*), Floating Rate Perpetual Securities and Dual Currency Distribution Perpetual Securities may be redeemed only on a Distribution Payment Date.

Partly Paid Perpetual Securities will be redeemed, whether early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

6.10 No Other Redemption

The Issuer shall not be entitled to redeem the Perpetual Securities and shall have no obligation to make any payment of principal in respect of the Perpetual Securities otherwise than as provided in Condition 6.2 (*Redemption for tax reasons*) and, to the extent specified in the applicable Pricing Supplement, in Condition 6.3 (*Redemption for Accounting Reasons*) to Condition 6.8 (*Redemption in the case of Minimum Outstanding Amount*), and as otherwise specified in the applicable Pricing Supplement.

6.11 Purchases

The Issuer or any of the Subsidiaries of the Issuer may at any time purchase Perpetual Securities (provided that, in the case of Definitive Bearer Perpetual Securities, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. All such Perpetual Securities may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar (in the case of Registered Perpetual Securities) for cancellation.

6.12 Cancellation

All Perpetual Securities which are redeemed will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Perpetual Securities so cancelled and any Perpetual Securities purchased and cancelled pursuant to Condition 6.11 (*Purchases*) above (together with all unmatured Coupons and Talons cancelled therewith) shall be forwarded to the Issuing and Paying Agent and cannot be reissued or resold.

7. TAXATION

All payments of principal and distribution in respect of the Perpetual Securities and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Perpetual Securities or Coupons after such withholding or deduction shall equal the respective amounts of principal and distribution which would otherwise have been receivable in respect of the Perpetual Securities or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Perpetual Security or Coupon:

(a) presented for payment in any Tax Jurisdiction; or

(b) the holder of which is liable for such taxes or duties in respect of such Perpetual Security or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Perpetual Security or Coupon, or by the receipt of amounts in respect of such Perpetual Security or Coupon or where the withholding or deduction could be avoided by the holder making a declaration of non-residence or residence, or other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so;

(c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5.7 (*Payment Day*));

(d) to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any such third party complies with any statutory requirements or by making or procuring that any such third party makes a declaration of non-residence or residence or any other similar claim for exemption to any tax authority; or

(e) by or on behalf of a holder or a beneficial owner who would have been able to avoid such withholding or deduction by satisfying any statutory or procedural requirements.

Where the Perpetual Securities are not recognised as debt securities for Singapore income tax purposes, all payments in respect of the Perpetual Securities by or on behalf of the Issuer may be subject to Singapore withholding tax, regardless of the underlying receipts from which the distributions are made by Suntec REIT. In that event, the Issuer will not pay any additional amounts in respect of any such withholding or deduction for or on account of any such taxes or duties.

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Perpetual Securities and Coupons for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein:

(i) **Tax Jurisdiction** means Singapore or any political subdivision or any authority thereof or therein having power to tax; and

(ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Issuing and Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Perpetual Securityholders in accordance with Condition 13 (*Notices*).

8. PRESCRIPTION

The Perpetual Securities (whether in bearer or registered form) and Coupons will become void unless claims in respect of principal and/or distribution are made within a period of 10 years (in the case of principal) and five years (in the case of distribution) after the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5.2 (*Presentation of Definitive Bearer Perpetual Securities and Coupons*) or any Talon which would be void pursuant to Condition 5.2 (*Presentation of Definitive Bearer Perpetual Securities and Coupons*).

9. ENFORCEMENT EVENT

9.1 Non-payment when due: Notwithstanding any of the provisions below in this Condition 9 (*Enforcement Event*), the right to institute Winding-Up proceedings in respect of Suntec REIT is limited to circumstances where payment under the Perpetual Securities has become due. In the case of any Distribution or Arrears of Distribution, such payment will not be due if the Issuer has elected to defer that payment pursuant to Condition 4.6 (*Distribution deferral*), provided that nothing in this Condition 9 (*Enforcement Event*), including any restriction on commencing proceedings, shall in any way restrict or limit any rights of the Trustee or any of its directors, officers, employees or agents to claim from or to otherwise take any action against the Issuer in respect of any costs, charges, fees, expenses or liabilities incurred by such party pursuant to or in connection with the Trust Deed or the Perpetual Securities or the Coupons.

9.2 **Enforcement Events:** If any of the following events occurs (each, an **Enforcement Event**), the Trustee at its discretion may, and if so requested in writing by holders of not less than 30 per cent. in principal amount of the Perpetual Securities then outstanding or if so directed by an Extraordinary Resolution shall (provided that the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction) institute proceedings for the Winding-Up of Suntec REIT and/or prove in the Winding-Up of the Issuer and/or Suntec REIT and/or claim in the liquidation of the Issuer and/or Suntec REIT for payment of the Perpetual Securities at their principal amount together with any Distributions accrued to (but excluding) such date (including any outstanding Arrears of Distribution and any Additional Distribution Amount, if applicable), as provided in the Trust Deed:

(a) **Non-payment:** the Issuer fails to pay the principal of or any Distribution (including Arrears of Distributions and Additional Distribution Amounts) on any of the Perpetual Securities when due (save, for the avoidance of doubt, for Distributions (including Arrears of Distribution and Additional Distribution Amounts) which have been deferred in accordance with Condition 4.6 (*Distribution deferral*)) and such failure continues for a period of seven Business Days; or

(b) **Winding-Up:** a final and effective order is made or an effective resolution passed for the Winding-Up or dissolution of the Issuer and/or Suntec REIT.

9.3 **Enforcement:** Without prejudice to Condition 9.2 (*Enforcement Events*) but subject to Condition 9.4 (*Entitlement of Trustee*), the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed and the Perpetual Securities (other than any payment obligation of the Issuer under or arising from the Perpetual Securities, the Trust Deed, as the case may be, including, without limitation, payment of any principal or Distribution (including any Arrears of Distribution and Additional Distribution Amount) in respect of the Perpetual Securities, including any damages awarded for breach of any obligation), provided that in no event shall the Issuer or Suntec REIT, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums in cash or otherwise, sooner than the same would otherwise have been payable by it.

9.4 **Entitlement of Trustee:** The Trustee will not be bound to take any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Perpetual Securityholders holding not less than 30 per cent. in principal amount of the Perpetual Securities outstanding, and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

9.5 **Right of Perpetual Securityholders:** No Perpetual Securityholder or Couponholder shall be entitled to proceed directly against the Issuer or Suntec REIT or to institute proceedings for the Winding-Up of Suntec REIT or claim in the liquidation of the Issuer or Suntec REIT or to prove in such Winding-Up of the Issuer or Suntec REIT unless the Trustee, having become so bound to proceed or being able to prove in such Winding-Up of the Issuer or Suntec REIT or claim in such liquidation or termination, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing, in which case the Perpetual Securityholder shall have only such rights against the Issuer and/or Suntec REIT as those which the Trustee is entitled to exercise as set out in this Condition 9 (*Enforcement Event*).

9.6 **Extent of Perpetual Securityholders' or Couponholders' remedy:** No remedy against the Issuer or Suntec REIT, other than as referred to in this Condition 9 (*Enforcement Event*),shall be available to the Trustee or the Perpetual Securityholders, whether for the recovery of amounts owing in respect of the Perpetual Securities or the Coupons or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Perpetual Securities or the Coupons or under the Trust Deed.

10. REPLACEMENT OF PERPETUAL SECURITIES, COUPONS AND TALONS

Should any Perpetual Security, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issuing and Paying Agent, or as the case may be, the Registrar, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer, the Issuing and Paying Agent or the Registrar may require. Mutilated or defaced Perpetual Securities, Coupons or Talons must be surrendered before replacements will be issued.

11. PAYING AGENTS AND REGISTRAR

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in the applicable Pricing Supplement.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be an Issuing and Paying Agent and a Registrar; and

(b) so long as the Perpetual Securities are listed on any stock exchange or admitted to listing by any other relevant authority or entity, there will at all times be a Paying Agent, which may be the Issuing and Paying Agent, and a Transfer Agent, which may be the Registrar, with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority or entity.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5.6 (*General provisions applicable to payments*). Notice of any variation, termination, appointment or change in Paying Agents will be given to the Perpetual Securityholders promptly by the Issuer in accordance with Condition 13 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Perpetual Securityholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its corporate trust business to become the successor paying agent.

12. EXCHANGE OF TALONS

On and after the Distribution Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of distribution due in respect of the Perpetual Security to which it appertains) a further Talon, subject to the provisions of Condition 8 (*Prescription*).

13. NOTICES

All notices regarding Bearer Perpetual Securities will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in Singapore, which is expected to be The Business Times. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Perpetual Securities will be deemed to be validly given if sent by mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Perpetual Securities are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Perpetual Securities are issued, there may, so long as any Global Perpetual Securities representing the Perpetual Securities are held in their entirety on behalf of (i) Euroclear, Clearstream, be substituted for such publication in such newspaper(s) or such mailing, the delivery of the relevant notice to Euroclear, Clearstream for communication by them to the holders of the Perpetual Securities, (ii) CDP, be substituted for such publication in such newspaper(s) or such mailing, (A) (subject to the agreement of CDP) the delivery of the relevant notice to CDP for communication by them to the holders of the Perpetual Securities, (B) the delivery of the relevant notice to the persons shown in the records maintained by the CDP no earlier than three Business Days preceding the date of despatch of such notice as holding interests in the relevant Global Perpetual Securities, or (C) for so long as the Perpetual Securities are listed on the SGX-ST, the publication of the relevant notice on the website of the SGX-ST at http://www.sgx.com, and, in addition, for so long as any Perpetual Securities are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Perpetual Securities on (x) the day after the day on which the said notice was given to Euroclear, Clearstream and/or CDP, as the case may be, and/or (y) (in the case of Perpetual Securities cleared through CDP) the day after the date of the despatch of such notice to the persons shown in the records maintained by CDP, and/or (z) (in the case of Perpetual Securities cleared through CDP) the date of publication of such notice on the website of the SGX-ST.

Notices to be given by any Perpetual Securityholder shall be in writing and given by lodging the same, together (in the case of any Perpetual Security in definitive form) with the relative Perpetual Security or Perpetual Securities, with the Issuing and Paying Agent (in the case of Bearer Perpetual Securities) or the Registrar. Whilst any of the Perpetual Securities are represented by a Global Perpetual Security, such notice may be given by any holder of a Perpetual Security to the Issuing and Paying Agent or the Registrar through Euroclear, Clearstream and/or CDP, in each case in such manner as the Issuing and Paying Agent, the Registrar, Euroclear, Clearstream and/or CDP as the case may be, may approve for this purpose.

14. MEETINGS OF PERPETUAL SECURITYHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

14.1 The Trust Deed contains provisions for convening meetings (including by way of teleconference or videoconference call) of the Perpetual Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Perpetual Securities, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Issuer if required in writing by Perpetual Securityholders holding not less than 10 per cent. in nominal amount of the Perpetual Securities for the time being outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is two or more persons holding or representing not less than 50 per cent. in nominal amount of the Perpetual Securities for the time being outstanding, or at any adjourned meeting two or more persons being or representing Perpetual Securityholders whatever the nominal amount of the Perpetual Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Perpetual Securities or the Coupons or the Trust Deed (including modifying any date for payment of distribution thereon, reducing or cancelling the amount of principal or the rate of distribution payable in respect of the Perpetual Securities, varying the method of calculating the rate of distribution payable in respect of the Perpetual Securities, altering the currency of payment of the Perpetual Securities or the Coupons, or amending the subordination provisions of the Perpetual Securities), the quorum shall be two or more persons holding or representing not less than three-quarters in nominal amount of the Perpetual Securities for the time being outstanding, or at any adjourned such meeting two or more persons holding or representing not less than one-quarter in nominal amount of the Perpetual Securities for the time being outstanding.

The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-quarters of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-quarters in nominal amount of the Perpetual Securities for the time being outstanding (a **Written Resolution**) or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-quarters in nominal amount of the Perpetual Securities for the time being outstanding (an **Electronic Consent**), shall, in each case, be effective as an Extraordinary Resolution of the Perpetual Securityholders. An Extraordinary Resolution passed by the Perpetual Securityholders will be binding on all the Perpetual Securityholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and all Couponholders. A Written Resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Perpetual Securityholders. A Written Resolution and/or Electronic Consent will be binding on all Perpetual Securityholders whether or not they participated in such Written Resolution and/or Electronic Consent, as the case may be.

14.2 The Trustee may agree, without the consent of the Perpetual Securityholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Perpetual Securities or the Trust Deed or the Agency Agreement, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Perpetual Securityholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or is made to cure any ambiguity or correct a manifest error or an error which, in the opinion of the Trustee, is proven, or to comply with mandatory provisions of the law or is required by Euroclear, Clearstream, CDP and/or any other clearing system in which the Perpetual Securities may be held. Any such modification shall be binding on the Perpetual Securityholders and the Couponholders and any such modification shall be notified to the Perpetual Securityholders in accordance with Condition 13 *(Notices)* as soon as practicable thereafter.

14.3 In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Perpetual Securityholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Perpetual Securityholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Perpetual Securityholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Perpetual Securityholder or Couponholder be entitled to claim, from the Issuer the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Perpetual Securityholders or Couponholders except to the extent already provided for in Condition 7 (*Taxation*) and/or any undertaking or covenant given in addition to, or in substitution for, Condition 7 (*Taxation*) pursuant to the Trust Deed.

14.4 Substitutions

In addition, the Issuer may substitute in place of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec REIT) (or of the previous substitute under this Condition 14.4) as the principal debtor under the Perpetual Securities, the Coupons and the Trust Deed another company being appointed as the replacement or substitute trustee of Suntec REIT (such substituted company being hereinafter called the **New Suntec REIT Trustee**) in accordance with the terms of the Suntec REIT Trust Deed, subject to:

(i) relevant accession or supplemental agreements, trust deeds or deeds poll being executed or some other form of undertaking being given by the New Suntec REIT Trustee, agreeing to be bound by the provisions of the Trust Deed as fully as if the New Suntec REIT Trustee had been named in the Trust Deed as the principal debtor in place of the Issuer (or of the previous substitute under this Condition 14.4);

(ii) the Trustee being provided with evidence to its satisfaction that the appointment of the New Suntec REIT Trustee has been completed in accordance with the terms of the Suntec REIT Trust Deed, including a copy of the deed supplemental to the Suntec REIT Trust Deed providing for such appointment, a confirmation from the Suntec REIT Manager that the Deposited Property (as defined in the Suntec REIT Trust Deed) has been vested in the New Suntec REIT Trustee, and an opinion from independent legal advisers of recognised standing to the effect such appointment of the New Suntec REIT Trustee is legal, valid and binding on Suntec REIT; and

(iii) certain other conditions set out in the Trust Deed being complied with.

The Issuer shall deliver to the Trustee a certificate signed by two duly authorised signatory of the Issuer stating that the appointment of the New Suntec REIT Trustee has been completed in accordance with the terms of the Suntec REIT Trust Deed and that the conditions set out in the Trust Deed for the substitution of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec REIT) (or of any previous substitute) have been complied with and the Trustee shall be entitled to accept the certificate as sufficient evidence of the conditions precedent set out above, in which event it shall be conclusive and binding on the Perpetual Securityholders and the Couponholders.

Upon the execution of such documents and compliance with such requirements, the New Suntec REIT Trustee shall be deemed to be named in the Perpetual Securities, the Coupons and the Trust Deed as the principal debtor in place of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec REIT) (or in place of the previous substitute under this Condition 14.4) under the Perpetual Securities, the Coupons and the Trust Deed and the Perpetual Securities, the Coupons and the Trust Deed shall be deemed to be modified in such manner as shall be necessary to give effect to the above provisions and, without limitation, references in the Perpetual Securities, the Coupons and the Trust Deed to HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec REIT) and/or the Suntec REIT Trustee (or such previous substitute under this Condition 14.4), unless the context otherwise requires, be deemed to be or include references to the New Suntec REIT Trustee.

15. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or any person or body corporate associated with the Issuer and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, Suntec REIT and/or any of their respective Subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Perpetual Securityholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

16. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Perpetual Securityholders or the Couponholders to create and issue further perpetual securities having terms and conditions the same as the Perpetual Securities or the same in all respects save for the amount and date of the first payment of distribution thereon and the date from which distribution starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Perpetual Securities.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Perpetual Security under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

18.1 Governing law

The Perpetual Securities (except for the subordination provisions set out in Condition 3.2 (*Subordinated Perpetual Securities*)), the Coupons, the Trust Deed (except for the subordination provisions set out in Clause 7.3), the Agency Agreement and any non-contractual obligations arising out of or in connection with the Perpetual Securities, the Coupons, the Trust Deed and the Agency Agreement are governed by and shall be construed in accordance with English law. The subordination provisions set out in Condition 3.2 (*Subordinated Perpetual Securities*) of the Perpetual Securities and Clause 7.3 of the Trust Deed shall be governed by and construed in accordance with Singapore law.

18.2 Submission to jurisdiction

(a) Subject to Condition 18.2(c), the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Perpetual Securities and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Perpetual Securities and/or the Coupons (a **Dispute**) and accordingly each of the Issuer, the Trustee, any Perpetual Securityholders and Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(b) For the purposes of this Condition 18.2 (*Submission to jurisdiction*), the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(c) To the extent allowed by law, the Trustee, the Perpetual Securityholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

18.3 Appointment of Process Agent

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent for service of process in any proceedings before the English courts in relation to any Dispute and agrees that, in the event of Law Debenture Corporate Services Limited being unable or unwilling for any reason so to act, the Issuer will immediately appoint another person approved by the Trustee as its agent for service of process in England in respect of any Dispute. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate service. Nothing herein shall affect the right to serve process in any other manner permitted by law.

19. LIABILITY OF HSBC INSTITUTIONAL TRUST SERVICES (SINGAPORE) LIMITED (IN ITS CAPACITY AS TRUSTEE OF SUNTEC REIT)

19.1 Notwithstanding any provision to the contrary in these Conditions, the Trust Deed, the Perpetual Securities and any Coupons, it is hereby agreed and acknowledged that HSBC Institutional Trust Services (Singapore) Limited (**HSBCITS**) has entered into the Trust Deed only in its capacity as trustee of Suntec REIT and not in its personal capacity and all references to the "Suntec REIT Trustee" and/or the "Issuer" in these Conditions, the Trust Deed, the Perpetual Securities and any Coupons shall be construed accordingly. As such, notwithstanding any provision to the contrary in these Conditions, the Trust Deed, the Perpetual Securities or any Coupons, HSBCITS has assumed all obligations under these

Conditions, the Trust Deed, the Perpetual Securities and any Coupons only in its capacity as trustee of Suntec REIT and not in its personal capacity and any liability of or indemnity, covenant, undertaking, representation and/or warranty given or to be given by the Suntec REIT Trustee in its capacity as the Issuer under these Conditions, the Trust Deed, the Perpetual Securities or any Coupons is given by HSBCITS in its capacity as trustee of Suntec REIT and not in its personal capacity and any power and right conferred on any receiver, attorney, agent and/or delegate under these Conditions, the Trust Deed, the Perpetual Securities or any Coupons is limited to the assets of or held on trust for Suntec REIT over which HSBCITS in its capacity as trustee of Suntec REIT has recourse and shall not extend to any personal assets of HSBCITS or any assets held by HSBCITS in its capacity as trustee of any other trusts. Any obligation, matter, act, action or thing required to be done, performed or undertaken or any covenant, representation, warranty or undertaking given by the Suntec REIT Trustee in its capacity as the Issuer under these Conditions, the Trust Deed, the Perpetual Securities or any Coupons shall only be in connection with matters relating to Suntec REIT and shall not extend to the obligations of HSBCITS in respect of any other trust or real estate investment trust of which it is a trustee.

19.2 Notwithstanding any provision to the contrary in these Conditions, the Trust Deed, the Perpetual Securities or any Coupons, it is hereby acknowledged and agreed that the obligations of the Suntec REIT Trustee in its capacity as the Issuer under these Conditions, the Trust Deed, the Perpetual Securities and any Coupons will be solely the corporate obligations of the Suntec REIT Trustee in its capacity as the Issuer and that no party to the Trust Deed shall have any recourse against the shareholders, directors, officers or employees of HSBCITS for any claims, losses, damages, liabilities or other obligations whatsoever in connection with any of the transactions contemplated by the provisions of these Conditions, the Trust Deed, the Perpetual Securities or any Coupons.

19.3 Notwithstanding any provision to the contrary in these Conditions, the Trust Deed, the Perpetual Securities or any Coupons and for the avoidance of doubt, any legal action or proceedings commenced against the Suntec REIT Trustee in its capacity as the Issuer whether in England or elsewhere pursuant to the Trust Deed shall be brought against HSBCITS in its capacity as trustee of Suntec REIT and not in its personal capacity. The foregoing shall not restrict or prejudice the rights or remedies of the Trustee, the Perpetual Securityholders or the Couponholders under law or equity in connection with any gross negligence, fraud or breach of trust of HSBCITS.

19.4 This Condition 19 (*Liability of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as Trustee of Suntec REIT*) shall survive the termination or rescission of the Trust Deed, and the redemption or cancellation of the Perpetual Securities and/or any Coupons.

19.5 The provisions of this Condition 19 (*Liability of HSBC Institutional Trust Services (Singapore) Limited (in its capacity as Trustee of Suntec REIT*) shall apply, *mutatis mutandis*, to any notice, certificate or other document which the Suntec REIT Trustee issues under or pursuant to these Conditions, the Trust Deed, the Perpetual Securities or any Coupons, as if expressly set out in such notice, certificate or document.

USE OF PROCEEDS

Unless otherwise specified in the applicable Pricing Supplement, the net proceeds from the issue of each Tranche of Notes or Perpetual Securities will be used by the Group for refinancing its existing borrowings, financing or refinancing its acquisitions and/or investments, financing any asset enhancement works in which it has an interest and general corporate purposes.

SUMMARY FINANCIAL INFORMATION

The following tables present summary consolidated financial information of the Group as at and for the periods indicated.

The summary consolidated financial information as at and for the years then ended 31 December 2017, 2018 and 2019 has been derived from the Group's consolidated financial statements as at and for the years ended 31 December 2018 and 2019 included in this Offering Circular that have been prepared in accordance with the recommendations of RAP 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and audited by KPMG LLP, and should be read in conjunction with such published audited consolidated financial statements and the notes thereto.

The summary consolidated financial information as at and for the six months ended 30 June 2019 and 2020 has been derived from the Group's unaudited financial statements announcement as at and for the six months ended 30 June 2020 included in this Offering Circular that have been prepared in accordance with the recommendations of RAP 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, and should be read in conjunction with such published unaudited financial statements announcement and the notes thereto. Such consolidated financial information has been reviewed and not been audited by KPMG LLP. Potential investors should exercise caution when using such data to evaluate the Group's financial condition and results of operations.

The consolidated financial position and consolidated results of the Group's operations as at and for the six months ended 30 June 2020 should not be taken as an indication of the expected financial position and results of the Group's operations as at and for the full year ending 31 December 2020.

Consolidated Statements of Financial Position

	As at 31 December			As at 30 June
	2019	2018	2017	2020
	$'000	$'000	$'000	$'000
Non-current assets				
Plant and equipment	1,648	1,860	2,109	1,525
Investment properties	6,879,695	6,493,964	6,387,338	7,140,836
Interests in joint ventures	2,956,834	2,855,238	2,660,234	2,961,751
Derivative assets	–	573	803	–
Trade and other receivables	–	–	–	12,422
	9,838,177	9,351,635	9,050,484	10,116,534
Current assets				
Derivative assets	1	943	243	180
Trade and other receivables	36,987	23,168	18,232	61,721
Cash and cash equivalents	157,206	136,657	172,655	355,181
	194,194	160,768	191,130	417,082
Total assets	10,032,371	9,512,403	9,241,614	10,533,616
Current liabilities				
Interest-bearing borrowings	589,429	513,770	237,004	501,276
Trade and other payables	137,500	112,749	108,889	135,280
Derivative liabilities	11,761	3,408	456	15,991
Security deposits	19,967	19,744	25,387	31,680
	758,657	649,671	371,736	684,227
Non-current liabilities				
Interest-bearing borrowings	3,040,819	2,978,075	2,993,867	3,717,141
Security deposits	53,342	49,133	39,899	44,637
Derivative liabilities	20,473	27,397	40,141	50,019
Deferred tax liabilities	52,936	40,021	28,996	51,793
	3,167,570	3,094,626	3,102,903	3,863,590
Total liabilities	3,926,227	3,744,297	3,474,639	4,547,817
Net assets	6,106,144	5,768,106	5,766,975	5,985,799
Represented by:				
Unitholders' funds	5,977,058	5,636,523	5,639,074	5,891,794
Non-controlling interests	129,086	131,583	127,901	94,005
	6,106,144	5,768,106	5,766,975	5,985,799
Units in issue ('000)	2,801,016	2,670,633	2,652,436	2,816,326
Net asset value per Unit (S$)	2.126	2.103	2.119	2.089

Consolidated Statements of Total Return

	For the financial year ended 31 December			For the six months ended 30 June	
	2019	**2018**	**2017**	**2020**	**2019**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Gross revenue	366,730	363,504	354,196	149,448	178,073
Property expenses	(129,978)	(121,995)	(107,826)	(58,418)	(63,411)
Impairment loss on trade receivables	(565)	(532)	(1,913)	(125)	(101)
Net property income	236,187	240,977	244,457	90,905	114,561
Other income	–	–	–	1,881	–
Share of profit of joint ventures	157,793	108,488	80,340	35,690	60,673
Net finance costs	(80,609)	(72,189)	(75,608)	(37,703)	(39,153)
Asset management fees					
– Base fee	(34,131)	(32,826)	(32,117)	(17,776)	(16,737)
– Performance fee	(15,148)	(14,978)	(15,198)	(6,845)	(7,499)
Trust Expenses	(3,542)	(3,879)	(3,688)	(2,156)	(1,897)
Net income	260,550	225,593	198,186	63,996	109,948
Net change in fair value of financial derivatives	(3,972)	5,328	(5,506)	(33,173)	(6,967)
Net change in fair value of investment properties	154,389	100,215	54,624	(66,596)	–
Total return for the year/period before tax	410,967	331,136	247,304	(35,773)	102,981
Tax expense	(15,874)	(12,973)	(18,290)	(912)	(2,156)
Total return for the year/period after tax	395,093	318,163	229,014	(36,685)	100,825
Attributable to:					
Unitholders of the Trust	390,534	307,177	220,298	(1,604)	100,977
Non-controlling interests	4,559	10,986	8,716	(35,081)	(152)
	395,093	318,163	229,014	(36,685)	100,825
Earnings per Unit (cents)					
Basic	14.158	11.522	8.444	(0.057)	3.717
Diluted	13.069	10.629	8.402	(0.057)	3.466

Review of past performance

*Financial Year ended 31 December 2019 (**FY2019**) vs Financial Year ended 31 December 2018 (**FY2018**)*

Suntec REIT achieved gross revenue for FY2019 of S$366.7 million, which was 0.9% higher compared to FY2018. This was mainly due to a higher contribution from Suntec City Mall and Suntec City Office as well as from 55 Currie Street. This was partially offset by lower revenue from Suntec Singapore Convention & Exhibition Centre and 177 Pacific Highway due to the weakened Australian dollar. Office revenue in FY2019 was S$176.4 million, 3.7% higher year on year, mainly due to higher occupancy at Suntec City Office as well as a contribution from 55 Currie Street. Retail revenue in FY2019 of S$128.6 million was 4.1% higher than in FY2018, mainly due to the positive rent reversions at Suntec City.

Convention revenue of S$61.7 million declined 11.7% year on year as the higher number of corporate events was offset by fewer major convention events. Net property income in FY2019 was S$236.2 million, a decrease of 2.0% year on year. This was due to the sinking fund contribution for Suntec City Office upgrading works, lower convention income and the weakened Australian dollar. Excluding the sinking fund contribution of S$19.3 million, which has no impact on distributable income, the net property income for FY2019 would be 1.3% higher year on year.

The total income contribution from the joint ventures for FY2019 was S$98.6 million. This comprised the income contribution of S$23.9 million from the one-third interest in One Raffles Quay (**ORQ**), S$57.2 million from the one-third interest in Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall (the **MBFC Properties**) and S$17.5 million from the 50.0% interest in Southgate Complex. The total income contribution for FY2019 was 8.1% higher than FY2018 of S$91.2 million, mainly due to the stronger performance and additional 25.0% interest in Southgate Complex and one-off compensations received for the MBFC Properties. This was partially offset by lower occupancy at ORQ.

*FY2018 vs Financial Year ended 31 December 2017 (**FY2017**)*

Suntec REIT achieved a gross revenue for FY2018 of S$363.5 million, which was 2.6% higher compared to FY2017. This was mainly due to a higher contribution from Suntec Singapore and Suntec City Mall, partially offset by lower revenue from Suntec City Office. Office revenue in FY2018 was S$170.0 million, 3.2% lower year on year mainly due to the transitory downtime from replacement leases at Suntec City Office. The retail revenue of S$123.6 million was 4.0% higher than in FY2017, mainly due to the positive rental reversions at Suntec City.

Convention revenue amounted to S$69.9 million and was 17.1% higher year on year due to higher exhibition revenue attained in FY2018. Net property income in FY2018 was S$241.0 million, a decrease of 1.4% year on year. This was due to the sinking fund contribution for the Suntec City Office upgrading works. Excluding the sinking fund contribution of S$11.2 million, which has no impact on distributable income, net property income for FY2018 of S$252.2 million was S$7.8 million or 3.2% higher year on year.

The income contribution from the joint ventures for FY2018 was S$91.2 million. This comprised the income contribution of S$24.8 million from the one-third interest in ORQ, S$53.6 million from the one-third interest in the MBFC Properties and S$12.9 million from the 50.0% interest in Southgate Complex. The total income contribution for FY2018 was 1.7% higher than for FY2017 (S$89.7 million).

*First half ended 30 June 2020 (**1H FY2020**) vs First half ended 30 June 2019 (**1H FY2019**)*

Gross revenue amounted to S$149.4 million for 1H FY2020, a decrease of S$28.6 million or 16.1% lower year on year. The decrease was mainly to due lower revenue from Suntec City and Suntec Singapore by S$14.9 million and S$22.7 million respectively as well as lower revenue from 177 Pacific Highway. This was partially offset by contributions from 21 Harris Street and 55 Currie Street, which were acquired on 6 April 2020 and 10 September 2019 respectively.

Suntec City revenue declined S$14.9 million year on year, mainly due to the decrease in retail revenue arising from the rent assistance of approximately 1.5 months granted to retail tenants. While the operating performance of Suntec City Office improved with higher occupancy and rent achieved in 1H FY2020, the revenue declined by S$0.4 million due to provision made for rent assistance to eligible Small and Medium-sized Enterprises (**SME**) tenants.

Suntec Singapore's revenue contribution for the period of S$16.2 million comprises S$8.9 million from convention and S$7.3 million from retail as compared to S$28.6 million and S$10.2 million respectively in 1H FY2019. The convention revenue declined 68.9% as a result of the postponement and cancellation of events due to the COVID-19 outbreak. Suntec Singapore's retail revenue decreased by 28.6% as compared to 1H FY2019 due to rent assistance of approximately 1.5 months granted to retail tenants. 177 Pacific Highway revenue of S$18.4 million for 1H FY2020 was 5.2% lower than 1H FY2019 due to the weakened Australian dollar and rent assistance of approximately 2 months granted to retail tenants.

Net property income for 1H FY2020 was S$90.9 million, S$23.7 million or 20.6% lower year on year, mainly attributable to the rent assistance granted to Suntec City retail tenants and the provision made for rent assistance to eligible office tenants. This was partially offset by contributions from 21 Harris Street and 55 Currie Street.

The total income contribution from joint ventures comprising ORQ, the MBFC Properties and Southgate Complex for the period was S$46.9 million, 5.8% lower, mainly due to one-off compensation received in 1H FY2019 and to rent assistance granted to retail tenants at the MBFC Properties as well as lower income contributions from Southgate Complex also due to rent assistance granted to retail tenants. This was partially offset by a higher contribution from ORQ due to one-off compensation received in 1H FY2020.

Net financing costs for the period were S$37.7 million, a decrease of S$1.5 million year on year. Despite an increase in borrowings, the net financing costs were lower, mainly due to lower interest rates in 1H FY2020.

DESCRIPTION OF SUNTEC REIT MTN PTE. LTD.

History and Business

Suntec REIT MTN Pte. Ltd was incorporated in Singapore as a public limited liability company on 29 July 2013. It is a wholly-owned subsidiary of the Suntec REIT Trustee.

Registered Address

The registered office of Suntec REIT MTN Pte. Ltd as at the date of this Offering Circular is at:

5 Temasek Boulevard
#12-01
Suntec Tower Five
Singapore 038985

Shareholding and Capital

The issued share capital of Suntec REIT MTN Pte. Ltd as at the date of this Offering Circular is S$1.00 comprising one ordinary share. The issued ordinary share has been fully paid up and is wholly-owned by the Suntec REIT Trustee. Suntec REIT MTN Pte. Ltd does not have any subsidiaries.

Directors

The directors of Suntec REIT MTN Pte. Ltd as at the date of this Offering Circular are:

Name	Principal Occupation
Chong Kee Hiong	Executive Director and Chief Executive Officer of the Suntec REIT Manager
Ng Ee San	Finance Director of the Suntec REIT Manager

Details of the working experience of the directors of Suntec REIT MTN Pte. Ltd are set out in the section on “Management of the Suntec REIT Manager”.

DESCRIPTION OF SUNTEC REAL ESTATE INVESTMENT TRUST

OVERVIEW

Suntec Real Estate Investment Trust (**Suntec REIT**) is a real estate investment trust constituted by a trust deed entered into on 1 November 2004 between ARA Trust Management (Suntec) Limited acting in its capacity as the manager of Suntec REIT (the **Suntec REIT Manager**) and HSBC Institutional Trust Services (Singapore) Limited acting in its capacity as the trustee of Suntec REIT (the **Suntec REIT Trustee**), as amended, supplemented and/or restated from time to time (the **Suntec REIT Trust Deed**). Suntec REIT was listed on the SGX-ST on 9 December 2004. The terms and conditions of the Suntec REIT Trust Deed are binding on each holder of units (the **Units**) in Suntec REIT (the **Unitholders**) (and persons claiming through such Unitholder) as if such Unitholder had been party to the Suntec REIT Trust Deed.

Suntec REIT was established with the investment objective of owning and investing in real estate and real estate-related assets, whether directly or indirectly through the ownership of companies whose primary purpose is to hold or own real estate or real estate-related assets, which are used or substantially used for commercial purposes, with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth.

The Suntec REIT Manager, which is part of the ARA Asset Management Limited (**ARA**) group of companies (the **ARA Group**), is responsible for the management and administration of Suntec REIT and the implementation of Suntec REIT's strategy for the benefit of the Unitholders. The ARA Group has approximately S$110 billion in gross assets under management as at 30 June 2020, and manages listed and unlisted real estate investment trusts (REITs), private real estate equity and credit funds, and infrastructure funds in 28 countries.

As at 30 June 2020, Suntec REIT's portfolio of nine properties (four in Singapore, two in Sydney, two in Melbourne and one in Adelaide) comprises: (i) a 100% interest in Suntec City Mall which comprises 813,753 sq ft of net lettable area, 59.0% interest in certain office units in Suntec City Office Towers One, Two and Three, the whole of Suntec City Office Towers Four and Five and a 60.8% interest in Suntec Singapore Convention & Exhibition Centre and 141,959 sq ft of net lettable area of Suntec City Mall, which form part of the integrated commercial development known as Suntec City (collectively, the **Suntec Properties**); (ii) a one-third interest in One Raffles Quay (the **ORQ Interest**); (iii) a one-third interest in Marina Bay Financial Centre Towers One and Two and the Marina Bay Link Mall (together, the **MBFC Properties**) (the **MBFC Interest**); (iv) a 30.0% interest in 9 Penang Road (the **Penang Road Interest**); (v) a 100% interest in a commercial building located at 177 Pacific Highway, North Sydney Australia (**177 Pacific Highway**); (vi) a 100% interest in a Grade A office building at 21 Harris Street, Pyrmont, Australia (**21 Harris Street**); (vii) a 50.0% interest in Southgate Complex, Melbourne, Australia (the **Southgate Complex Interest**); (viii) a 50.0% interest in a commercial building to be developed located at Olderfleet, 477 Collins Street, Melbourne, Australia (**Olderfleet, 477 Collins Street**); and (ix) a 100% interest in a freehold office building at 55 Currie Street, Adelaide, Australia (**55 Currie Street** and (i) to (ix) collectively, the **Suntec REIT Portfolio**).

As at 30 June 2020, Suntec REIT had total assets of S$10,533.6 million, consisting of an aggregate of approximately 3.7 million sq ft of attributable office space and more than 1.0 million sq ft of retail and convention space, and an aggregate gross valuation of S$10,516.5 million as at 30 June 2020.

As at 30 September 2020, Suntec REIT has a market capitalisation of approximately S$4.1 billion.

On 1 July 2020, the Suntec REIT Manager announced that Suntec REIT's wholly-owned subsidiary, Suntec Harmony Pte. Ltd. has, directly and indirectly, through Harmony Partners Investments Limited subscribed for new ordinary shares in Harmony Investors Group Limited (**HIGL**) for an aggregate subscription amount of S$40,000,000 (**Subscription**). HIGL indirectly holds Suntec Singapore Convention & Exhibition Centre and 141,959 sq ft of net lettable area of Suntec City Mall (**Suntec Singapore**). Following the Subscription, Suntec REIT's effective interest in Suntec Singapore increased from 60.8% to 66.3%.

On 3 August 2020, the Suntec REIT Manager announced that Olderfleet, 477 Collins Street has received practical completion on 31 July 2020.

The table below sets out summary financial information of Suntec REIT.

	1HFY2020	1HFY2019	FY2019	FY2018	FY2017
Gross revenue (S$'000)	149,448	178,073	366,730	363,504	354,196
Net property income (S$'000)	90,905	114,561	236,187	240,977	244,457
Income contribution from joint ventures (S$'000)	46,871	49,749	98,594	91,213	89,679
Distributable income (S$'000)	103,130	130,508	262,730	266,811	263,017
Distribution Per Unit (**DPU**) (cents)	3.293[(1)]	4.795	9.507	9.988	10.005

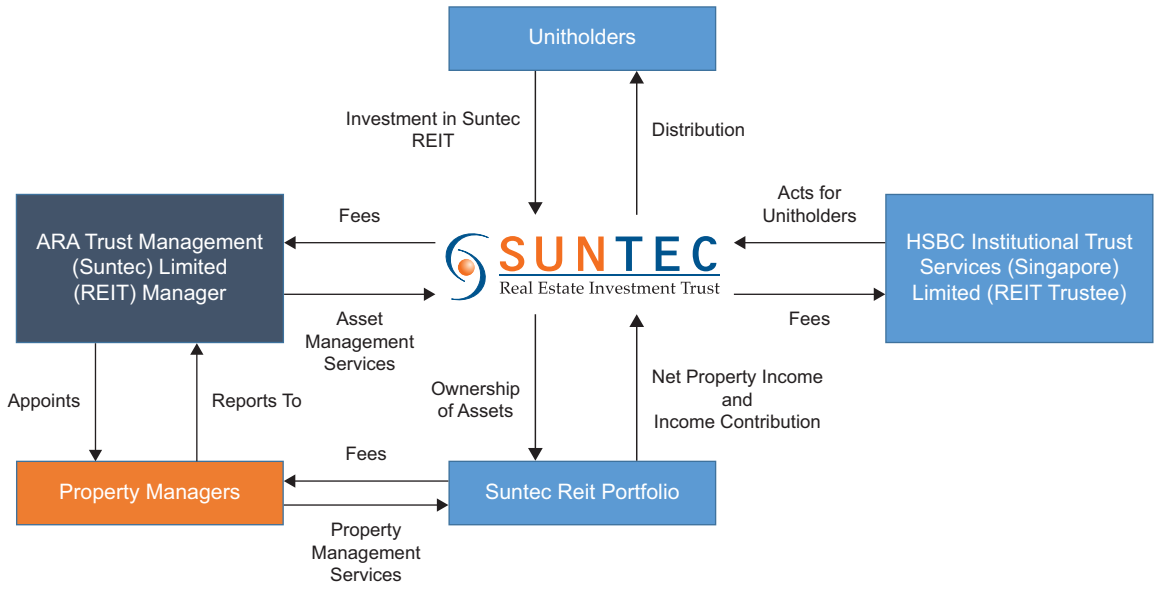
Note(s):

(1) In view of the COVID-19 outbreak, the Suntec REIT Manager had retained 10.0% of the distributable income for 1HFY2020. Without the retention, the DPU for 1HFY2020 would be 3.659 cents per unit.

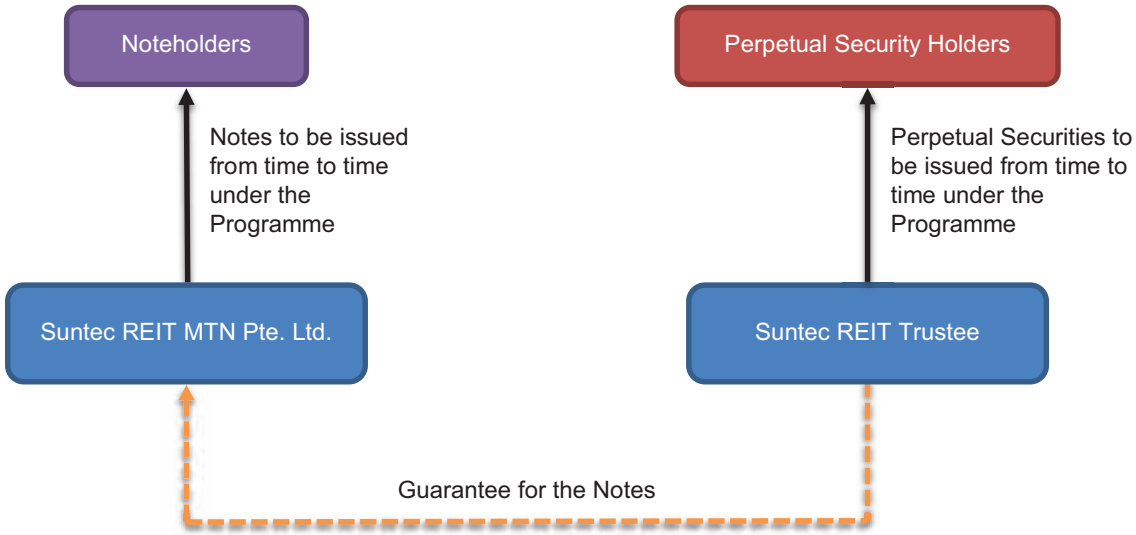
As at 30 June 2020, Suntec REIT had total Unitholders' funds of approximately S$5,891.8 million.

CORPORATE STRUCTURE

The following chart sets out the structure of Suntec REIT, and the roles and responsibilities carried out by each party:



Issuance Structure



COMPETITIVE STRENGTHS

Suntec REIT has the following competitive strengths:

- *The properties in the Suntec REIT Portfolio enjoy a number of competitive strengths:*

  (i) Strategic and prime locations: The Suntec Properties, One Raffles Quay, the MBFC Properties and 9 Penang Road are strategically located in Singapore's Central Business District (**CBD**), and are in close proximity to the commercial corridors of Raffles Place and Orchard Road which is Singapore's major shopping area. 177 Pacific Highway is located in one of the most prominent sites in the North Sydney CBD at the junction of Pacific Highway and Berry Street. 177 Pacific Highway enjoys direct access to a number of major surrounding roadways, is well served by public transport and is within walking distance to the North Sydney station. 21 Harris Street is a newly completed Grade A office building located in Pyrmont, 2 kilometers (**km**) west of Sydney's CBD. 21 Harris Street is within an approximately 10-minute drive to Sydney CBD and is next to John Street Square light rail station that links directly to Sydney Central train station within approximately 15 minutes. Southgate Complex is located alongside the Yarra River while Olderfleet, 477 Collins Street is situated within the western core of Melbourne's CBD. 55 Currie Street is an approximately five-minute walk to Adelaide railway station and is also strategically located at the centre of Adelaide's laneway network. Each of the properties in the Suntec REIT Portfolio is easily accessible and is well-served by public transport facilities.

  (ii) Large catchment: The Suntec Properties has a large catchment of tourists and business travellers from hotels located within walking distance, such as The Ritz-Carlton, Conrad International, Pan Pacific, The Mandarin Oriental, Marina Mandarin, J.W. Marriott, The Fairmont Singapore, Swissotel The Stamford and the Raffles Hotel. Suntec City, which is integrated with Suntec Singapore, attracts a large number of convention and exhibition participants each year. In addition, the Suntec Properties' catchment of regular visitors includes executives and office workers from the Marina Centre and City Hall areas. One Raffles Quay and the MBFC Properties, which are integrated office buildings and shopping malls, also have a large catchment of executives, office workers and shoppers. The Suntec REIT Portfolio also comprises Australian properties such as Southgate Complex, which is directly opposite Flinders Street Train Station, and Olderfleet, 477 Collins Street, which is located in Melbourne CBD Free Tram Zone.

(iii) High occupancy levels: High occupancy levels reflect the quality and demand for office space in the Suntec REIT Portfolio properties. As at 30 June 2020, the committed office occupancy levels were 98.1% (Suntec City Office Towers), 98.0% (One Raffles Quay), 100.0% (Marina Bay Financial Centre Towers One and Two), 100.0% (9 Penang Road offices), 100.0% (177 Pacific Highway), 68.7% (21 Harris Street – with rent guarantee on vacant spaces), 99.7% (Southgate Office) and 91.7% (55 Currie Street – with rent guarantee on vacant spaces). As at 30 June 2020, the committed retail occupancy levels were 96.3% (Suntec City Mall); 98.0% (Marina Bay Link Mall) and 92.8% (Southgate Retail). For further details, see the section on "The Suntec REIT Portfolio".

(iv) Quality tenant base: The major tenants at each of the properties in the Suntec REIT Portfolio are mainly foreign institutions, multinational corporations, government agencies and prominent local companies. Such blue-chip tenants have enhanced the stability of the rental income of each of the properties in the Suntec REIT Portfolio as these tenants have significant long-term space requirements in Singapore. For further details, see the section on "The Suntec REIT Portfolio".

(v) Quality, award-winning properties: Suntec City is the single-largest integrated commercial development in Singapore and has won various awards including two FIABCI Prix d'Excellence Awards (Overall Winner and Commercial/Retail category) in 1999 awarded by the International Real Estate Federation, and the "Outstanding Contribution to Tourism Award" in 1998 from the Singapore Tourism Board. In 2019, Suntec Singapore garnered various industry awards including the "Best Convention Centre 2019" at the 9th Global Eventex Awards, "Corporate Excellence Award 2019" at the Asia Pacific Entrepreneurship Awards, "Best Consumer Exhibition" at The Special Event Asia 2019, "AFECA Outstanding Technology Solutions & Services Award 2019 – Suntec HybriD (Runnerup)" and "AFECA Outstanding Consumer Exhibition 2019 – Sprout Singapore" at The Asian Federation of Exhibition and Convention Associations Asian Awards 2019 and the 14th consecutive award for "Asia's Leading Meetings & Conference Centre" at the World Travel Awards 2019.

- *Strong brand recognition:* The "Suntec" brand name is recognised both domestically and internationally.

- *Experienced professional management:* The Suntec REIT Manager is staffed by experienced professionals who have extensive experience in the real estate industry in Singapore and in the Asia-Pacific region. The Suntec REIT Manager's key staff members have in-depth real estate investment, asset management, research and equity securities market experience. Their familiarity with Singapore commercial assets and property market dynamics is complemented by their commercial property and equity market experience. The Suntec REIT Manager is a subsidiary of the ARA Group, which also comprises managers of other real estate investment trusts, including ARA LOGOS Logistics Trust (formerly known as Cache Logistics Trust) and ARA US Hospitality Trust in Singapore, and Fortune REIT, Prosperity REIT and Hui Xian REIT in Hong Kong. The Suntec REIT Manager is also supported by ARA, a leading asset fund manager in the Asia-Pacific region.

- *Successful growth achieved through active asset management:* The Suntec REIT Manager has achieved organic growth of Suntec REIT by actively managing the Suntec REIT Portfolio, which involves the development of strong relationships with tenants through the provision of proactive property-related services, and through the implementation of asset enhancement strategies. Through such proactive property management, the Suntec REIT Manager has successfully maintained high tenant retention levels each year, resulting in low vacancy levels and reducing associated interruptions in rental income, as well as reducing costs associated with marketing and leasing space to new tenants.

- *Stable lease expiry profile:* As at 30 June 2020, 27.3%, 17.6%, 16.8% and 10.8% of the total office portfolio net lettable area of Suntec REIT is due to expire in FY2021, FY2022, FY2023 and FY2024 respectively, whilst 18.9% is due to expire in FY2025 and beyond. For the retail portfolio, as at 30 June 2020, 19.0%, 22.0%, 19.6% and 5.4% of the total retail portfolio net lettable area is due to expire in FY2021, FY2022, FY2023 and FY2024 respectively, whilst 9.8% is due to expire in FY2025 and beyond. Suntec REIT's portfolio currently enjoys a lease expiry profile where lease renewals are well-staggered over the upcoming years in order to minimise its exposure to lease expiry in any one year yet providing growth opportunities.

STRATEGY

The Suntec REIT Manager's strategy comprises the following:

- *To deliver regular and stable distributions to Unitholders and to achieve long-term growth in the net asset value per Unit of Suntec REIT:* The Suntec REIT Manager pursues its principal investment strategy according to the following strategic guidelines: (a) investments will be for the long-term; (b) the investment portfolio will primarily comprise established and income-producing commercial properties; and (c) future investments will be in properties that are primarily used for office and/or retail purposes. The Suntec REIT Manager intends to achieve its key objectives by employing the following combined strategies:

  (i) an active asset management strategy, which involves active leasing and marketing, prudent control of property outgoings, programmes for the regular maintenance of building structures and asset refurbishment and enhancement projects to maintain the competitive positioning of the assets;

  (ii) an acquisition growth strategy, which involves the Suntec REIT Manager selectively acquiring properties and investments which meet the Suntec REIT Trustee's investment criteria. Such investments may be by way of direct acquisition and ownership of a property by the Suntec REIT Trustee, or may be effected indirectly through the acquisition and ownership of companies or other legal entities the primary purpose of which is to hold or own real estate-related assets; and

  (iii) a capital management strategy, which involves employing appropriate debt and equity financing strategies when financing acquisitions, and utilising interest rate hedging strategies, where appropriate, to optimise risk adjusted returns to Unitholders.

- *Continue to grow through acquisitions:* The Suntec REIT Manager aims to pursue opportunities for acquisitions that will provide attractive cash flows and yields together with opportunities for further growth. The Suntec REIT Manager's ability to seek acquisition opportunities is supported by, among other things, the following:

  (i) the Suntec REIT Portfolio, with an aggregate gross valuation of S$10,516.5 million as at 30 June 2020, provides sufficient diversification and scale to support the acquisition of additional properties; and

(ii) the Suntec REIT Manager's sufficiently wide mandate to invest in income-producing properties that are used, or primarily used, for retail and/or office purposes.

- *Optimising Suntec REIT's capital structure to fund future acquisitions and property enhancements:* The Suntec REIT Manager aims to leverage Suntec REIT's capital structure and cost of capital within the borrowing limits set out in the Property Funds Appendix, and intends to use a combination of debt and equity to fund future acquisitions and property enhancements.

THE SUNTEC REIT PORTFOLIO

Overview of the Suntec REIT Portfolio

The Suntec REIT Portfolio comprises the Suntec Properties, the ORQ Interest, the MBFC Interest, the Penang Road Interest, 177 Pacific Highway, 21 Harris Street, the Southgate Complex Interest, Olderfleet, 477 Collins Street and 55 Currie Street. As at 30 June 2020, the aggregate gross valuation of properties under the Suntec REIT Manager's management was S$10,516.5 million, comprising approximately 4.9 million sq ft of prime retail, office and convention space.

The following table sets forth selected information in respect of the Suntec REIT Portfolio as at 30 June 2020:

	Net Lettable Area (million sq ft)[1]	Parking Spaces	Title	Purchase Price (S$ million)	Valuation (S$ million)[1][2]	Committed Occupancy (%)
Suntec Properties	2.2	3,066	Leasehold 99 years from 1989	2,484.6	5,601.2[3]	Office: 98.1 Retail: 96.3
ORQ Interest	0.4	713	Leasehold 99 years from 2001	941.5	1,254.3	Office: 98.0
MBFC Interest	0.6	686	Leasehold 99 years from 2005	1,495.8	1,695.3	Office: 100.0 Retail: 98.0
Penang Road Interest	0.1	121	Leasehold 99 years from 2016	245.1[4]	279.0	Office: 100.0
177 Pacific Highway	0.4	112	Freehold	457.5[5]	609.9[10]	Office: 100.0
21 Harris Street	0.2	171	Freehold	257.3[6]	296.8[9][10]	Office: 68.7[13]
Southgate Complex Interest	0.4	1,026	Freehold	299.8[7]	384.2[10]	Office: 99.7 Retail: 92.8
Olderfleet, 477 Collins Street[11]	–	416	Freehold	A$414.2 million	252.7[10][12]	–
55 Currie Street	0.3	95	Freehold	138.9[8]	143.1[10]	Office: 91.7[13]

Notes:

(1) Reflects Suntec REIT's effective interest as at 30 June 2020.

(2) Reflects valuation as at 31 December 2019 except for the Suntec Singapore and 21 Harris Street.

(3) Includes the value of a 60.8% interest in Suntec Singapore amounting to S$395.2 million, based on valuation as at 31 May 2020.

(4) Refers to the original purchase price of Park Mall acquired in 2005 and includes the purchase price for the additional land amounting to 1,316.2 sqm along Penang Road.

(5) Based on the total actual progress payment made at an average exchange rate of A$1.00 = S$1.107.

(6) Based on acquisition exchange rate of A$1.00 = S$0.8720.

(7) Based on an exchange rate of A$1.00 = S$1.0615 and A$1.00 = S$1.013 being the exchange rates at the time of acquisitions.

(8) Based on acquisition exchange rate of A$1.00 = S$0.9364.

(9) Reflects valuation as at 28 February 2020.

(10) Based on the exchange rate of A$1.00 = S$0.9605 as at 30 June 2020.

(11) Olderfleet, 477 Collins Street achieved practical completion on 31 July 2020.

(12) Carrying value as at 30 June 2020. Valuation on an "as if complete" basis as at 31 December 2019 was A$430 million.

(13) Rent guarantee on vacant spaces.

The table below illustrates the committed lease expiry profile of the properties in the Suntec REIT Portfolio by gross rental income as at 30 June 2020.

	Singapore		
Year	**Office Expiry (as% of Total Monthly Gross Office Rental Income)[1]**	**Retail Expiry (as% of Total Monthly Gross Retail Rental Income)[2]**	**Australia (as% of Total Monthly Gross Rental Income)[3]**
2020	6.6%	16.9%	0.6%
2021	26.3%	24.5%	5.0%
2022	18.1%	25.5%	4.5%
2023	18.2%	20.4%	35.1%
2024	11.0%	5.0%	2.2%
2025 and beyond	19.8%	7.7%	52.6%

Notes:

(1) Based on Suntec REIT's interest in Suntec City Office Towers, One Raffles Quay, Marina Bay Financial Centre Office Towers One and Two, and 9 Penang Road.

(2) Based on Suntec REIT's interest in Suntec City Mall and Marina Bay Link Mall.

(3) Based on Suntec REIT's interests in 177 Pacific Highway, 21 Harris Street, Southgate Complex (Office and Retail) and 55 Currie Street .

The table below provides a breakdown by gross rental income of the different trade sectors represented in the properties in the Suntec REIT Portfolio as at 30 June 2020.

Office Portfolio Business Sector Analysis (By Gross Rental Income[1])		**Retail Portfolio Business Sector Analysis** (By Gross Rental Income[1])	
Banking, Insurance and Financial Services	33.5%	Food and Beverage	37.1%
Technology, Media and Telecommunications	25.4%	Fashion and Accessories	13.0%
		Leisure and Entertainment	7.7%
Real Estate and Property Services	7.4%	Fitness	3.6%
		Optical	2.1%
Consultancy/Services	10.1%	Beauty Essentials	1.9%
		Hair, Beauty and Wellness	2.9%
Government and Government-Linked Offices	3.7%	Sporting Goods and Apparel	5.1%
Trading and Investments	3.5%	Hypermart/Supermarket	2.0%
Shipping and Freight Forwarding	3.0%	Specialty and Gifts	3.0%
Energy and Natural Resources	3.4%	Electronics and Technology	2.8%

Office Portfolio Business Sector Analysis (By Gross Rental Income[1])		Retail Portfolio Business Sector Analysis (By Gross Rental Income[1])	
Manufacturing	2.0%	Kids' Fashion, Toys and Kids' Specialty	2.3%
Legal	1.9%	Homeware and Home Furnishings	2.4%
Pharmaceutical and Healthcare	1.5%	Books, Stationery and Education	1.8%
Hospitality/Leisure	0.9%	Jewellery and Watches	1.2%
Others	3.7%	Services and Others	9.7%
		Pharmacy	1.4%

Note:

(1) Based on Suntec REIT's interest in its properties.

The tables show the top ten tenants of the Suntec REIT portfolio by gross rental income as at 30 June 2020.

OFFICE PORTFOLIO – Top 10 Tenants by Gross Rental Income[1]

Tenant	Business Sector	Net Lettable Area (sq ft)	% of Office Net Lettable Area	% of Total Monthly Gross Rental Income
Standard Chartered Bank	Banking & Finance	131,602	3.7%	4.1%
UBS AG	Banking, Insurance and Financial Services	159,416	4.4%	3.9%
CIMIC Group Limited	Real Estate & Property Services	114,206	3.2%	2.3%
Publicis Media Australia Pty Ltd	Consultancy/ Services	110,935	3.1%	2.3%
TPG Telecom Limited	Telecommunications	107,360	3.0%	2.3%
Barclays Execution Services Limited Singapore Branch	Banking & Finance	61,928	1.7%	2.0%
PayPal Pte. Ltd.	Technology, media and telecommunications	73,733	2.1%	2.0%
Deutsche Bank Aktiengesellschaft	Banking and Finance	72,494	2.0%	2.0%
Commonwealth of Australia	Government and Government-Linked Offices	147,955	4.1%	1.9%
EY Corporate Services Pte Ltd	Accounting and Consultancy Services	48,291	1.3%	1.7%
Total		1,027,920	28.6	24.5

RETAIL PORTFOLIO – Top 10 Tenants by Gross Rental Income[1]

Tenant	Business Sector	Net Lettable Area (sq ft)	% of Retail Net Lettable Area	% of Total Monthly Gross Rental Income
Cold Storage Singapore (1983) Pte Ltd	Hypermart/ Supermarket, Wellness, Service and Others	31,195	3.3	2.5
Pure Yoga (Suntec) Pte Ltd	Leisure, Fitness and Entertainment	41,464	4.3	3.0
Golden Village Multiplex Pte Ltd	Leisure, Fitness and Entertainment	60,098	6.3	2.7
SuperPark Singapore SC Pte. Ltd.	Leisure, Fitness and Entertainment	28,763	3.0	2.6
Food Republic Pte. Ltd.	Food and Beverage	13,134	1.4	1.7
Cotton On Singapore Pte. Ltd.	Fashion and Accessories	14,926	1.6	1.5
Pertama Merchandising Pte Ltd	Electronic and Technology	22,217	2.3	1.4
Uniqlo (S) Pte Ltd	Fashion and Accessories	13,624	1.4	1.4
Marche Resturants Singapore Pte Ltd	Food and Beverage	10,011	1.0	1.3
National University of Singapore Society	Services and Others	15,653	1.6	1.1
Total		251,083	26.2	19.2

Note:

(1) Based on Suntec REIT's interest in its properties.

Suntec Properties

Suntec City, comprising Suntec City Mall, Suntec City Office Towers and Suntec Singapore, is Singapore's largest integrated commercial development, and is located in Singapore's CBD.

Suntec REIT owns 100% interest in Suntec City Mall which comprises 813,753 sq ft of net lettable area, 59.0% of Suntec City Office Towers and a 66.3% effective interest in Suntec Singapore with effect from 1 July 2020.

The total net lettable area of the Suntec Properties as at 30 June 2020 was approximately 2.2 million sq ft.

As at 30 June 2020, Suntec REIT owns 15 lots in Suntec City Office Tower One, ten strata lots in Suntec City Office Tower Two, 76 strata lots in Suntec City Office Tower Three and all the strata lots in Suntec City Office Towers Four and Five. The five Suntec Office Towers contain, in total, approximately 1.3 million sq ft of prime grade office space.

The table below sets forth selected information in respect of the Suntec Properties:

	FY2019	FY2018	1HFY2020	1HFY2019
Gross revenue (S$' million)	323.8	323.3	121.1	158.6
Gross revenue as percentage of total revenue (%)	88.3	88.9	81.0	89.1
Valuation (S$' million)	5,643.8[(1)]	5,542.3[(1)]	5,601.2[(1)]	5,542.3[(1)]
Net property income (S$' million)	199.8	206.3	67.4	97.9

Note:

(1) Includes the value of a 60.8% interest in Suntec Singapore.

Suntec City Mall is one of Singapore's largest malls and a leading shopping destination, offering a unique one-stop shopping, dining, recreation and entertainment experience for many. It caters to the needs of the working population from the five office towers within Suntec City and office buildings in the vicinity, the daily flow of tourists and locals, as well as the vast network of local and international delegates who convene at Suntec Singapore for exhibitions, seminars and conferences. Suntec City Mall also has one of the world's largest fountains, the "Fountain of Wealth", which is a major tourist attraction in Singapore.

Suntec Singapore is a world-class meeting, convention and exhibition venue. Since 1995, Suntec Singapore has hosted many key notable events such as the World Trade Organization Ministerial Meetings in 1996, the Annual Meetings of the Board of Governors of the International Monetary Fund and World Bank Group in 2006 and the APEC Leaders Week in 2009. It served as one of the largest sporting venues for the inaugural Youth Olympic Games in 2010. Suntec Singapore also hosted the 33rd ASEAN Summit Meetings in 2018. On 18 August 2011, Suntec REIT secured strategic majority control of Suntec Singapore through the acquisition of an additional 40.8% equity stake, raising the effective stake from 20.0% to 60.8%. On 1 July 2020, Suntec REIT acquired an additional 5.5% stake, raising the effective stake to 66.3%.

As at 30 June 2020, there were 614 tenants at the Suntec Properties.

One Raffles Quay

Suntec REIT acquired a one-third interest in One Raffles Quay for consideration of S$941.5 million on 31 October 2007.

One Raffles Quay is a prime landmark commercial development in Singapore's CBD comprising a North and a South office tower (50-storey and 29-storey respectively), an underground link connecting the North Tower to the Raffles Place MRT station, a sheltered plaza serving as a drop-off point and a hub car park with 713 car park spaces.

With its underground link to the Raffles Place MRT station, One Raffles Quay enjoys excellent connectivity and accessibility along the Downtown, North-South and East-West MRT lines.

One Raffles Quay has a large and diversified tenant base with a committed occupancy of 98.0% for the North Tower and the South Tower as at 30 June 2020. The major office tenants include Capital International Research and Management, Inc., Ernst & Young, Tik Tok Pte. Ltd., UBS AG and Willis Towers Watson.

As at 30 June 2020, there were 61 tenants at One Raffles Quay.

MBFC Properties

Suntec REIT acquired a one-third interest in the MBFC Properties, comprising Marina Bay Financial Centre Towers One and Two and the Marina Bay Link Mall through the acquisition of one-third of the issued share capital of BFC Development Pte. Ltd. on 9 December 2010. BFC Development Pte. Ltd. had been converted to BFC Development LLP (**BFCD LLP**), a limited liability partnership in June 2012 and Suntec REIT continues to hold a one-third interest in BFCD LLP as a partner after the conversion.

The Marina Bay Financial Centre comprises Marina Financial Centre Towers, Marina Bay Link Mall, Marina Bay Residences and Marina Bay Suites. MBFC is a commercial development located in the heart of Marina Bay and is a state-of-the-art Grade A office developments located in Singapore's CBD. The Marina Bay Link Mall links MBFC to the Raffles Place MRT Station and is directly connected to the Downtown MRT Station.

The Marina Bay Sands Integrated Resort, Singapore Flyer, Gardens by the Bay, Esplanade Theatres, international and boutique hotels, residential apartments and waterside food and beverage (F&B) outlets are all within close proximity of MBFC.

Marina Bay Financial Centre Tower One and Two (33-storey and 50-storey respectively) collectively have a total net lettable area of approximately 1.7 million sq ft and Marina Bay Link Mall has approximately 95,000 sq ft of net lettable area. The MBFC Properties has a premier tenant base with a committed occupancy of 100%. (Office) and 98.0% (Retail) as at 30 June 2020. The major office tenants include Barclays, HSBC, LinkedIn, Nomura and Standard Chartered Bank.

As at 30 June 2020, there were 118 tenants at the MBFC Properties.

9 Penang Road (formerly known as Park Mall)

Suntec REIT acquired Park Mall from Wingain Investment Pte Ltd for a consideration of S$230.0 million on 28 October 2005. As part of the Manager's proactive approach in reviewing and evaluating asset plans of its portfolio, Park Mall was divested for S$411.8 million on 22 December 2015.

In conjunction with the divestment, Park Mall Investment Limited, a joint venture company of which Suntec REIT has a 30% interest, was set up to redevelop the property into a new Grade A 10-storey building consisting of two wings with a net lettable area of approximately 381,000 sq ft of office space and approximately 15,000 sq ft of retail space.

In conjunction with the redevelopment of Park Mall, Park Mall Investment Limited and/or the Park Mall Pte. Ltd. had entered into various service agreements in relation to the provision of: (i) consultancy services with respect to various exit strategies; (ii) asset management services; (iii) property management services; and (iv) professional project and development management services.

The lease tenure of the land was extended to a fresh 99 years in 2016. Redevelopment works for 9 Penang Road commenced on 1 December 2016 and the development received its Temporary Occupation Permit on 30 October 2019.

177 Pacific Highway

Suntec REIT acquired a 100% interest in 177 Pacific Highway in November 2013, a freehold land and property to be developed for A$413.2 million. The 31-storey A-grade state-of-the-art commercial tower was completed on 1 August 2016. The property boasts a number of environmentally sustainable features and has a 5 Star Green Star – Office Design v3 Certified Rating, 5.5 Star NABERS Energy Rating and 4 Star NABERS Water Rating.

The property is located in one of the most prominent sites in North Sydney Central Business District at the junction of Pacific Highway and Berry Street. Its prime location gives it direct access to a number of major surrounding roadways, is well served by public transport and is within walking distance to the North Sydney station.

177 Pacific Highway has a total net lettable area of 430,915 sq ft and has a committed occupancy of 100%. The major office tenants include CIMIC Group Limited, Cisco Systems, Jacobs Engineering Group Inc., Pepper Group Limited and TPG Telecom Limited (formerly known as Vodafone Hutchison Australia Pty Limited).

As at 30 June 2020, there were 10 tenants at 177 Pacific Highway.

The table below sets forth selected information in respect of 177 Pacific Highway:

	FY2019	**FY2018**	**1HFY2020**	**1HFY2019**
Gross revenue (S$' million)	38.1	40.2	18.4	19.4
Gross revenue as percentage of total revenue (%)	10.4	11.1	12.3	10.9
Valuation (S$' million)	599.8[(1)]	561.5[(2)]	609.9[(3)]	555.1[(4)]
Net property income (S$' million)	32.7	34.7	15.9	16.6

Notes:

(1) Based on exchange rate of A$1.00 = S$0.9445 as at 31 December 2019.

(2) Based on exchange rate of A$1.00 = S$0.9599 as at 31 December 2018.

(3) Based on exchange rate of A$1.00 = S$0.9605 as at 30 June 2020.

(4) Based on exchange rate of A$1.00 = S$0.9489 as at 30 June 2019.

21 Harris Street

On 6 April 2020, Suntec REIT completed the acquisition a freehold property at 21 Harris Street, Pyrmont, Sydney, Australia for approximately A$295.0 million.

21 Harris Street is a newly completed nine-storey, Grade A office building located in Pyrmont, 2 km west of Sydney's Central Business District.

The property is within a 10-minute drive to Sydney Central Business District and is next to the John Street Square light rail station that links directly to Sydney Central train station within 15 minutes.

As at 30 June 2020, there were five tenants at 21 Harris Street.

The table below sets forth selected information in respect of 21 Harris Street:

	1HFY2020
Gross revenue (S$' million)	2.3
Gross revenue as percentage of total revenue (%)	1.5
Valuation (S$' million)	296.8[(1)]
Net property income (S$' million)	1.8

Note:

(1) Based on exchange rate of A$1.00 = S$0.9605 as at 30 June 2020.

Southgate Complex

On 4 November 2016, Suntec REIT, together with its joint venture partner, PIP Southgate Sub-Trust (**PIP Trust**), completed the acquisition of an initial 50.0% interest in the iconic Southgate Complex for a consideration of A$289.0 million from Dexus Southgate Trust (**Dexus**). On 27 February 2018, Dexus exercised its option to put its 50.0% to Southgate Trust, a managed investment trust jointly held by Suntec REIT and PIP Trust, in the proportion of 50:50. Subsequently, Suntec REIT completed the acquisition on 31 May 2018, increasing its interest in the property from 25.0% to 50.0%.

Southgate Complex is a freehold, landmark waterfront integrated development located alongside the Yarra River in the Southbank arts and leisure precinct of Melbourne, Australia. Southgate Complex comprises two A-Grade office towers, the 30-storey "IBM Centre", the 25-storey "The Herald and Weekly Times Tower", a three-storey retail podium and a car park with 1,026 lots.

The property is directly opposite Flinders Street train station and within close proximity to Melbourne's city rail loop. It is also surrounded by business, residential, recreational and retail amenities.

Southgate Complex has a premier tenant base with major office tenants including Alinta, City Road Melbourne, IBM Australia, JB Hi-Fi and The Herald and Weekly Times.

As at 30 June 2020, there were 96 tenants at Southgate Complex.

Olderfleet, 477 Collins Street

On 8 August 2017, Suntec REIT completed the acquisition of a 50% interest in Olderfleet, 477 Collins Street, a freehold land and property to be developed from Mirvac Group for a consideration of A$414.17 million. Mirvac continues to be the co-owner, with its remaining 50% interest in the property.

Located along Melbourne's most prestigious commercial address, Olderfleet, 477 Collins Street is within the Western Core of the Central Business District and is also a short walking distance from The Southern Cross Station, Victoria's primary metropolitan and regional transportation hub.

The 39-level state-of-the-art premium grade office building has a total net lettable area of approximately 58,000 sqm which comprises approximately 57,000 sqm of office space and approximately 1,000 sqm of retail space as well as 414 car park lots. The property provides tenants with a technology-enabled, sustainability-focused workplace with premium amenities such as hotel style end-of-trip facilities, childcare, a concierge, business lounge and flexible space options.

The project is designed by award-winning Grimshaw Architects with the main entrance from Collins Street incorporating facades of three heritage listed buildings constructed during various periods of the 19th Century. The property is the first building in Australia to achieve a Platinum Core and Shell Pre-Certification from the International WELL Building Institute.

As at 30 June 2020, the property has achieved a pre-commitment of 97.0% with additional 0.2% with Heads of Agreement signed. There is also a five-year rent guarantee on any vacant spaces. Anchor tenant, Deloitte, is taking approximately 29,000 sqm of space over 15 floors and other leading organisations occupying the building includes Norton Rose Fulbright, Lander & Rogers, Urbis and Work Club Global.

Olderfleet, 477 Collins Street received practical completion on 31 July 2020.

55 Currie Street

55 Currie Street is a freehold Grade A office development located in the heart of Adelaide's Central Business District.

Suntec REIT expanded its footprint in Australia with the acquisition of 55 Currie Street, its first asset in Adelaide. The acquisition of 55 Currie Street from AEP Curie Pty Ltd as trustee of AEP 55 Currie Street Office Trust was completed on 10 September 2019.

The property is an approximately five-minute walk to Adelaide railway station and is also strategically located at the centre of Adelaide's burgeoning laneway network.

Key tenants at 55 Currie Street include Commonwealth of Australia, South Australia Government, Allianz and Data Action.

As at 30 June 2020, there were nine tenants at 55 Currie Street.

The table below sets forth selected information in respect of 55 Currie Street:

	FY2019	1HFY2020
Gross revenue (S$' million)	4.8	7.7
Gross revenue as percentage of total revenue (%)	1.3	5.2
Valuation (S$' million)	140.7[(1)]	143.1[(2)]
Net property income (S$' million)	3.6	5.7

Notes:

(1) Based on exchange rate of A$1.00 = S$0.9445 as at 31 December 2019.

(2) Based on exchange rate of A$1.00 = S$0.9605 as at 30 June 2020.

COMPETITION

The retail and office property sectors in Singapore remain highly competitive. The factors affecting competition include rental rates, quality and location of properties, supply of comparable space and changing needs of business users as a consequence of corporate restructuring or technological advances.

In Singapore and Australia, Suntec REIT competes with other real estate companies to attract and retain commercial tenants. Suntec REIT considers its major competitors in Singapore and Australia to be the publicly-listed real estate companies in Singapore as well as certain international real estate companies and private real estate companies. In the commercial property market, Suntec REIT competes on the basis of the location of its commercial properties and the quality of the services it offers.

INSURANCE

The Suntec REIT Portfolio is insured in a manner consistent with industry practice in Singapore and Australia. This includes property damage and business interruption insurance as well as public liability insurance (including personal injury) policies. There are no significant or unusual excess or deductible amounts required under such policies. However, for some properties within the Suntec REIT Portfolio, certain types of risks are not covered by such insurance policies, including acts of war, acts of terrorism and outbreaks of contagious diseases.

ENVIRONMENTAL MATTERS AND COMPLIANCE

Suntec REIT's operations are subject to regulatory requirements and potential liabilities arising under applicable environmental laws and regulations.

The Suntec REIT Manager believes it is in compliance in all material respects with applicable environmental regulations in Singapore and Australia. The Suntec REIT Manager is not aware of any environmental proceedings or investigations to which it is, or might become, a party.

RELATED PARTY TRANSACTIONS

As a real estate investment trust, Suntec REIT is regulated by the Property Funds Appendix and the Listing Manual. The Property Funds Appendix regulates, among other things, transactions entered into by the Suntec REIT Trustee (for and on behalf of Suntec REIT) with an interested party relating to the Issuer's acquisition of assets from or sale of assets to an interested party, Suntec REIT's investment in securities of or issued by an interested party and the engagement of an interested party as property management agent or marketing agent for the properties in the Suntec REIT Portfolio.

Depending on the materiality of transactions entered into by Suntec REIT for the acquisition of assets from, the sale of assets to or the investment in securities of or issued by, an interested party, the Property Funds Appendix may require that an immediate announcement to the SGX-ST be made, and may also require that the approval of Unitholders be obtained.

The Suntec REIT Trust Deed requires the Suntec REIT Trustee and the Suntec REIT Manager to comply with the provisions of the SGX-ST Listing Manual relating to interested person transactions as may be prescribed by the SGX-ST to apply to real estate investment trusts.

The Suntec REIT Manager may at any time in the future seek a general mandate from Unitholders for recurrent transactions as part of its day-to-day operations.

Both the Property Funds Appendix and the SGX-ST Listing Manual are required to be complied with in respect of a proposed transaction which is *prima facie* governed by both sets of rules. In such circumstances, the Suntec REIT Trustee is required to ensure that such transactions are conducted in accordance with applicable requirements of the Property Funds Appendix and/or the SGX-ST Listing Manual relating to the transaction in question.

Subject to specific requirements for Unitholders' approval depending on, *inter alia*, the value of the transaction, the Suntec REIT Manager is not prohibited by either the Property Funds Appendix or the SGX-ST Listing Manual from contracting or entering into any financial, banking or any other type of transaction with the Suntec REIT Trustee (when acting other than in its capacity as trustee of Suntec REIT) or from being interested in any such transaction, provided that such transaction shall be on normal commercial terms and is not prejudicial to Suntec REIT or to the Unitholders.

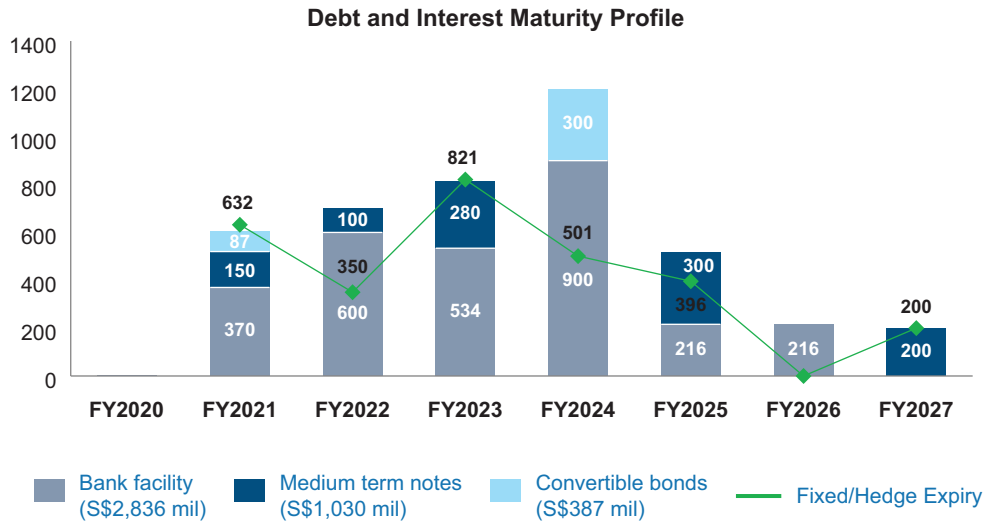
DEBT PROFILE/BORROWINGS

Under the Property Funds Appendix, Suntec REIT's total borrowings and deferred payments (collective, the **aggregate leverage**) should not exceed:

(a) before 1 January 2022, 50% of its Deposited Property; and

(b) on or after 1 January 2022, 45% of its Deposited Property. Suntec REIT's aggregate leverage may exceed 45% of its Deposited Property (up to a maximum of 50%) only if Suntec REIT has a minimum adjusted interest coverage ratio[1] of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

As at 30 June 2020, Suntec REIT had total debt outstanding of S$4,253 million with the following debt and interest maturity profile:



As at 30 June 2020, Suntec REIT's aggregate leverage ratio was 41.3%, and the weighted average debt maturity was 3.35 years.

LEGAL PROCEEDINGS

Neither the Suntec REIT Trustee nor the Suntec REIT Manager is party to any litigation, arbitration or administrative proceedings which Suntec REIT believes would, individually or taken as a whole, have a material adverse effect on its business, financial condition or results of operations, and, so far as it is aware, no such litigation, arbitration or administrative proceedings are pending or threatened.

[1] "Adjusted interest coverage ratio" means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.

RECENT DEVELOPMENTS

Rental Assistance Package and enhancement of Rental Assistance Measures

The COVID-19 pandemic has had varying adverse effects on the business and operations on the properties of Suntec REIT. The Singapore government implemented a gradual relaxation of the Circuit Breaker Measures from 2 June 2020, following the enforcement of such measures from 7 April 2020 to 1 June 2020. The Singapore government has also passed legislation granting temporary relief to qualifying tenants which are unable to perform their obligations under the lease, being obligations which are to be performed on or after 1 February 2020. Pursuant to the COVID-19 (Temporary Measures) Act 2020, subject to the relevant criteria being satisfied, landlords in Singapore are prevented from, among other things: (a) taking any court and insolvency proceedings in respect of a tenant's non-performance of obligations; (b) exercising certain self-help remedies such as rights of re-entry or forfeiture under the lease; and (c) terminating the lease of such tenant for non-payment of rent. The COVID-19 (Temporary Measures) Act 2020 also obliges landlords who benefit from property tax rebates to pass on such benefits to qualifying tenants.

Rental assistance was provided for selected tenants more adversely affected by the COVID-19 pandemic in Suntec City mall as early as March 2020 and rent was waived entirely in April and May 2020 to support tenants during the Circuit Breaker period. After the Circuit Breaker was lifted, rent continued to be waived for the vast majority of retail tenants in June 2020. In July and August 2020, rental assistance of up to 0.5 months were further extended to retail tenants whose businesses continued to be impacted by the COVID-19 pandemic. During this period, the Suntec REIT Manager continued to waive the rent for tenants such as karaoke lounges who were not permitted to resume operations.

In total, most of Suntec City mall tenants would have received at least 4 months of rental relief between March and August 2020. This comprises the property tax rebates and cash grant for qualifying small-medium enterprises which are funded by the Singapore government. In addition, tenants were also given the option to draw down one month of their cash security deposit to further ease their cash flow difficulties.

The Suntec REIT Manager expects leasing demand in Singapore and Australia to remain subdued due to, *inter alia*, the recessionary outlook on the local and global economies. Leasing activities comprise of mainly renewals with landlords in general facing rent resistance from tenants. Companies have also remained focused on cost containment, deferring or canceling many relocation and expansion plans. The Suntec REIT Manager also expects early terminations by tenants in vulnerable sectors to continue into the second half of 2020.

In addition, please see "*Risk Factors – Risks Relating to Suntec REIT's Business and Operations – Suntec REIT's business, results of operations, financial condition and prospects may be adversely affected by natural disasters and the occurrence of epidemics.*" for further details on the impact of the COVID-19 pandemic.

Suntec Singapore's Business Transformation Plan

On 27 August 2020, Suntec Singapore announced that it will be accelerating its business transformation to focus on evolving opportunities with a leaner workforce and a renewed business strategy.

The Meetings, Incentives, Conventions and Exhibitions industry has been severely impacted by the COVID-19 pandemic and events have been suspended since April 2020. From early February, Suntec Singapore began working with the Building Construction And Timber Industries Employees' Union on cost control measures, including the elimination of non-essential spending, hiring freezes, internal and external redeployment of staff, clearing of annual leave, shorter work weeks and temporary salary reductions (in the form of unpaid leave) with management leading the way by taking up to 40% in pay cuts.

A one-off workforce rationalisation plan was announced, affecting 85 roles across the company including sales, operations and support functions such as finance and HR.

Acquisition of Nova Properties

On 8 October 2020, the Suntec REIT Manager announced that the Suntec REIT Trustee and Suntec REIT UK 1 Pte. Ltd., a wholly-owned subsidiary of Suntec REIT (together, the **Buyers**), have entered into a conditional sale and purchase agreement (the **Sale and Purchase Agreement**) with CPPIB US Re-3 Inc and CPP Investment Board Real Estate Holdings Inc (together, the **Vendors**) in relation to the acquisition of 50.0% interest in two Grade A office buildings with ancillary retail and The Nova Building[1] (collectively known as **Nova Properties**) which are located in Victoria, London's West End, United Kingdom (the **Property**, and the acquisition of the 50.0% interest in the Property, the **Acquisition**).

Pursuant to the Sale and Purchase Agreement, the Buyers will acquire from the Vendors, all the units in two Jersey property unit trusts (the **Victoria Unit Trusts**) which hold a 50.0% interest in each of the two English limited partnerships (being Nova Limited Partnership and Nova Residential Limited Partnership) (the **LPs**) and two general partners of the LPs (being Nova GP Limited and Nova Residential (GP) Limited) (the **GPs**). The other partner of the LPs and GPs are entities owned by Land Securities Group. The Sale and Purchase Agreement contains customary provisions relating to the Acquisition, including representations and warranties, indemnities and pre-completion covenants and other commercial terms.

The consideration for the Acquisition (the **Purchase Consideration**) is based on the net asset value (**NAV**) of the Victoria Unit Trusts taking into account the agreed market value of the Property (on a 50.0% basis) of £430.6 million (or approximately S$766.5 million) (the **Agreed Property Value**). The total cost of Acquisition, comprising the Agreed Property Value, the acquisition fee and other transaction-related expenses incurred or to be incurred by Suntec REIT, is £439.4 million (or approximately S$782.1 million) (the **Total Acquisition Cost**). Based on the estimated NAV of the Victoria Unit Trusts as at the date of the announcement, the estimated Purchase Consideration is £426.0 million (or approximately S$758.3 million). The final Purchase Consideration payable to Vendors on completion shall be subject to adjustments based on the NAV of Victoria Unit Trusts as at the date of completion. The total acquisition outlay (estimated to be is £434.8 million (or approximately S$773.9 million)) is intended to be financed by (i) the existing internal resources of Suntec REIT and (ii) external bank borrowings.

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[1] The Nova Building consists of retail units on the ground floor and 170 residential units. While Nova Residential Limited Partnership (acting through Nova Residential (GP) Limited) holds the ground lease in relation to the residential units, the 170 residential units are excluded from the transaction.

THE SUNTEC REIT TRUSTEE, THE SUNTEC REIT MANAGER AND THE SUNTEC REIT PROPERTY MANAGERS

THE SUNTEC REIT TRUSTEE

The Trustee of Suntec REIT

HSBC Institutional Trust Services (Singapore) Limited (**HSBCIT**) is the trustee of Suntec REIT. HSBCIT is a company incorporated in Singapore and registered as a trust company under the Trust Companies Act, Chapter 336 of Singapore. It is approved to act as a trustee of authorised collective investment schemes under the SFA. As at the Latest Practicable Date, HSBCIT has a paid-up capital of S$5,150,000. The registered address of HSBC Institutional Trust Services (Singapore) Limited is 10 Marina Boulevard, #48-01 Marina Bay Financial Centre Tower 2, Singapore 018983.

Powers, Duties and Obligations of the Suntec REIT Trustee

The Suntec REIT Trustee's powers, duties and obligations are set out in the Suntec REIT Trust Deed. The powers and duties of the Suntec REIT Trustee include:

- acting as the Suntec REIT Trustee and, in such capacity, safeguarding the rights and interests of the Unitholders, for example, by satisfying itself that the transactions it enters into for and on behalf of Suntec REIT with a related party of the Suntec REIT Manager or Suntec REIT Trustee are conducted on normal commercial terms, are not prejudicial to the interests of Suntec REIT and the Unitholders, and are in accordance with all applicable requirements of the Property Funds Appendix and/or the SGX-ST Listing Manual relating to the transaction in question;

- holding the assets of Suntec REIT on the trusts contained in the Suntec REIT Trust Deed for the benefit of the Unitholders; and

- exercising all the powers of a REIT Trustee and the powers that are incidental to the ownership of the assets of Suntec REIT.

The Suntec REIT Trustee has covenanted in the Suntec REIT Trust Deed that it will exercise all due diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unitholders.

In the exercise of its powers, the Suntec REIT Trustee may (on the recommendation of the Suntec REIT Manager) and subject to the provisions of the Suntec REIT Trust Deed, acquire or dispose of any real or personal property, and borrow and encumber any asset.

The Suntec REIT Trustee must carry out its functions and duties and comply with all the obligations imposed on it and set out in the Suntec REIT Trust Deed, the SGX-ST Listing Manual, the CIS Code (including the Property Funds Appendix), the Tax Rulings and all other relevant laws. It is responsible for safe custody of Suntec REIT's assets and must cause Suntec REIT's accounts to be audited. It can also appoint valuers to value the real estate assets and real estate-related assets of Suntec REIT.

The Suntec REIT Trustee is not personally liable to a Unitholder in connection with the office of the Suntec REIT Trustee except in respect of its own fraud, negligence, wilful default, breach of the Suntec REIT Trust Deed or breach of trust. Any liability incurred and any indemnity to be given by the Suntec REIT Trustee shall be limited to the assets of Suntec REIT over which the Suntec REIT Trustee has recourse, provided that the Suntec REIT Trustee has acted without fraud, negligence, wilful default, breach of the Suntec REIT Trust Deed or breach of trust. The Suntec REIT Trust Deed contains certain indemnities in favour of the Suntec REIT Trustee under which it will be indemnified out of the assets of Suntec REIT for liability arising in connection with certain acts or omissions. These indemnities are subject to any applicable laws.

Retirement and Replacement of the Suntec REIT Trustee

The Suntec REIT Trustee may retire or be replaced under the following circumstances:

- The Suntec REIT Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee of Suntec REIT (such appointment to be made in accordance with the provisions of the Suntec REIT Trust Deed).

- The Suntec REIT Trustee may be removed by notice in writing to the Suntec REIT Trustee by the Suntec REIT Manager:

  (i) if the Suntec REIT Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Suntec REIT Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Suntec REIT Trustee;

  (ii) if the Suntec REIT Trustee ceases to carry on business;

  (iii) if the Suntec REIT Trustee fails or neglects after reasonable notice from the Suntec REIT Manager to carry out or satisfy any material obligation imposed on the Suntec REIT Trustee by the Suntec REIT Trust Deed;

  (iv) if the Unitholders by extraordinary resolution duly passed at a meeting of Unitholders held in accordance with the provisions of the Suntec REIT Trust Deed, and of which not less than 21 days' notice has been given to the Suntec REIT Trustee and the Suntec REIT Manager, shall so decide; or

  (v) if the MAS directs that the Suntec REIT Trustee be removed.

The Suntec REIT Trustee's Fee

Under the Suntec REIT Trust Deed, the maximum fee payable to the Suntec REIT Trustee shall not exceed 0.25% per annum of the value of the Deposited Property, subject to a minimum of S$9,000 per month, excluding out-of-pocket expenses and goods and services tax. The actual fee payable to the Suntec REIT Trustee will be agreed in writing between the Suntec REIT Manager and the Suntec REIT Trustee from time to time.

Any increase in the maximum permitted amount or any change in the structure of the Suntec REIT Trustee's fee must be passed by an extraordinary resolution of Unitholders at a Unitholders' meeting convened and held in accordance with the provisions of the Suntec REIT Trust Deed.

Termination of Suntec REIT

Under the provisions of the Suntec REIT Trust Deed, Suntec REIT shall end on the earlier of:

(i) the date on which Suntec REIT is terminated by the Suntec REIT Manager in such circumstances as set out under the provisions of the Suntec REIT Trust Deed, as described below; or

(ii) the date on which Suntec REIT is terminated by the Suntec REIT Trustee in such circumstances as set out under the provisions of the Suntec REIT Trust Deed, as described below.

The Suntec REIT Manager may in its absolute discretion terminate Suntec REIT by giving notice in writing to all Unitholders or (as the case may be) the CDP, as well as to the Suntec REIT Trustee not less than three months in advance and to the MAS not less than seven days before the termination in any of the following circumstances:

(i) if any law shall be passed which renders it illegal or in the opinion of the Suntec REIT Manager impracticable or inadvisable to continue Suntec REIT;

(ii) if the net asset value of the Deposited Property shall be less than S$50,000,000 after the end of the first anniversary of the date of the Suntec REIT Trust Deed or any time thereafter; and

(iii) if at any time Suntec REIT becomes unlisted after it has been listed.

Subject to the SFA and any other applicable law or regulation, Suntec REIT may be terminated by the Suntec REIT Trustee by notice in writing in accordance with the provisions of the Suntec REIT Trust Deed in any of the following events, namely:

(i) if the Suntec REIT Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Suntec REIT Trustee) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Suntec REIT Manager or if any encumbrancer shall take possession of any of its assets or if it shall cease business and the Suntec REIT Trustee fails to appoint a successor manager in accordance with the provisions of the Suntec REIT Trust Deed;

(ii) if any law shall be passed which renders it illegal or in the opinion of the Suntec REIT Trustee impracticable or inadvisable to continue Suntec REIT; and

(iii) if within the period of three months from the date of the Suntec REIT Trustee expressing in writing to the Suntec REIT Manager the desire to retire, the Suntec REIT Manager shall have failed to appoint a new Suntec REIT Trustee in accordance with the provisions of the Suntec REIT Trust Deed.

The decision of the Suntec REIT Trustee in any of the events specified above shall be final and binding upon all the parties concerned but the Suntec REIT Trustee shall be under no liability on account of any failure to terminate Suntec REIT pursuant to the paragraphs above or otherwise. The Suntec REIT Manager shall accept the decision of the Suntec REIT Trustee and relieve the Suntec REIT Trustee of any liability to it therefor and hold it harmless from any claims whatsoever on its part for damages or for any other relief.

Generally, upon the termination of Suntec REIT, the Suntec REIT Trustee shall, subject to any authorisations or directions given to it by the Suntec REIT Manager or the Unitholders pursuant to the Suntec REIT Trust Deed, sell the Deposited Property and repay any borrowings incurred on behalf of Suntec REIT in accordance with the Suntec REIT Trust Deed (together with any interest accrued but remaining unpaid) as well as all other debts and liabilities in respect of Suntec REIT before applying the balance of the Deposited Property to the Unitholders in accordance with their proportionate interests in Suntec REIT.

THE SUNTEC REIT MANAGER

The Suntec REIT Manager is a wholly-owned subsidiary of ARA. The Suntec REIT Manager was incorporated in Singapore under the Companies Act of Singapore, Chapter 50 on 30 August 2004. It has paid-up capital of S$1.0 million and its registered office is located at 5 Temasek Boulevard, #12-01 Suntec Tower Five, Singapore 038985.

Roles and Responsibilities of the Suntec REIT Manager

The Suntec REIT Manager has general powers of management over the assets of Suntec REIT. The Suntec REIT Manager's main responsibility is to manage Suntec REIT's assets and liabilities for the benefit of Unitholders.

The Suntec REIT Manager sets the strategic direction of Suntec REIT and gives recommendations to the Suntec REIT Trustee on the acquisition, divestment or enhancement of assets of Suntec REIT in accordance with its stated investment strategy.

The Suntec REIT Manager has covenanted in the Suntec REIT Trust Deed to use its best endeavours to carry on and conduct its business in a proper and efficient manner and to ensure that Suntec REIT is carried on and conducted in a proper and efficient manner and to conduct all transactions with or for Suntec REIT on an arm's length basis and on normal commercial terms.

Further, the Suntec REIT Manager prepares management reports on a regular basis, which may contain proposals and forecasts on net income, capital expenditure, sales and valuations, explanations of major variances from previous forecasts, written commentary on key issues and any relevant assumptions. The purpose of these plans is to explain the performance of Suntec REIT's properties.

The Suntec REIT Manager is responsible for ensuring compliance with the applicable provisions of the SFA and all other relevant legislation, the SGX-ST Listing Manual, The Code on Collective Investment Schemes (the **CIS Code**) issued by the Monetary Authority of Singapore (the **MAS**), including the Property Funds Appendix (and all amendments thereto), the Suntec REIT Trust Deed, the Tax Ruling dated 16 June 2004 issued by the Inland Revenue Authority of Singapore on the taxation of Suntec REIT and its Unitholders, and all relevant contracts. The Suntec REIT Manager is responsible for all regular communications with Unitholders.

The Suntec REIT Manager may require the Suntec REIT Trustee to borrow on behalf of Suntec REIT (upon such terms and conditions as the Suntec REIT Manager deems fit, including the charging or mortgaging of all or any part of the Deposited Property) whenever the Suntec REIT Manager considers, among other things, that such borrowings are necessary or desirable in order to enable Suntec REIT to meet any liabilities or to finance the acquisition of any property. However, the Suntec REIT Manager must not direct the Suntec REIT Trustee to incur a borrowing if to do so would mean that Suntec REIT's aggregate leverage would exceed the limits prescribed in the Property Funds Appendix, being:

(a) before 1 January 2022, 50% of its Deposited Property; and

(b) on or after 1 January 2022, 45% of its Deposited Property. Suntec REIT's aggregate leverage may exceed 45% of its Deposited Property (up to a maximum of 50%) only if Suntec REIT has a minimum adjusted interest coverage ratio[1] of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

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[1] "Adjusted interest coverage ratio" means a ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.

In the absence of fraud, negligence, wilful default or breach of the Suntec REIT Trust Deed by the Suntec REIT Manager, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered to be done or omitted to be done by it in good faith under the Suntec REIT Trust Deed. In addition, the Suntec REIT Manager shall be entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as the Suntec REIT Manager, to have recourse to the Deposited Property or any part thereof save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, negligence, wilful default or breach of the Suntec REIT Trust Deed by the Suntec REIT Manager. The Suntec REIT Manager may, in managing Suntec REIT and in carrying out and performing its duties and obligations under the Suntec REIT Trust Deed, with the written consent of the Suntec REIT Trustee, appoint such person(s) to exercise any or all of its powers and discretions and to perform all or any of its obligations under the Suntec REIT Trust Deed, provided always that the Suntec REIT Manager shall be liable for all acts and omissions of such persons as if such acts and omissions were its own.

The Suntec REIT Manager's Management Fees

The Suntec REIT Manager is entitled to the following management fees:

(a) a base fee of 0.3% per annum of the value of the Deposited Property; and

(b) a performance fee of 4.5% (or such lower percentage as may be determined by the Suntec REIT Manager in its absolute discretion) of Suntec REIT's income, including income derived from the Suntec REIT Portfolio and investments of Suntec REIT.

The Suntec REIT Manager shall receive the management fees in the form of Units and/or cash as the Suntec REIT Manager may in its election decide. The portion of base fees payable in the form of Units shall be payable quarterly in arrear and the portion of base fees payable in cash shall be payable monthly in arrear. The performance fee shall be paid on an annual basis in arrear. When Units are issued to the Suntec REIT Manager, the Suntec REIT Manager shall be entitled to receive such number of Units as may be purchased with the relevant amount of the management fees attributable to the relevant period at an issue price equal to the "market price", being the volume weighted average price per Unit for all trades on the SGX-ST, in the ordinary course of trading, for the last 10 Business Days of the relevant period in which the management fees accrue or, where the Suntec REIT Manager believes that such market price is not a fair reflection of the market price of a Unit, such amount as determined by the Suntec REIT Manager and the Suntec REIT Trustee (after consultation with a stockbroker approved by the Suntec REIT Trustee), as being the fair market price of a Unit.

Units issued to the Suntec REIT Manager are equally entitled to receive distributions as with all other Units. Subject to the Suntec REIT Manager's undertaking to the MAS not to deal in the Units during certain specified periods, the Suntec REIT Manager may, at its option, sell any such Units issued and is entitled to keep any gains made on such sale for its own account.

Any increase in the rate or any change in the structure of the Suntec REIT Manager's management fees must be approved by an extraordinary resolution of Unitholders passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Suntec REIT Trust Deed.

The Suntec REIT Manager is also entitled to:

- an acquisition fee of 1.0% (or such lower percentage as may be determined by the Suntec REIT Manager in its absolute discretion) of the acquisition price of any real estate purchased directly or indirectly by Suntec REIT (*pro rated* if applicable to the proportion of Suntec REIT's interest in the real estate acquired). The acquisition fee is payable as soon as practicable after the completion of an acquisition; and

- a divestment fee of 0.5% (or such lower percentage as may be determined by the Suntec REIT Manager in its absolute discretion) of the sale price of any real estate directly or indirectly sold or divested by Suntec REIT (*pro rated* if applicable to the proportion of Suntec REIT's interest in the real estate sold). The divestment fee is payable as soon as practicable after completion of a divestment.

The acquisition fee and divestment fee payable to the Suntec REIT Manager are to recognise the Suntec REIT Manager's efforts in actively seeking potential opportunities to acquire new properties and/or in unlocking the underlying value of existing properties within its asset portfolio through divestments to optimise returns to the Unitholders. The Suntec REIT Manager provides these services over and above the provision of ongoing management services with an aim to generate long-term benefits for the Unitholders.

Any increase in the maximum permitted level of the acquisition fee or divestment fee must be approved by an extraordinary resolution of Unitholders passed at a Unitholders' meeting duly convened and held in accordance with the provisions of the Suntec REIT Trust Deed.

Retirement or Removal of the Suntec REIT Manager

The Suntec REIT Manager shall have the power to retire in favour of a corporation approved by the Suntec REIT Trustee to act as the manager of Suntec REIT.

Also, the Suntec REIT Manager may be removed by notice given in writing by the Suntec REIT Trustee if:

- the Suntec REIT Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Suntec REIT Trustee) or a receiver is appointed over its assets or a judicial manager is appointed in respect of the Suntec REIT Manager;

- the Suntec REIT Manager ceases to carry on business;

- the Suntec REIT Manager fails or neglects after reasonable notice from the Suntec REIT Trustee to carry out or satisfy any material obligation imposed on the Suntec REIT Manager by the Suntec REIT Trust Deed;

- the Unitholders, by a resolution passed by a simple majority of Unitholders present and voting (with no Unitholders being disenfranchised) at a meeting of Unitholders duly convened and held in accordance with the provisions of the Suntec REIT Trust Deed, shall so decide;

- for good and sufficient reason, the Suntec REIT Trustee is of the opinion, and so states in writing, that a change of the Suntec REIT Manager is desirable in the interests of the Unitholders. Where the Suntec REIT Manager is removed under such circumstances, the Suntec REIT Manager has a right under the Suntec REIT Trust Deed to refer the matter to arbitration within one month of such writing by the Suntec REIT Trustee. Any decision made pursuant to such arbitration proceedings is binding upon the Suntec REIT Manager, the Suntec REIT Trustee and all Unitholders; or

- the MAS directs the Suntec REIT Trustee to remove the Suntec REIT Manager.

THE SUNTEC REIT PROPERTY MANAGERS

The properties held by Suntec REIT are managed by the respective property managers as set out in the table below:

Property	Property Manager
Suntec City Mall and Suntec City Office Towers	APM Property Management Pte. Ltd. (**APM**)
Suntec Singapore Convention & Exhibition Centre	Suntec Singapore International Convention & Exhibition Services Pte. Ltd.
One Raffles Quay	Raffles Quay Asset Management Pte. Ltd.
MBFC Properties	Raffles Quay Asset Management Pte. Ltd.
177 Pacific Highway, North Sydney	CBRE Pty Ltd
21 Harris Street, Pyrmont	APM Australia (ARA) Pty Ltd
Southgate Complex, Melbourne	APM Australia (ARA) Pty Ltd
477 Collins Street, Melbourne	Mirvac Real Estate Pty Limited
55 Currie Street, Adelaide	APM Australia (ARA) Pty Ltd

Pursuant to the relevant management agreements with the Suntec REIT Property Managers, the Suntec REIT Property Managers are appointed to provide lease management services, marketing and marketing co-ordination services and property management services for the respective property under its management, which include the following:

- submission of an annual business plan for the respective property including recommendation of:
- leasing and business strategy, marketing strategy and annual budget;
- operating and maintaining property in accordance with approved budget and plans;
- performing rental collection and arrears management;
- advising and coordinating on any media sales, promotional or marketing activities;
- negotiating and concluding rental packages with prospective tenants;
- in conjunction with insurance brokers or advisors, arranging and taking out insurances against fire, third-party liability and other risks; and
- maintaining books of accounts and records in respect of the operation of property.

The executive officers and board of directors of the Suntec REIT Property Managers are made up of individuals with a broad range of commercial experience, including expertise in property management and development.

MANAGEMENT OF THE SUNTEC REIT MANAGER

Board of Directors of the Suntec REIT Manager

The members of the Board of Directors of the Suntec REIT Manager are set out below:

Name	Position
Chew Gek Khim	Chairman and Non-Executive Director
Lim Hwee Chiang, John	Non-Executive Director
Yap Chee Meng	Lead Independent, Non-Executive Director
Chan Pee Teck, Peter	Independent Non-Executive Director
Yu-Foo Yee Shoon	Independent Non-Executive Director
Lock Wai Han	Independent Non-Executive Director
Chow Wai Wai, John	Non-Executive Director
Chong Kee Hiong	Chief Executive Officer and Executive Director

Chew Gek Khim – Chairman and Non-Executive Director

Ms Chew Gek Khim joined the Board on 21 January 2014 and was appointed Chairman on 17 April 2014. She has been the Chairman of The Straits Trading Company Limited since 24 April 2008.

Ms Chew is also Executive Chairman of Tecity Group. She is Chairman of Malaysia Smelting Corporation Berhad and sits on the boards of ARA Asset Management Holdings Pte. Ltd. and Singapore Exchange Limited.

Ms Chew is also Deputy Chairman of the Tan Chin Tuan Foundation. She sits on the Board of Governors of S. Rajaratnam School of International Studies.

Ms Chew graduated from the National University of Singapore in 1984 and is a lawyer by training. She was awarded the *Chevalier de l'Ordre National du Mérite* in 2010, the Singapore Businessman of The Year 2014 in 2015, and the Meritorious Service Medal at the National Day Award in 2016.

Lim Hwee Chiang, John – Non-Executive Director

Mr Lim Hwee Chiang, John joined the Board on 30 August 2004. Mr Lim is Co-Founder, Group Chief Executive Officer and Executive Director of ARA Asset Management Limited. He is a Non-Executive Director of ARA Asset Management (Fortune) Limited, ARA Asset Management (Prosperity) Limited and Hui Xian Asset Management Limited. Mr Lim is also the Chairman of Suntec Singapore International Convention & Exhibition Services Pte. Ltd.

In the preceding three years, Mr Lim was also a Director of ARACWT Trust Management (Cache) Limited.

Mr Lim is Chairman of the Asia Pacific Real Estate Association (**APREA**), the Consultative Committee to the Department of Real Estate, National University of Singapore, Straits Real Estate and Lim Hoon Foundation. He is a Patron of Jurong Spring Citizens' Consultative Committee and the Securities Investors Association of Singapore. He is also a Council Member of Singapore Chinese Chamber of Commerce and Industry and an Independent Director and Chairman of the remuneration committee of Singapore-listed Teckwah Industrial Corporation Limited.

Mr Lim has more than 30 years' experience in the real estate industry and has received many notable corporate awards. These include the PERE Global Awards 2016 Industry Figure of the Year: Asia, Ernst & Young Entrepreneur Of the Year Singapore 2012 and the Outstanding CEO of the Year 2011 at the Singapore Business Awards 2012. Mr Lim, along with the Board of Directors of ARA, is also a recipient of the prestigious Best Managed Board (Gold) Award at the Singapore Corporate Awards 2012. In 2017, he was conferred the Public Service Medal (PBM) by the President of Singapore in recognition of his contributions to the community.

Mr Lim holds a Bachelor of Engineering (First Class Honours) in Mechanical Engineering, a Master of Science in Industrial Engineering, as well as a Diploma in Business Administration, each from the National University of Singapore.

Yap Chee Meng – Lead Independent, Non-Executive Director

Mr Yap Chee Meng is the Lead Independent Director, Chairman of the audit committee and member of the designated committee of the Manager. He joined the Board on 22 April 2019.

Mr Yap was the Chief Operating Officer of KPMG International for Asia Pacific and a member of its Global Executive Team. Prior to his appointment as the regional Chief Operating Officer of KPMG International in 2010, he was a Senior Partner in KPMG Singapore, the Regional Head of Financial Services in Asia Pacific, and Country Head of Real Estates and Specialised REITs Group in Singapore.

In his career spanning 37 years' experience in the financial sector, Mr Yap has served in the committees of various professional and regulatory bodies including Singapore's Accounting & Corporate Regulatory Authority and the Institute of Certified Public Accountants of Singapore.

Mr Yap is currently Non-Executive Chairman of AXA Insurance Pte Ltd and RHB Asset Management Group. He also holds independent directorships in several companies including Keppel Land Limited, RHB Investment Bank Berhad, RHB Securities Singapore Pte Ltd, SATS Ltd, The Esplanade Co Ltd, Pavilion Energy Singapore Pte Ltd and Pavilion Energy Trading & Supply Pte Ltd.

Mr Yap's past independent board memberships included those in SMRT Corporation Ltd and the National Research Foundation (Prime Minister's Office, Singapore).

He qualified as a UK Chartered Accountant in 1981, and is now a non-practising Fellow of the Institute of Singapore Chartered Accountants and a non-practising Fellow of the Institute of Chartered Accountants in England & Wales.

Chan Pee Teck, Peter – Independent Non-Executive Director

Mr Chan Pee Teck, Peter is an Independent Director and member of the audit committee. He joined the Board on 1 January 2017. Mr Chan is the founder and Managing Partner of Crest Capital Asia, a regional private equity practice investing mainly in Singapore and Australia, specializing in designing and customizing alternative direct investment programmes for clients and managing the assets under these programmes.

Mr Chan started his private equity career in 1987 with one of the earliest US private equity firms in Asia. Then, he set up a division of ING Barings Asia Private Equity as Managing Director in 1996 to start ING's private equity investment in Asia and setting up offices in Singapore, Indonesia, India, China, Taiwan and South Korea. He then acquired the business to set up Crest Capital Asia in 2004. Mr Chan is responsible for the general management of the funds under management, innovating new fund strategies, risk management as well as investor communication.

Mr Chan graduated with a Bachelor of Accountancy (Hons) Degree from the National University of Singapore and is a Fellow Member of both the Institute of Singapore Chartered Accountants as well as the Certified Public Accountants of Australia. In addition to being board member of Teckwah Industrial Corporation Ltd, he is also board member of Clarity, a not-for-profit organization whose mission is to provide healing and support for people with mental-health issues to help them regain self-confidence and re-discover their abilities and beauty in life.

Yu-Foo Yee Shoon – Independent Non-Executive Director

Mrs Yu-Foo Yee Shoon is an Independent Director and member of the audit committee. She joined the Board on 1 January 2017. Mrs Yu-Foo is currently the Justice of the Peace, Chairman of Traditional Chinese Medicine Practitioners Board, Ministry of Health and also an Independent Director of KOP Limited and Singapura Finance Ltd. She is also Advisor of Nuri Holdings (S) Pte Ltd, Senior Advisor, International Advisory Panel of Hyflux Ltd and Senior Advisor of Elomart Pte Ltd.

Mrs Yu-Foo was a Former Minister of State and retired after 27 years in politics. Before she became Minister of State, she was the first woman Mayor in Singapore and she started her career with the National Trades Union Congress (NTUC) and was the Deputy Secretary-General of the NTUC.

Mrs Yu-Foo graduated from Nanyang University with a Bachelor of Commerce and a Masters Degree in Business from Nanyang Technology University. She was awarded the Honorary Doctorate of Education by Wheelock College of Boston, United States, in 2008.

Lock Wai Han – Independent Non-Executive Director

Mr Lock Wai Han is an Independent Director and member of the audit committee. He joined the Board on 1 August 2018. Currently, Mr Lock is the Executive Director and Chief Executive Officer of OKH Global Limited and is responsible for all the Group's business activities, which is the construction and development of industrial real estate. Mr Lock is also an Independent Director of Chip Eng Seng Corporation Ltd.

Prior to joining OKH Group Limited, Mr Lock was the Executive Director and Group CEO of Rowsley Ltd and before that he was based in Beijing as the China CEO of CapitaMalls Asia (**CMA**), where he had oversight of a retail mall portfolio that included Raffles City projects and CMA mixed developments.

Up until he joined CMA in March 2010, Mr Lock served in the Singapore public sector for more than 20 years during which he held various leadership roles including Commissioner of the Immigration & Checkpoints Authority, Director of the Criminal Investigations Department and Deputy Secretary of the Ministry of Information, Communications & the Arts, as well as directorships in various statutory boards.

Mr Lock holds a Bachelor and Master of Arts (Engineering) from the University of Cambridge, UK, and a Master of Science (Management) from Leland Stanford Junior University, USA.

Chow Wai Wai, John – Non-Executive Director

Mr Chow Wai Wai, John is a Non-Executive Director and the Chairman of the designated committee of the Manager. He joined the Board on 1 July 2007. Currently, Mr Chow is also the Managing Director of Winsor Industrial Corporation Limited, which has international operations spanning countries in the US, Europe and Asia, and he holds directorships in the various subsidiaries and associated companies of the Winsor companies. He is an Executive Director of Hong Kong-listed Wing Tai Properties Limited.

In the preceding three years, Mr Chow was a Non-Executive Director of Dah Sing Financial Holdings Limited.

Mr Chow has more than 30 years' experience in property investment and management, and textile and clothing businesses. He serves as an Honorary Chairman of the Hong Kong Garment Manufacturers Association.

Mr Chow received his Bachelor of Arts (Economics) degree from the University of British Columbia.

Chong Kee Hiong – Chief Executive Officer and Executive Director

Mr Chong Kee Hiong was appointed as Chief Executive Officer and Executive Director on 1 January 2019. He is also a Director of One Raffles Quay Pte. Ltd., Harmony Convention Holding Limited and Park Mall Pte. Ltd. Mr Chong is a Partners' Representative of BFC Development LLP. He is also a member of the ARA Group Investment Committee which oversees its global investment strategy.

Mr Chong has close to 30 years' financial and management experience. Prior to joining the Manager, Mr Chong was the Chief Executive Officer of OUE Hospitality REIT Management Pte Ltd from 2013 to 2018. He was Chief Executive Officer of The Ascott Limited from 2012 to 2013 and Chief Executive Officer of Ascott Residence Trust Management Limited from 2005 to 2012. Prior to that, Mr Chong was with Raffles Holdings Limited as their Chief Financial Officer. Mr Chong began his career in audit with KPMG Peat Marwick in 1990.

Mr Chong is currently President of the Orchid Country Club General Committee and Chairman and Non-Executive Director of NTUC Foodfare Catering Pte Ltd. Mr Chong is also an elected Member of Parliament for Bishan-Toa Payoh GRC.

Mr Chong holds a Bachelor of Accountancy with National University of Singapore and completed Harvard Business School's Advanced Management Program in 2008. He is a member of the Institute of Singapore Chartered Accountants.

Management Team of the Suntec REIT Manager

The members of the key management of the Suntec REIT Manager are set out below:

Name	Position
Chong Kee Hiong	Chief Executive Officer and Executive Director
Dawn Lai	Chief Operating Officer
Ng Ee San	Finance Director
Raymond Ong	Director, Special Projects
Melissa Chow	Manager, Investor Relations

Chong Kee Hiong – Chief Executive Officer and Executive Director

Please refer to description under the section on 'Board of Directors of the Suntec REIT Manager'.

Dawn Lai – Chief Operating Officer

Ms Dawn Lai assists the Chief Executive Officer on all operational matters including asset management, investment, finance, investor relations and strategic planning.

Ms Lai has more than 30 years' experience in the real estate sector. She was with CapitaLand Ltd for the past 19 years. Her last appointment with the company was as the Head of Global Marketing & Leasing at CapitaLand Commercial Management Private Limited, the manager for CapitaLand's entire portfolio of commercial assets (REIT and non-REIT) in Singapore. In this capacity, she was responsible for the marketing and leasing of more than 4 million sq ft of commercial properties with a total asset value of more than S$10 billion. The commercial portfolio under her responsibility included prime Grade A offices such as CapitaGreen, Asia Square Tower 2, Six Battery Road, Raffles City Singapore and Capital Tower.

Ms Lai holds a Bachelor of Science in Estate Management (Hons) degree from the National University of Singapore.

Ng Ee San – Finance Director

Ms Ng Ee San heads the Finance team and assists the Chief Executive Officer on the finance, treasury and capital management functions of Suntec REIT.

Ms Ng has more than 20 years' experience in accounting and finance. Prior to joining the Manager, she was the Finance Manager at Ascott Residence Trust Management Limited, the manager of Ascott Residence Trust. She was also previously an Accountant at Wing Tai Holdings Limited and The Hour Glass Limited, and has held various positions with PSA Corporation Limited and Deloitte & Touche LLP.

Ms Ng holds a Bachelor of Accountancy Degree from Nanyang Technological University, Singapore, and is a member of Institute of Singapore Chartered Accountants.

Raymond Ong – Director, Special Projects

Mr Raymond Ong assists the Chief Executive Officer on acquisitions, projects, operational and asset management matters and oversees Suntec REIT's project developments.

Prior to his appointment, Mr Ong was the Director of the Project of APM Property Management Pte Ltd (a 100% subsidiary of ARA Asset Management Limited) since 2012 where he led the project team in the remaking of Suntec City which was successfully completed in 2015.

Mr Ong has more than 30 years' experience in real estate development, project and property management. Prior to joining the group, he worked with public listed property companies Centrepoint Properties Ltd, Parkway Holdings Ltd and Wing Tai Property Management Pte Ltd, and with private property companies Kallang Development Pte Ltd and SK Land Pte Ltd. He held positions as Executive Director and General Manager taking charge of development and property management.

He held positions as Executive Director and General Manager taking charge of development and property management.

Mr Ong holds a Diploma in Mechanical Engineering from Singapore Polytechnic.

Melissa Chow – Manager, Investor Relations

Ms Melissa Chow oversees the Investor Relations function of Suntec REIT. Her responsibilities include the timely communication of quality information to unitholders, potential investors, key stakeholders and providing the Manager with key market updates.

Ms Chow has close to 10 years' experience in the field of investor relations. Prior to joining the Manager, she was an investor relations associate at a private equity firm where she managed the communication channels between the company and the investment community. She was previously with a boutique public and investor relations agency.

Ms Chow holds a Bachelor of Business Management (Finance and Corporate Communications) from Singapore Management University.

TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and current income tax laws in the specified jurisdictions and administrative guidelines and circulars issued by IRAS, the MAS and relevant tax authorities in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and no assurance can be given that the relevant tax authorities or the courts will agree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Notes or Perpetual Securities or of any person acquiring, selling or otherwise dealing with the Notes or Perpetual Securities or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes or Perpetual Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes or Perpetual Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant financial sector incentive(s)) may be subject to special rules or tax rates. Holders and prospective holders of the Notes or Perpetual Securities are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes or Perpetual Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuers, the Guarantor, the Suntec REIT Manager, the Arrangers, the Dealers and any other persons involved in the Programme or the issue and offer of the Notes or Perpetual Securities accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes or Perpetual Securities.

In addition, the disclosure below is on the assumption that IRAS regards each tranche of the Perpetual Securities as "debt securities" for the purposes of the ITA and that distribution payments made under each tranche of the Perpetual Securities will be regarded as interest payable on indebtedness and holders thereof may therefore enjoy the tax concessions and exemptions available for qualifying debt securities, provided that the other conditions for the qualifying debt securities scheme are satisfied. If any tranche of the Perpetual Securities is not regarded as "debt securities" for the purposes of the ITA, any distribution payment made under any tranche of Perpetual Securities is not regarded as interest payable on indebtedness or holders thereof are not eligible for the tax concessions or exemptions under the qualifying debt securities scheme, the tax treatment to holders may differ. Investors and holders of any tranche of the Perpetual Securities should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of any tranche of the Perpetual Securities.

Singapore Taxation

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 22 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium or break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme as a whole was arranged by Australia and New Zealand Banking Group Limited, Citigroup Global Markets Singapore Pte. Ltd., DBS Bank Ltd. and Standard Chartered Bank, Singapore Branch, each of which was a financial sector incentive (bond market) (**FSI-BM**) company (as defined in the ITA) for the purposes of the ITA at such time, any tranche of the Notes or Perpetual Securities (the **Relevant Securities**) issued as debt securities under the Programme during the period from the date of this Offering Circular to 31 December 2023 would be "qualifying debt securities" (**QDS**) for the purposes of the ITA, to which the following treatments shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing of a return on debt securities to the MAS for the Relevant Securities within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require, and the inclusion by the relevant Issuer in all offering documents relating to the Relevant Securities of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Securities is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Securities using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the **Qualifying Income**) from the Relevant Securities derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Securities are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities to the MAS in respect of the Relevant Securities within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require), Qualifying Income from the Relevant Securities derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10 per cent. (except for holders of the relevant financial sector incentive(s) who may be taxed at different rates); and

(iii) subject to:

(aa) the relevant Issuer including in all offering documents relating to the Relevant Securities a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax shall include such income in a return of income made under the ITA; and

(bb) the furnishing to the MAS of a return on debt securities for the Relevant Securities within such period as the MAS may specify and such other particulars in connection with the Relevant Securities as the MAS may require,

payments of Qualifying Income derived from the Relevant Securities are not subject to withholding of tax by the relevant Issuer.

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Relevant Securities by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the ITA shall not apply if such person acquires such Relevant Securities using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Securities is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

However, notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Securities, the Relevant Securities are issued to fewer than four persons and 50 per cent. or more of the issue of such Relevant Securities is beneficially held or funded, directly or indirectly, by related parties of the relevant Issuer or the Suntec REIT Manager, such Relevant Securities would not qualify as "qualifying debt securities"; and

(B) even though the Relevant Securities are "qualifying debt securities", if at any time during the tenure of such tranche of Relevant Securities, 50 per cent. or more of such Relevant Securities which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the relevant Issuer or the Suntec REIT Manager, Qualifying Income derived from such Relevant Securities held by:

(i) any related party of the relevant Issuer or the Suntec REIT Manager; or

(ii) any other person where the funds used by such person to acquire such Relevant Securities are obtained, directly or indirectly, from any related party of the relevant Issuer or the Suntec REIT Manager,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term **related party**, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

For the purposes of the ITA and this Singapore tax disclosure:

(a) **break cost** means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

(b) **prepayment fee** means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

(c) **redemption premium** means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes or Perpetual Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes or Perpetual Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes or Perpetual Securities who apply or are required to apply Singapore Financial Reporting Standard 39 (**FRS 39**), Financial Reporting Standard 109 – Financial Instruments (**FRS 109**) or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) (**SFRS(I) 9**) (as the case may be) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes or Perpetual Securities, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes".

Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes

Subject to certain "opt-out" provisions, Section 34A of the ITA requires taxpayers who adopt or are required to adopt FRS 39 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 39, subject to certain exceptions provided in that section. IRAS has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement" to provide guidance on the Singapore income tax treatment of financial instruments.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who adopt or who are required to adopt FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions provided in that section. IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Notes or Perpetual Securities who may be subject to the tax treatment under the FRS 39 tax regime, FRS 109 tax regime or the SFRS(I) 9 tax regime should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes or Perpetual Securities.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The relevant Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Singapore) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes or Perpetual Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes or Perpetual Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes or Perpetual Securities, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes or Perpetual Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the relevant Issuer). However, if additional Notes or Perpetual Securities (as described under "*Terms and Conditions of the Notes – Further Issues*" or "*Terms and Conditions of the Perpetual Securities – Further Issues*") that are not distinguishable from previously issued Notes or Perpetual Securities are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes or Perpetual Securities, as the case may be, including the Notes or Perpetual Securities offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes or Perpetual Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes or Perpetual Securities, no person will be required to pay additional amounts as a result of the withholding.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes and Perpetual Securities (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes and Perpetual Securities should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes and Perpetual Securities where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of Notes and Perpetual Securities are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (such programme agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 15 October 2020, agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes or Perpetual Securities. Any such agreement will extend to those matters stated under "*Form of the Notes*", "*Form of the Perpetual Securities*", "*Terms and Conditions of the Notes*" and "Terms and Conditions of the Perpetual Securities". The relevant Issuer (failing which, in the case of Notes, the Guarantor) may pay each relevant Dealer a commission as agreed between them in respect of Notes or Perpetual Securities subscribed by such Dealer. The relevant Issuer and the Guarantor may also from time to time agree with the relevant Dealer(s) that the relevant Issuer (failing which, in the case of Notes, the Guarantor) may pay certain third parties commissions (including, without limitation, rebates to private banks). In the Programme Agreement, the Issuers (failing which, in the case of Notes, the Guarantor) have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment, update and any future update of the Programme and the issue of Notes or Perpetual Securities under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

The Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, investment banking and other commercial dealings and advisory services in the ordinary course of business with the Issuers, the Guarantor or its subsidiaries, jointly controlled entities or associated companies and may be paid fees and expenses in connection with such services from time to time. In the ordinary course of their various business activities, the Dealers and their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuers, the Guarantor or its subsidiaries, jointly controlled entities or associated companies, including Notes or Perpetual Securities issued under the Programme, may be entered into at the same time or proximate to offers and sales of Notes or Perpetual Securities or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes or Perpetual Securities. Notes or Perpetual Securities issued under the Programme may be purchased by or be allocated to any Dealer or an affiliate for asset management and/or proprietary purposes but not with a view to distribution/whether or not with a view to later distribution. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

United States

The Notes and Perpetual Securities have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes and Perpetual Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person,

except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes or Perpetual Securities (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes or Perpetual Securities of the Tranche of which such Notes or Perpetual Securities are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes or Perpetual Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes or Perpetual Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes or Perpetual Securities, an offer or sale of such Notes or Perpetual Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index Linked Notes, Index Linked Perpetual Securities, Dual Currency Notes or Dual Currency Perpetual Securities shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes or Perpetual Securities, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

European Economic Area and the United Kingdom

The following selling restrictions is applicable to issues of Perpetual Securities only:

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no offers or sales of the Perpetual Securities will be made in, or to any person domiciled in, or having their registered office located in, any member of the European Economic Area and in the United Kingdom.

The following selling restrictions is applicable to issues of Notes only:

(a) Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not engage in the offer or marketing of the Notes in any jurisdiction in which Directive 2011/61/EU (the **AIFM Directive**) has been implemented, save that they may, notwithstanding the foregoing but without prejudice to any other matter contained in this section, engage in the offer or marketing of the Notes in Germany, France, The Netherlands, the United Kingdom, Norway, Denmark, Finland, Italy, Spain, Belgium, Austria, Luxembourg, Portugal, Ireland and such further jurisdictions as agreed in writing between the Issuer and the relevant Dealer prior to any such marketing or offer taking place (each such jurisdiction in which such marketing or offer is permitted pursuant to this paragraph being a **Relevant AIFMD Jurisdiction**).

(b) For the avoidance of doubt, and notwithstanding the foregoing or the generality of the matters set out under "Subscription and Sale" of this Offering Circular, no Dealer has made any representation, undertaking or agreement that it has complied with the provisions of the AIFM Directive, as such directive is implemented into, and interpreted in accordance with, the laws of each Relevant AIFMD Jurisdiction.

Prohibition of Sales to EEA and UK Retail Investors

Unless the Pricing Supplement in respect of any Notes or Perpetual Securities specifies "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes or Perpetual Securities which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area or in the United Kingdom. For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

  (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Prospectus Regulation (as defined below); and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes or Perpetual Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Notes or Perpetual Securities.

If the Pricing Supplement in respect of any Notes or Perpetual Securities specifies "Prohibition of Sales to EEA and UK Retail Investors" as "Not Applicable", in relation to each Member State of the EEA and the United Kingdom (each a **Relevant State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes or Perpetual Securities which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in that Relevant State except that it may make an offer of such Notes or Perpetual Securities to the public in that Relevant State:

(A) if the Pricing Supplement in relation to the Notes or Perpetual Securities specify that an offer of those Notes or Perpetual Securities may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes or Perpetual Securities which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the relevant Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(B) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(C) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(D) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes or Perpetual Securities referred to in (B) to (D) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression **an offer of Notes or Perpetual Securities to the public** in relation to any Notes or Perpetual Securities in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes or Perpetual Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Notes or Perpetual Securities; and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129, as amended.

United Kingdom

The following selling restriction is applicable to issues of Notes only:

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes and Perpetual Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes or Perpetual Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes or Perpetual Securities (except for Notes or Perpetual Securities which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (**SFO**)) other than: (i) to "professional investors" as defined in the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes or Perpetual Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes or Perpetual Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in of the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or Perpetual Securities or caused the Notes or Perpetual Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or Perpetual Securities or cause the Notes or Perpetual Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes or Perpetual Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the **SFA**)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes or Perpetual Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust

shall not be transferred within six months after that corporation or that trust has acquired the Notes or Perpetual Securities pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or Perpetual Securities or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes or Perpetual Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuers, the Guarantor, the Trustee nor any of the other Dealers shall have any responsibility therefor.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the relevant Issuers in such jurisdiction.

None of the Issuers, the Guarantor, the Trustee and the Dealers represents that Notes or Perpetual Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with any additional restrictions as may be agreed between the relevant Issuer and the relevant Dealer and set out in the Subscription Agreement, Dealer Accession Letter or dealer confirmation, as relevant or in the applicable Pricing Supplement.

GENERAL INFORMATION

Authorisation

The establishment and update of the Programme, the issue of Notes and Perpetual Securities under the Programme and the giving of the Guarantee have been duly authorised by a global resolution of the Board of Directors of the Suntec REIT Trustee dated 18 October 2012 and 25 September 2020. The establishment and update of the Programme and the issue of Notes under the Programme have been duly authorised by a resolution of the Board of Directors of SRMTN dated 14 August 2013 and 14 October 2020.

Listing of Notes and Perpetual Securities

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the **SGX-ST**) in connection with the Programme and application will be made for permission to deal in, and for quotation of, any Notes or Perpetual Securities to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes or Perpetual Securities have been admitted to the Official List of the SGX-ST. For so long as any Notes or Perpetual Securities is listed on the SGX-ST and the rules of the SGX-ST so require, the relevant Issuer shall appoint and maintain a paying agent in Singapore, where such Notes or Perpetual Securities may be presented or surrendered for payment or redemption, in the event that any of the Global Notes representing such Notes is exchanged for definitive Notes or any of the Global Perpetual Securities representing such Perpetual Securities is exchanged for definitive Perpetual Securities. In addition, in the event that any of the Global Notes is exchanged for definitive Notes or any of the Global Perpetual Securities is exchanged for definitive Perpetual Securities an announcement of such exchange will be made by or on behalf of the relevant Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes or definitive Perpetual Securities including details of the paying agent in Singapore.

Documents Available

So long as Notes or Perpetual Securities may be issued under the Programme, copies of the following documents will, when published, be available for inspection (upon prior appointment and written request and satisfactory proof of holding) during normal business hours (being 9.00 a.m to 3.00 p.m.) (i) at the specified office of each of the Issuing and Paying Agents and the Registrar or, as the case may be, CDP Issuing and Paying Agents and the CDP Registrar; and (ii) at the specified office of the Issuers:

(a) the constitutional documents of each Issuer;

(b) the Suntec REIT Trust Deed;

(c) the most recently published audited annual financial statements of SRMTN and any New Issuer (if published) and the most recently published unaudited interim financial statements (if any) of SRMTN and any New Issuer, together with any audit or review reports prepared in connection therewith;

(d) the most recently published audited consolidated annual financial statements of the Group and the most recently published unaudited interim financial statements (if any) of the Group, together with any audit or review reports prepared in connection therewith;

(e) the Trust Deed, the Agency Agreement, the CDP Deeds of Covenant, and the forms of the Global Notes and Global Perpetual Securities, the Notes and Perpetual Securities in definitive form, the Receipts, the Coupons and the Talons;

(f) a copy of this Offering Circular; and

(g) any future offering circulars, prospectuses, information memoranda and supplements including Pricing Supplements (save that a Pricing Supplement relating to an unlisted Note or Perpetual Security will only be available for inspection by a holder of such Note or Perpetual Security and such holder must produce evidence satisfactory to the relevant Issuer or the Issuing and Paying Agent or, as the case may be, CDP Issuing and Paying Agent as to its holding of Notes or Perpetual Securities and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes and Perpetual Securities have been accepted for clearance through Euroclear and Clearstream (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes or Perpetual Securities allocated by Euroclear and Clearstream will be specified in the applicable Pricing Supplement. In addition, the relevant Issuer may also apply to have the Notes or Perpetual Securities accepted for clearance through CDP. If Notes or Perpetual Securities are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Pricing Supplement.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of CDP is The Central Depository (Pte) Limited, #01-19/20 The Metropolis, 9 North Buona Vista Drive, Singapore 138588.

Conditions for determining price

The price and amount of Notes and Perpetual Securities to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Material Adverse Change

Save as disclosed in this Offering Circular, there has been no material adverse change in the financial position of SRMTN, Suntec REIT or the Group since 31 December 2019.

Litigation

There are no legal or arbitration proceedings pending or threatened against the Issuers, the Guarantor, Suntec REIT or any of their respective subsidiaries during the 12 months prior to the date of this Offering Circular the outcome of which may have or have had a material adverse effect on the financial position of the relevant Issuer, Suntec REIT or the Group.

Auditors

KPMG LLP, Public Accountants and Chartered Accountants, have (a) audited, and rendered unqualified audit reports on the consolidated financial statements of the Group for the financial years ended 31 December 2018 and 31 December 2019; and (b) reviewed, and rendered unqualified review reports on the interim consolidated financial statements of the Group as at and for the six-month periods ended 30 June 2020.

KPMG LLP has given and has not withdrawn its written consent to the issue of this Offering Circular for the (i) inclusion herein of its name and references thereto; (ii) inclusion of its audit reports on the audited consolidated financial statements of the Group for the financial years ended 31 December 2018 and 31 December 2019; (iii) inclusion of its review report on the interim consolidated financial statements of the Group as at and for the six-month periods 30 June 2020, in the form and context in which they appear in this Offering Circular.

GLOSSARY

The following definitions have, where appropriate, been used in this Offering Circular:

1HFY	:	Financial half-year ended or, as the case may be, ending 30 June
21 Harris Street	:	100% interest in a Grade A office building at 21 Harris Street, Pyrmont, Australia
% or **per cent.**	:	Per centum or percentage
Agency Agreement	:	The amended and restated agency agreement relating to the Programme dated 15 October 2020 made between (1) the Issuers, as issuer, (2) the Guarantor, as guarantor, (3) The Bank of New York Mellon, Singapore Branch, as CDP issuing and paying agent, CDP calculation agent, CDP transfer agent and CDP registrar, (4) The Bank of New York Mellon, London Branch, as non-CDP issuing and paying agent and non-CDP calculation agent, (5) The Bank of New York Mellon SA/NV, Luxembourg Branch, as non-CDP transfer agent and non-CDP registrar, and (6) the Trustee, as trustee, as further amended and/or supplemented and/or restated from time to time. The Agency Agreement contains provisions for additional issuers of Notes to accede to the Agency Agreement in order to become an Issuer of Notes under the Programme
Agents	:	Each of the Issuing and Paying Agent, the Registrar, the Transfer Agents, the CDP Issuing and Paying Agent, the CDP Registrar, CDP Transfer Agent, the Calculation Agent, the CDP Calculation Agent, the other Paying Agents, or any of them and shall include such other Agent or Agents as may be appointed from time to time under the Agency Agreement
Aggregate Leverage	:	The ratio of Suntec REIT's borrowings and deferred payments (including deferred payments for assets whether to be settled in cash or Units) if any, and the proportionate borrowings and deferred payments (if any) attributable to Suntec REIT's interests in its jointly controlled entities to the value of the Deposited Property
ARA	:	ARA Asset Management Limited
Arrangers	:	Australia and New Zealand Banking Group Limited, Citigroup Global Markets Singapore Pte. Ltd., DBS Bank Ltd. and Standard Chartered Bank (Singapore) Limited
ATO	:	Australian Taxation Office
Australian Treasurer	:	The Treasurer of the Commonwealth of Australia

CBD	:	The central business district
Calculation Agent	:	The Bank of New York Mellon, London Branch as calculation agent under the Agency Agreement in respect of Notes and Perpetual Securities cleared through Euroclear and/or Clearstream and any successor issuing and paying agent appointed in accordance with the Agency Agreement
CDP	:	The Central Depository (Pte) Limited
CDP Calculation Agent	:	The Bank of New York Mellon, Singapore Branch as CDP calculation agent under the Agency Agreement in respect of Notes and Perpetual Securities cleared through CDP, which expression shall include any successor CDP calculation agent appointed in accordance with the Agency Agreement
CDP Deeds of Covenant	:	(In the case of Notes) the SRMTN CDP Deed of Covenant and, in the case of any New Issuer, the New CDP Deed of Covenant executed by such New Issuer (and the term CDP Deeds of Covenant shall, in relation to any such New Issuer, mean and include the New CDP Deed of Covenant); and (in the case of Perpetual Securities) the Suntec REIT Trustee CDP Deed of Covenant
CDP Issuing and Paying Agent	:	The Bank of New York Mellon, Singapore Branch as CDP issuing and paying agent under the Agency Agreement in respect of each Series of Notes and Perpetual Securities cleared through CDP, which expression shall include any successor CDP issuing and paying agent appointed in accordance with the Agency Agreement
CDP Registrar	:	The Bank of New York Mellon, Singapore Branch as CDP registrar under the Agency Agreement in respect of each Series of Registered Notes and Registered Perpetual Securities cleared through CDP, which expression shall include any successor CDP registrar in relation to all or any Series of such Registered Notes and Registered Perpetual Securities appointed in accordance with the Agency Agreement
CDP Transfer Agent	:	The Bank of New York Mellon, Singapore Branch as CDP transfer agent under the Agency Agreement in respect of each Series of Registered Notes and Registered Perpetual Securities cleared through CDP, which expression shall include any successor or additional CDP transfer agent appointed in accordance with the Agency Agreement
CIS Code	:	The Code on Collective Investment Schemes issued by the MAS, as amended or modified from time to time
Clearstream	:	Clearstream Banking S.A.
CMS Licence	:	The capital market services licence for REIT management

CNH HIBOR	:	The offshore Renminbi Hong Kong interbank offered rate
Companies Act	:	Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
Conditions	:	The Terms and Conditions of the Notes or the Terms and Conditions of the Perpetual Securities, as the case may be, and any reference to a numbered **Condition** is to the correspondingly numbered provision thereof
Dealers	:	Australia and New Zealand Banking Group Limited, Citigroup Global Markets Singapore Pte. Ltd., DBS Bank Ltd. and Standard Chartered Bank (Singapore) Limited and any other dealer appointed under the Programme from time to time by the relevant Issuer and the Guarantor
Deposited Property	:	All the assets of Suntec REIT, including all its Authorised Investments (as defined in the Suntec REIT Trust Deed) for the time being held or deemed to be held upon the trusts of the Suntec REIT Trust Deed
Direct Rights	:	Direct rights which holders of Notes or Perpetual Securities may acquire against the relevant Issuer under the provisions of the relevant CDP Deed of Covenant in relation to Notes or, as the case may be, Perpetual Securities cleared through CDP
DPU	:	Distribution per Unit
EEA	:	European Economic Area
EU	:	European Union
EURIBOR	:	The Euro-zone interbank offered rate
euro or **€**	:	The lawful currency of member states of the European Union that adopt the single currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty of the Functioning of the European Union, as amended
Euroclear	:	Euroclear Bank SA/NV
Exchange Event	:	The relevant Exchange Event under which Notes or, as the case may be, Perpetual Securities in global form (whether in bearer or registered form) will be exchangeable, in whole but not in part, for Notes or, as the case may be, Perpetual Securities in definitive form, as set out in "*Form of the Notes*" or "*Form of the Perpetual Securities*"
FIRB	:	Foreign Investment Review Board

FIRB Approval	:	The requirement under Australia's foreign investment regime for investors in the Units who are "foreign persons" to notify and receive a prior no objections notification to such investment
FY	:	Financial year ended or, as the case may be, ending 31 December
Group	:	Suntec REIT and its subsidiaries
IRAS	:	The Inland Revenue Authority of Singapore
Issuing and Paying Agent	:	The Bank of New York Mellon, London Branch as issuing and paying agent in respect of each Series of Notes and Perpetual Securities cleared through Euroclear and/or Clearstream and any successor issuing and paying agent appointed in accordance with the Agency Agreement
ITA	:	Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time
Latest Practicable Date	:	13 October 2020
LIBOR	:	The London interbank offered rate
MAS	:	Monetary Authority of Singapore
Member State	:	A member state of the European Economic Area
MIT	:	Managed investment trust
Noteholders	:	Holders of Notes
One Raffles Quay or **ORQ**	:	The building known as One Raffles Quay constructed on the whole of Lot 175C of Town Subdivision 30 (excluding the subterranean space below it known as Lot 80002A of Town Subdivision 30), and the whole of the subterranean space below Lot 175C of Town Subdivision 30 known as Lot 80002A of Town Subdivision 30 for a term of 99 years commencing from 13 June 2001
Paying Agent	:	In relation to the Notes or Perpetual Securities of any Series, the several institutions (including where the context permits the Issuing and Paying Agent) at their respective specified offices initially appointed as paying agents in relation to such Securities by the Issuers and the Guarantor pursuant to the Agency Agreement and/or, if applicable, any successor paying agents in relation to such Notes or Perpetual Securities
Perpetual Securityholders	:	Holders of Perpetual Securities

PRC	:	The People's Republic of China, and for the purposes of this Offering Circular, **PRC** refers to mainland China excluding the Special Administrative Region of Hong Kong, the Special Administrative Region of Macau, and Taiwan
Pricing Supplement	:	In relation to a Series or Tranche, a pricing supplement specifying the relevant issue details in relation to such Series or Tranche
Programme	:	The U.S.$2,000,000,000 Euro Medium Term Securities Programme of the Issuers
Programme Agreement	:	The amended and restated programme agreement relating to the Programme dated 15 October 2020 between (1) the Issuers, as issuers, (2) the Guarantor, as guarantor, (3) the Arrangers named therein, as arrangers, and (4) the Dealers named therein, as dealers, as further amended and/or supplemented and/or restated. The Programme Agreement contains provisions for additional issuers of Notes to accede to the Programme Agreement in order to become an Issuer of Notes under the Programme
Properties	:	The properties held by Suntec REIT (whether directly or indirectly) and any future properties to be acquired by Suntec REIT and **Property** means any one of them
Property Funds Appendix	:	Appendix 6 to the CIS Code issued by the MAS in relation to property funds as may be modified, amended, supplemented, revised or replaced from time to time
Registrar	:	The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar under the Agency Agreement in respect of each Series of Registered Notes and Registered Perpetual Securities cleared through Euroclear and/or Clearstream, which expression shall include any successor registrar in relation to all or any Series of such Registered Notes and Registered Perpetual Securities appointed in accordance with the Agency Agreement
Regulation S	:	Regulation S under the Securities Act
REIT	:	Real estate investment trust
RMB or **Renminbi** or **CNY**	:	Renminbi, the lawful currency of the PRC
RMB Securities	:	Notes and Perpetual Securities denominated in RMB
S$ or **Singapore dollars**	:	Singapore dollars, the lawful currency of the Republic of Singapore
Securities Act	:	U.S. Securities Act of 1933, as amended

Securities and Futures Act or **SFA**	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time; and any reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time
SFRS	:	Singapore Financial Reporting Standards
SGX-ST	:	Singapore Exchange Securities Trading Limited
SGX-ST Listing Manual	:	The listing manual of the SGX-ST
SIBOR	:	The Singapore Dollar interbank offered rate
SOR	:	The Singapore Dollar swap offer rate
SPV	:	Special purpose vehicle
Sq ft	:	Square feet
Sqm	:	Square metres
£ or **Sterling**	:	British Pounds Sterling, the lawful currency of the United Kingdom
SRMTN CDP Deed of Covenant	:	The deed of covenant dated 15 August 2013, as supplemented by the supplemental deed of covenant dated 15 October 2020 entered into by SRMTN in respect of Notes cleared through CDP, as further amended, restated and/or supplemented from time to time
Subsidiary or **subsidiary**	:	Any company which is for the time being, a subsidiary (within the meaning of Section 5 of the Companies Act), and in relation to Suntec REIT, means any company, corporation, trust, fund or other entity (whether or not a body corporate): (i) which is controlled, directly or indirectly, by the Suntec REIT Trustee; or (ii) more than half the interests of which is beneficially owned, directly or indirectly, by the Suntec REIT Trustee; or

(iii) which is a subsidiary of any company, corporation, trust, fund or other entity (whether or not a body corporate) to which paragraph (i) or (ii) above applies, and for these purposes, any company, corporation, trust, fund or other entity (whether or not a body corporate) shall be treated as being controlled by the Suntec REIT Trustee if the Suntec REIT Trustee (whether through its trustee or otherwise) is able to direct its affairs and/or to control the composition of its board of directors or equivalent body

Suntec Convention	:	Suntec Singapore Convention & Exhibition Centre
Suntec REIT	:	Suntec Real Estate Investment Trust, a real estate investment trust established in Singapore and constituted by the Suntec REIT Trust Deed
Suntec REIT Manager	:	ARA Trust Management (Suntec) Limited, in its capacity as manager of Suntec REIT
Suntec REIT Property Managers	:	APM Property Management Pte. Ltd., Suntec Singapore International Convention & Exhibition Services Pte. Ltd., Raffles Quay Asset Management Pte. Ltd., CBRE Pty Ltd, APM Australia (ARA) Pty Ltd and Mirvac Real Estate Pty Limited, each as a property manager of Suntec REIT
Suntec REIT Trust Deed	:	The trust deed constituting Suntec REIT dated 1 November 2004 made between (1) the Suntec REIT Manager, as manager of Suntec REIT, and (2) HSBC Institutional Trust Services (Singapore) Limited, as trustee of Suntec REIT, as supplemented by a First Supplemental Deed dated 25 January 2006, a Second Supplemental Deed dated 20 April 2006, a Third Supplemental Deed dated 30 July 2007, a Fourth Supplemental Deed dated 11 October 2007, a Fifth Supplemental Deed dated 29 September 2008 and a Sixth Supplemental Deed dated 14 April 2010, as amended and restated by a First Amending & Restating Deed dated 7 September 2010 and a Second Amending & Restating Deed dated 14 April 2016, and as supplemented by a Ninth Supplemental Deed dated 21 May 2018, a Tenth Supplemental Deed dated 23 July 2018 and an Eleventh Supplemental Deed dated 2 April 2020 (in each case made between the same parties), and as further amended, modified or supplemented from time to time
Suntec REIT Trustee or **Guarantor**	:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec REIT)
Suntec REIT Trustee CDP Deed of Covenant	:	The deed of covenant dated 15 October 2020 entered into by the Suntec REIT Trustee in respect of Perpetual Securities cleared through CDP, as amended, restated and/or supplemented from time to time

Suntec Singapore	:	Suntec Singapore Convention & Exhibition Centre and 141,959 square feet of net lettable area of Suntec City Mall
TARGET2 System	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System
Tax Rulings	:	Any tax ruling issued or to be issued by IRAS or Ministry of Finance on the taxation of Suntec REIT and the Unitholders, as the same may be modified, amended, supplemented, revised or replaced from time to time
Transfer Agent	:	The Bank of New York Mellon SA/NV, Luxembourg Branch as transfer agent under the Agency Agreement in respect of each Series of Registered Notes and Registered Perpetual Securities cleared through Euroclear and/or Clearstream, which expression shall include any successor transfer agent in relation to all or any Series of such Registered Notes and Registered Perpetual Securities appointed in accordance with the Agency Agreement
Trust Deed	:	The supplemental trust deed dated 15 October 2020 made between (1) the Issuers, as issuers, (2) the Guarantor, as guarantor, and (3) the Trustee, trustee, as further amended and/or supplemented and/or restated. The Trust Deed contains provisions for additional issuers of Notes to accede to the Trust Deed in order to become an Issuer of Notes under the Programme
Trustee	:	The Bank of New York Mellon, London Branch
Unit	:	An undivided interest in Suntec REIT as provided for in the Suntec REIT Trust Deed
Unitholders	:	The holders from time to time of the Units
United States or **U.S.**	:	United States of America
U.S.$ or **U.S. dollars** or **$**	:	United States Dollars, the lawful currency of the United States of America

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Offering Circular shall be a reference to Singapore time unless otherwise stated. Any reference in this Offering Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Offering Circular shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

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INDEPENDENT **AUDITORS' REPORT**

Unitholders of Suntec Real Estate Investment Trust
(Constituted under a Trust Deed dated 1 November 2004 (as amended) in the Republic of Singapore)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Suntec Real Estate Investment Trust (the "Trust") and its subsidiaries ("the Group"), which comprise the Statements of Financial Position and Portfolio Statements of the Group and the Trust as at 31 December 2018, and the Statements of Total Return, Distribution Statements and Statements of Movements in Unitholders' Funds of the Group and the Trust and the Statement of Cash Flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 79 to 147.

In our opinion, the accompanying consolidated financial statements of the Group and the Statement of Financial Position, Portfolio Statement, Statement of Total Return, Distribution Statement and Statement of Movements in Unitholders' Funds of the Trust present fairly, in all material respects, the consolidated financial position and the consolidated portfolio holdings of the Group and the financial position and the portfolio holdings of the Trust as at 31 December 2018 and the consolidated total return, consolidated distributable income, consolidated movements in Unitholders' funds and consolidated cash flows of the Group and the total return, distributable income and movements in Unitholders' funds of the Trust for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditor's responsibilities* for *the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties
(Refer to Note 5 to the financial statements)

Risk:

As at 31 December 2018, the Group has interests in six investment properties, including four properties held through interests in joint arrangements (collectively "investment properties").

The Group has engaged independent external valuers to perform independent valuations for each of the investment properties. The valuation process involves significant judgement in determining the appropriate valuation methodology and in estimating the underlying assumptions to be applied. Key underlying assumptions include price per square foot, projected cash flows, growth rates, discount rates, terminal yield and capitalisation rates.

Our response:

We evaluated the qualification and competence of the external valuers and held discussions with the valuers to understand their valuation methods and assumption used, where appropriate.

We compared the valuation methodologies used against those used in the past and those applied by other valuers for similar property types.

For the underlying assumptions, we tested the integrity of the projected cash flows used in the valuation to supporting leases and other documents. When a growth rate is assumed in the projected cash flows, we assessed the reasonableness by comparing against historical trend and available industry data. We also assessed the price per square foot, discount rates, terminal yields and capitalisation rates, against historical trends and available industry data, taking into consideration comparability and market factors.

Our findings:

The valuers are members of generally-recognised professional bodies for valuers. The valuation methodologies used are comparable to methods used in the prior years and those used for similar property types. The key assumptions used are comparable to the historical trends and within the range of available industry data.

Other information

ARA Trust Management (Suntec) Limited, the Manager of the Trust (the "Manager") is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report. We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants, and for such internal controls as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Eng Chin Chin.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
18 March 2019

STATEMENTS OF **FINANCIAL POSITION**

as at 31 December 2018

	Note	Group		Trust	
		2018 $'000	2017 $'000	2018 $'000	2017 $'000
Non-current assets					
Plant and equipment	4	1,860	2,109	231	382
Investment properties	5	6,493,964	6,387,338	5,110,000	5,011,000
Interests in joint ventures	6	2,855,238	2,660,234	1,466,196	1,463,696
Interests in subsidiaries	7	–	–	1,539,802	1,367,549
Derivative assets	10	573	803	573	170
		9,351,635	9,050,484	8,116,802	7,842,797
Current assets					
Derivative assets	10	943	243	943	243
Trade and other receivables	8	23,168	18,232	16,220	13,413
Cash and cash equivalents	11	136,657	172,655	96,432	120,801
		160,768	191,130	113,595	134,457
Total assets		9,512,403	9,241,614	8,230,397	7,977,254
Current liabilities					
Interest-bearing borrowings	12	513,770	237,004	513,770	237,004
Trade and other payables	13	112,749	108,889	54,844	56,395
Derivative liabilities	10	3,408	456	3,408	456
Security deposits		19,744	25,387	17,107	23,211
		649,671	371,736	589,129	317,066
Non-current liabilities					
Interest-bearing borrowings	12	2,978,075	2,993,867	2,613,884	2,628,756
Security deposits		49,133	39,899	46,352	37,079
Derivative liabilities	10	27,397	40,141	26,474	40,141
Deferred tax liabilities	9	40,021	28,996	–	–
		3,094,626	3,102,903	2,686,710	2,705,976
Total liabilities		3,744,297	3,474,639	3,275,839	3,023,042
Net assets		5,768,106	5,766,975	4,954,558	4,954,212
Represented by:					
Unitholders' funds		5,636,523	5,639,074	4,954,558	4,954,212
Non-controlling interests	16	131,583	127,901	–	–
		5,768,106	5,766,975	4,954,558	4,954,212
Units in issue ('000)	17	2,670,633	2,652,436	2,670,633	2,652,436
Net asset value per Unit ($)	18	2.103	2.119	1.848	1.862

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF **TOTAL RETURN**

year ended 31 December 2018

	Note	Group		Trust	
		2018 $'000	2017 $'000	2018 $'000	2017 $'000
Gross revenue	19	363,504	354,196	341,773	344,106
Property expenses	20	(121,995)	(107,826)	(61,095)	(53,187)
Impairment loss on trade receivables		(532)	(1,913)	(526)	(1,883)
Net property income		240,977	244,457	280,152	289,036
Share of profit of joint ventures	6	108,488	80,340	–	–
Finance income	21	24,929	21,084	24,788	20,072
Finance costs	21	(97,118)	(96,692)	(127,177)	(88,733)
Net finance costs		(72,189)	(75,608)	(102,389)	(68,661)
Asset management fees	22				
- base fee		(32,826)	(32,117)	(29,237)	(28,578)
- performance fee		(14,978)	(15,198)	(14,978)	(15,198)
Professional fees		(688)	(691)	(292)	(492)
Trustee's fees		(1,628)	(1,480)	(1,508)	(1,480)
Audit fees		(470)	(420)	(355)	(331)
Valuation fees		(141)	(142)	(94)	(90)
Other expenses	23	(952)	(955)	(863)	(792)
Net income		225,593	198,186	130,436	173,414
Net change in fair value of financial derivatives		5,328	(5,506)	6,251	(5,506)
Net change in fair value of investment properties	5	100,215	54,624	94,870	1,652
Total return for the year before tax		331,136	247,304	231,557	169,560
Tax expense	24	(12,973)	(18,290)	(423)	(135)
Total return for the year after tax		318,163	229,014	231,134	169,425
Attributable to:					
Unitholders of the Trust		307,177	220,298	231,134	169,425
Non-controlling interests	16	10,986	8,716	–	–
		318,163	229,014	231,134	169,425
Earnings per Unit (cents)					
Basic	25	11.522	8.444	8.670	6.494
Diluted	25	10.629	8.402	7.971	6.462

The accompanying notes form an integral part of these financial statements.

DISTRIBUTION **STATEMENTS**

year ended 31 December 2018

	Group		Trust	
	2018	**2017**	**2018**	**2017**
	$'000	**$'000**	**$'000**	**$'000**
Amount available for distribution to Unitholders at the beginning of the year	69,036	65,911	69,036	65,911
Total return attributable to Unitholders	307,177	220,298	231,134	169,425
Net tax adjustments (Note A)	(187,498)	(95,399)	(3,323)	64,592
Taxable income	119,679	124,899	227,811	234,017
Add:				
- Tax exempt dividend income (Note B)	108,132	109,118	–	–
- Others (Note C)	39,000	29,000	39,000	29,000
Amount available for distribution to Unitholders	335,847	328,928	335,847	328,928
Distributions to Unitholders:				
Distribution of 2.604 cents per Unit for period from 1/10/2017 to 31/12/2017	(69,292)	–	(69,292)	–
Distribution of 2.433 cents per Unit for period from 1/1/2018 to 31/3/2018	(64,817)	–	(64,817)	–
Distribution of 2.474 cents per Unit for period from 1/4/2018 to 30/6/2018	(65,993)	–	(65,993)	–
Distribution of 2.491 cents per Unit for period from 1/7/2018 to 30/9/2018	(66,525)	–	(66,525)	–
Distribution of 2.596 cents per Unit for period from 1/10/2016 to 31/12/2016	–	(66,132)	–	(66,132)
Distribution of 2.425 cents per Unit for period from 1/1/2017 to 31/3/2017	–	(61,852)	–	(61,852)
Distribution of 2.493 cents per Unit for period from 1/4/2017 to 30/6/2017	–	(66,048)	–	(66,048)
Distribution of 2.483 cents per Unit for period from 1/7/2017 to 30/9/2017	–	(65,860)	–	(65,860)
	(266,627)	(259,892)	(266,627)	(259,892)
Income available for distribution to Unitholders at end of the year	69,220	69,036	69,220	69,036
Distribution per Unit (cents) *	9.988	10.005	9.988	10.005

* *The distribution per Unit relates to the distributions in respect of the relevant financial year. The distribution for the last quarter of the financial year will be paid subsequent to the reporting date.*

The accompanying notes form an integral part of these financial statements.

DISTRIBUTION **STATEMENTS**

year ended 31 December 2018

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Note A				
Net tax adjustments comprise:				
- Amortisation of transaction costs	8,394	20,276	8,394	20,276
- Asset management fees paid/payable in Units	35,371	35,022	35,371	35,022
- Net profit from subsidiaries and joint ventures	(149,975)	(120,954)	–	–
- Trustee's fees	1,628	1,480	1,508	1,480
- Net change in fair value of investment properties	(100,215)	(54,624)	(94,870)	(1,652)
- Net foreign currency exchange differences	1,312	36	39,359	1,271
- Net change in fair value of financial derivatives	(5,467)	5,404	(6,113)	5,404
- Deferred tax	11,025	15,974	–	–
- Other items (Note D)	10,429	1,987	13,028	2,791
Net tax adjustments	(187,498)	(95,399)	(3,323)	64,592

Note B

This relates to the dividend income received from Comina Investment Limited, Suntec Harmony Pte. Ltd. and Suntec REIT Capital Pte. Ltd. and distributions of profits from Suntec REIT (Australia) Trust and BFC Development LLP ("BFCD LLP").

Note C

This relates to a portion of the sales proceeds from disposal of an investment property in December 2015.

Note D

This mainly relates to non-tax deductible expenses and rollover adjustments after finalisation of prior year adjustments.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF MOVEMENTS IN **UNITHOLDERS' FUNDS**

year ended 31 December 2018

	Group		Trust	
	2018 $'000	**2017 $'000**	**2018 $'000**	**2017 $'000**
Balance at the beginning of the year	5,639,074	5,468,935	4,954,212	4,835,536
Total return for the year after tax attributable to Unitholders of the Trust	307,177	220,298	231,134	169,425
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges[1]	1,248	861	–	–
Foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(80,188)	(271)	–	–
Net (loss)/gain recognised directly in Unitholders' funds	(78,940)	590	–	–
Unitholders' transactions				
Creation of Units:				
- conversion of convertible bonds	500	174,155	500	174,155
- asset management fees paid/payable in Units	17,405	17,051	17,405	17,051
Units to be issued:				
- asset management fees payable in Units	17,966	17,971	17,966	17,971
Unit issue expenses	(32)	(34)	(32)	(34)
Distributions to Unitholders	(266,627)	(259,892)	(266,627)	(259,892)
Net decrease in Unitholders' funds resulting from Unitholders' transactions	(230,788)	(50,749)	(230,788)	(50,749)
Unitholders' funds at end of the year	5,636,523	5,639,074	4,954,558	4,954,212

[1] *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.*

The accompanying notes form an integral part of these financial statements.

Group

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed Occupancy Rate 2018 %	Committed Occupancy Rate 2017 %	Carrying Value 2018 $'000	Carrying Value 2017 $'000	Percentage of Unitholders' funds 2018 %	Percentage of Unitholders' funds 2017 %
Investment properties in Singapore											
Suntec City Mall	Leasehold	99 years	70 years	3 Temasek Boulevard	Commercial	99.6	99.0	2,060,000	2,003,000	36.5	35.5
Suntec City Office Towers	Leasehold	99 years	70 years	5 - 9 Temasek Boulevard	Commercial	98.6	99.5	3,050,000	3,008,000	54.1	53.3
Suntec Singapore^	Leasehold	99 years	70 years	1 Raffles Boulevard	Commercial	n/m	n/m	711,000	700,000	12.6	12.4
Investment properties in Australia											
177 Pacific Highway	Freehold	–	–	177 – 199 Pacific Highway, North Sydney	Commercial	100.0	100.0	561,542	605,578	10.0	10.7
Olderfleet, 477 Collins Street	Freehold	–	–	477 Collins Street, Melbourne	Under development	n/m	n/m	111,422	70,760	2.0	1.3
Investment properties, at valuation								6,493,964	6,387,338	115.2	113.2
Interests in joint ventures (note 6)								2,855,238	2,660,234	50.6	47.2
								9,349,202	9,047,572	165.8	160.4
Other assets and liabilities (net)								(3,581,096)	(3,280,597)	(63.5)	(58.2)
Net assets								5,768,106	5,766,975	102.3	102.2
Non-controlling interests								(131,583)	(127,901)	(2.3)	(2.2)
Unitholders' funds								5,636,523	5,639,074	100.0	100.0

^ *denotes Suntec Singapore Convention and Exhibition Centre.*

n/m denotes not meaningful.

The accompanying notes form an integral part of these financial statements.

PORTFOLIO **STATEMENTS**

as at 31 December 2018

Trust

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed Occupancy Rate 2018 %	Committed Occupancy Rate 2017 %	Carrying Value 2018 $'000	Carrying Value 2017 $'000	Percentage of Unitholders' funds 2018 %	Percentage of Unitholders' funds 2017 %
Investment properties in Singapore											
Suntec City Mall	Leasehold	99 years	70 years	3 Temasek Boulevard	Commercial	99.6	99.0	2,060,000	2,003,000	41.6	40.4
Suntec City Office Towers	Leasehold	99 years	70 years	5 - 9 Temasek Boulevard	Commercial	98.6	99.5	3,050,000	3,008,000	61.5	60.7
Investment properties, at valuation								5,110,000	5,011,000	103.1	101.1
Interests in joint ventures (note 6)								1,466,196	1,463,696	29.6	29.5
Interests in subsidiaries (note 7)								1,539,802	1,367,549	31.1	27.6
								8,115,998	7,842,245	163.8	158.2
Other assets and liabilities (net)								(3,161,440)	(2,888,033)	(63.8)	(58.2)
Unitholders' funds								4,954,558	4,954,212	100.0	100.0

The accompanying notes form an integral part of these financial statements.

PORTFOLIO **STATEMENTS**

as at 31 December 2018

Note:

Suntec City Office Towers comprise 15 strata lots in Suntec City Office Tower One, 10 strata lots in Suntec City Office Tower Two, 76 strata lots in Suntec City Office Tower Three and all the strata lots in Suntec City Office Towers Four and Five.

Suntec Singapore comprises more than one million square feet of versatile floor space over six levels which includes approximately 142,000 square feet of retail space.

177 Pacific Highway is a 31-storey commercial building located in North Sydney, Australia.

Olderfleet, 477 Collins Street is a proposed 40-storey office building located in Melbourne, Australia. It is currently under development and is scheduled to be completed by mid 2020.

The carrying amounts of the investment properties as at 31 December 2018 were based on independent valuations undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Jones Lang LaSalle Advisory Services Pty Ltd and CIVAS (VIC) Pty Limited (31 December 2017: Savills Valuation and Professional Services (S) Pte Ltd, Savills Valuations Pty Ltd and Jones Lang LaSalle Advisory Services Pty Ltd). The independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations were based on the discounted cash flow method, capitalisation approach and direct comparison method.

Description of property	Valuation 2018 $'000	Valuation 2017 $'000
Suntec City Mall	2,060,000	2,003,000
Suntec City Office Towers	3,050,000	3,008,000
Suntec Singapore	711,000	700,000
177 Pacific Highway	561,542	605,578
Olderfleet, 477 Collins Street*	400,038	432,436

* *For Olderfleet, 477 Collins Street, the carrying amount of the investment property under development of $111,422,000 (2017 : $70,760,000) is derived based on valuation amount less estimated costs to complete.*

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED **STATEMENT OF CASH FLOWS**

year ended 31 December 2018

	Group	
	2018	**2017**
	$'000	**$'000**
Cash flows from operating activities		
Net income	225,593	198,186
Adjustments for:		
Impaiment loss on trade receivables	532	1,913
Bad debts recovered	(11)	(12)
Asset management fees paid/payable in Units	35,371	35,022
Depreciation of plant and equipment	1,056	1,189
Loss on disposal of plant and equipment	9	15
Net finance costs	72,189	75,608
Share of profit of joint ventures	(108,488)	(80,340)
	226,251	231,581
Changes in:		
- Trade and other receivables	(5,020)	(7,887)
- Trade and other payables	(11,802)	2,434
Cash generated from operations	209,429	226,128
Tax refund/(paid)	920	(1)
Net cash from operating activities	210,349	226,127
Cash flows from investing activities		
Capital expenditure on investment properties	(5,830)	(7,986)
Acquisition of investment properties	–	(53,093)
Progress payments on construction	(41,576)	(16,292)
Dividend income received	65,123	71,781
Change in investment in joint ventures	(174,854)	(5,128)
Change in loans to joint ventures	(2,500)	(2,200)
Proceeds from disposal of plant and equipment	3	–
Interest received	23,851	20,171
Purchase of plant and equipment	(819)	(1,029)
Net cash (used in)/from investing activities	(136,602)	6,224

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED **STATEMENT OF CASH FLOWS**

year ended 31 December 2018

	Note	Group 2018 $'000	Group 2017 $'000
Cash flows from financing activities			
Distributions to Unitholders		(266,636)	(257,184)
Dividends paid to non-controlling interests		(7,056)	(5,880)
Financing costs paid		(94,552)	(82,348)
Proceeds from convertible bonds		–	300,000
Repayment of convertible bonds		–	(45,500)
Proceeds from euro medium term notes		330,000	200,000
Repayment of euro medium term notes		(105,000)	–
Proceeds from interest-bearing loans		923,536	600,000
Unit issue costs paid		(32)	(34)
Repayment of interest-bearing loans		(888,342)	(951,200)
Net cash used in financing activities		(108,082)	(242,146)
Net decrease in cash and cash equivalents		(34,335)	(9,795)
Cash and cash equivalents at beginning of the year		172,655	182,450
Effects of exchange rate fluctuations on cash held		(1,663)	–
Cash and cash equivalents at the end of the year	11	136,657	172,655

Significant non-cash transactions

The Group and the Trust had issued or will be issuing a total of 19,443,129 (2017: 17,713,987) Units to the Manager, amounting to approximately $35,371,000 (2017: $35,022,000) at unit prices ranging from $1.7075 to $1.9058 (2017: $1.7772 to $2.1354) as satisfaction of asset management fees payable in Units in respect of the year ended 31 December 2018 (2017: 31 December 2017).

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 18 March 2019.

1 GENERAL

Suntec Real Estate Investment Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 1 November 2004 (as amended by a first supplemental deed dated 25 January 2006, a second supplemental deed dated 20 April 2006, a third supplemental deed dated 30 July 2007, a fourth supplemental deed dated 11 October 2007, a fifth supplemental deed dated 29 September 2008, a sixth supplemental deed dated 14 April 2010, a first amending and restating deed dated 7 September 2010, a second amending and restating deed dated 14 April 2016, a ninth supplemental deed dated 21 May 2018 and a tenth supplemental deed dated 23 July 2018) (collectively the "Trust Deed") between ARA Trust Management (Suntec) Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust in trust for the holders ("Unitholders") of Units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 9 December 2004 and was included in the Central Provident Fund Investment Scheme ("CPFIS") on 9 December 2004.

The principal activity of the Trust and its subsidiaries is to invest in income producing real estate and real estate related assets, which are used or substantially used for commercial purposes, with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth.

The financial statements of the Trust as at and for the year ended 31 December 2018 comprise the Trust and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in joint ventures.

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures of these services are as follows:

(i) Property management fees

APM Property Management Pte Ltd ("APM"), the property manager of Suntec City Mall and Suntec City Office Towers is entitled to receive 3.0% per annum of gross revenue for provision of lease management services, marketing and marketing co-ordination services and property management services. In addition, where the aggregate of all (1) licence fees; (2) media sales; and (3) other advertising and promotion income derived from Suntec City Mall for each financial year exceeds $5,520,000, APM is entitled to receive a commission of 10.0% of the said licence fees, media sales and other advertising and promotion income which exceeds $5,520,000 for each financial year.

Suntec Singapore International Convention and Exhibition Services Pte Ltd, the operator of Suntec Singapore Convention and Exhibition Centre, is entitled to receive 3.0% per annum of gross revenue for operations, sales and marketing services for conventions, exhibitions, meetings and events facilities.

CBRE Pty Ltd ("CBRE"), the building manager of 177 Pacific Highway, is entitled to receive an agreed annual fee for the provision of property management, real estate accounting and technical services.

The property management fees are payable monthly in arrears.

1 GENERAL (CONT'D)

(ii) Asset management fees

Pursuant to the Trust Deed, asset management fees comprise the following:

(a) a base fee not exceeding 0.3% per annum of the value of the Deposited Property (being all the assets of the Trust (including all its Authorised Investments) as defined in the Trust Deed) of the Trust or such higher percentage as may be approved by an extraordinary resolution of a meeting of Unitholders; and

(b) an annual performance fee equal to a rate of 4.5% per annum of the Net Property Income (as defined in the Trust Deed) of the Trust and any Special Purpose Vehicles (as defined in the Trust Deed) for each financial year, or such lower percentage as may be determined by the Manager in its absolute discretion or such higher percentage as may be approved by an extraordinary resolution at a meeting of Unitholders.

Based on the current agreement between the Manager and the Trustee, the base fee is agreed to be 0.3% per annum of the value of the Deposited Property.

The asset management fees shall be paid in the form of Units and/or cash as the Manager may elect. The portion of the base fees payable in the form of Units is payable quarterly in arrears and the portion of the asset management fees payable in cash is payable monthly in arrears. The performance fee is paid annually in arrears, regardless of whether it is paid in form of cash and/or Units.

The Manager is also entitled to receive an acquisition fee at the rate of 1.0% of the acquisition price and a divestment fee of 0.5% of the sales price on all future acquisitions and disposals of properties.

(iii) Trustee's fee

Pursuant to the Trust Deed, the Trustee's fee shall not exceed 0.25% per annum of the value of the Deposited Property (subject to a minimum sum of $9,000 per month) or such higher percentage as may be approved by an extraordinary resolution of a meeting of Unitholders.

The Trustee's fee is payable out of the Deposited Property of the Trust on a monthly basis, in arrears. The Trustee is also entitled to reimbursement of all reasonable out-of-pocket expenses incurred in the performance of its duties under the Trust Deed.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants, and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

These financial statements are prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Trust's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes:

- note 5 – Valuation of investment properties
- note 15 – Valuation of financial instruments

2.5 Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Manager has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for all significant fair value measurements, including Level 3 fair values; and reports directly to the Chief Executive Officer.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as property valuations, broker quotes or pricing services, is used to measure fair value, then the team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which the valuation should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable data).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- note 5 – Valuation of investment properties
- note 15 – Valuation of financial instruments

2 BASIS OF PREPARATION (CONT'D)

2.6 Changes in accounting policies

The Group has applied the recognition and measurement principles of the following FRSs, amendments to and interpretations of FRS for the first time for the period beginning on 1 January 2018.

- FRS 115 *Revenue from Contracts with Customers*
- FRS 109 *Financial Instruments*

The application of the above standards do not have a material effect on the financial statements.

FRS 109 Financial Instruments

(i) Classification and measurement of financial assets and financial liabilities

Under FRS 109, financial assets are classified in the following categories: measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. FRS 109 eliminates the previous FRS 39 *Financial Instruments: Recognition and Measurement* categories of held-to-maturity, loans and receivables and available-for-sale.

For an explanation of how the Group classifies and measures financial assets and financial liabilities and related gains and losses under the FRS 109, see note 3.5.

The following table and the accompanying notes below explain the original measurement categories under FRS 39 and the new measurement categories under FRS 109 of each class of the Group's and the Trust's financial assets and financial liabilities as at 1 January 2018.

			1 January 2018	
	Original classification under FRS 39	**New classification under FRS 109**	**Original carrying amount under FRS 39 $'000**	**New carrying amount under FRS 109 $'000**
Group				
Financial assets				
Forward exchange contracts	Designated as at FVTPL	Mandatorily at FVTPL	211	211
Interest rate swaps				
- Designated as hedging instrument	Fair value – hedging instrument	Fair value – hedging instrument	633	633
- At FVTPL	Designated as at FVTPL	Mandatorily at FVTPL	202	202
Trade and other receivables[1]	Loans and receivables	Amortised cost	13,618	13,618
Cash and cash equivalents	Loans and receivables	Amortised cost	172,655	172,655
Total financial assets			187,319	187,319

[1] *Excludes prepayments.*

2 BASIS OF PREPARATION (CONT'D)

2.6 Changes in accounting policies (cont'd)

(i) Classification and measurement of financial assets and financial liabilities (cont'd)

	Original classification under FRS 39	New classification under FRS109	1 January 2018 Original carrying amount under FRS 39 $'000	1 January 2018 New carrying amount under FRS 109 $'000
Group				
Financial liabilities				
Interest-bearing borrowings	Other financial liabilities	Other financial liabilities	(3,230,871)	(3,230,871)
Trade and other payables[2]	Other financial liabilities	Other financial liabilities	(79,736)	(79,736)
Derivative liabilities	Designated as at FVTPL	Mandatorily at FVTPL	(40,597)	(40,597)
Security deposit	Other financial liabilities	Other financial liabilities	(65,286)	(65,286)
Total financial liabilities			(3,416,490)	(3,416,490)
Trust				
Financial assets				
Derivative assets	Designated as at FVTPL	Mandatorily at FVTPL	413	413
Trade and other receivables[1]	Loans and receivables	Amortised cost	10,828	10,828
Cash and cash equivalents	Loans and receivables	Amortised cost	120,801	120,801
Total financial assets			132,042	132,042
Financial liabilities				
Interest-bearing borrowings	Other financial liabilities	Other financial liabilities	(2,865,760)	(2,865,760)
Trade and other payables[2]	Other financial liabilities	Other financial liabilities	(47,129)	(47,129)
Derivative liabilities	Designated as at FVTPL	Mandatorily at FVTPL	(40,597)	(40,597)
Security deposit	Other financial liabilities	Other financial liabilities	(60,290)	(60,290)
Total financial liabilities			(3,013,776)	(3,013,776)

[1] *Excludes prepayments.*

[2] *Excludes deferred income.*

(ii) Impairment

FRS 109 replaces the 'incurred loss' model in FRS 39 with an 'expected credit loss' model.

The Group applies the simplified approach and records lifetime expected credit loss on all trade receivables (see note 3.6). The change in the impairment loss amount was negligible.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group, except as explained in note 2.6, which addresses changes in accounting policies.

3.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests ("NCI") in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Joint ventures

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, obligations for the liabilities, relating to the arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

As at 31 December 2018, the Group is a 50% partner with Mirvac Commercial Sub SPV Ltd in 477 Collins Street Joint Venture (the "477 Collins Street Joint Venture"), whose principal activity is that of a property investment and the place of business is Australia. The Group has classified the 477 Collins Street Joint Venture as a joint operation as the joint venture partners control the 477 Collins Street Joint Venture collectively, and the 477 Collins Street Joint Venture is not structured through a separate legal vehicle.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with the equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries and joint ventures in the separate financial statements

Investments in subsidiaries and joint ventures are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised and presented in the foreign currency translation reserve (translation reserve) in Unitholders' funds. However, if the foreign operation is disposed of such that control, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its interest in joint venture that includes a foreign operation while retaining joint control, the relevant interest in proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised and presented in the translation reserve in Unitholders' funds.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

The gain or loss arising from the retirement or disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment.

The estimated useful lives for the current and comparative years are as follows:

Furniture and fittings	5 years
Equipment	3 - 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in the following events:

- in such manner and frequency required under the Property Funds Appendix of the CIS Code issued by the MAS; and
- where the Manager proposes to issue new Units for subscription or to redeem existing Units unless the investment properties have been valued not more than 6 months ago.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. Property that is being constructed for future use as investment property is accounted for at fair value.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets – Policy applicable from 1 January 2018

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment – Policy applicable from 1 January 2018

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the Manager. The information considered includes:

- how the performance of the portfolio is evaluated and reported to the Manager; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Financial assets that are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest – Policy applicable from 1 January 2018

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses – Policy applicable from 1 January 2018

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets : Classification, subsequent measurement and gains and losses – Policy applicable before 1 January 2018

The Group classifies non-derivative financial assets into the loans and receivables category.

Loans and receivables were financial assets with fixed or determinable payments that were not quoted in an active market. Such assets were initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables were measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprised cash and cash equivalents and trade and other receivables excluding prepayments.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified in the measured at amortised cost category and comprise interest-bearing borrowings, security deposits, and trade and other payables.

These financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

(vi) Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting – Policy applicable from 1 January 2018

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Hedging relationships designated under FRS 39 that were still existing as at 31 December 2017 are treated as continuing hedges and hedge documentations were aligned accordingly to the requirements of FRS 109.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the hedging reserve in Unitholders' funds. The effective portion of changes in the fair value of the derivative that is recognised in the hedging reserve in Unitholders' funds is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in Unitholders' funds until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Financial instruments (cont'd)

(vi) Derivative financial instruments and hedge accounting (cont'd)

Derivative financial instruments and hedge accounting – Policy applicable before 1 January 2018

The policy applied in the comparative information presented for 2017 is similar to that applied for 2018. For all cash flow hedges, the amounts accumulated in the cash flow hedge reserve were reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

(vii) Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

(viii) Convertible bonds

The convertible bonds comprise a liability for the principal and interest and a derivative liability. The liability component of the convertible bonds is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The derivative liability is recognised initially at the difference between the fair value of the convertible bonds as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability component and derivative liability in proportion to their initial carrying amounts.

Subsequent to initial recognition, the convertible bonds are measured at amortised cost using the effective interest method. The separated derivative liability is measured at FVTPL.

3.6 Impairment

Non-derivative financial assets – Policy applicable from 1 January 2018

The Group recognises loss allowances for expected credit loss ("ECL") on financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Impairment (cont'd)

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Impairment (cont'd)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-derivative financial assets – Policy applicable before 1 January 2018

A financial asset not carried at FVTPL, including interests in joint ventures, was assessed at the end of each reporting period to determine whether there was objective evidence that it was impaired. A financial asset was impaired if objective evidence indicated that a loss event had occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets were impaired included default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor would enter bankruptcy, adverse changes in the payment status of borrowers or economic conditions that correlate with defaults.

Loans and receivables

The Group considered evidence of impairment for loans and receivables at both an individual asset and collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease was related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

Joint ventures

An impairment loss in respect of joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Impairment (cont'd)

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods in respect of assets other than goodwill are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.7 Unitholders' funds

Unitholders' funds are classified as equity.

Issue costs relate to expenses incurred in connection with the issue of units. The expenses are deducted directly against Unitholders' funds.

3.8 Revenue recognition

Rental income from operating leases

Rental income receivable under operating leases is recognised as 'revenue' on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period in which they are earned. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

Dividend income

Dividend income is recognised in profit or loss on the date that the right to receive payment is established.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Expenses

Property expenses

Property expenses consist of advertising and promotion expenses, property tax, property management fees (using the applicable formula stipulated in note 1(i)), maintenance charges and other property outgoings in relation to investment properties where such expenses are the responsibility of the Group.

Asset management fees

Asset management fees are recognised on an accrual basis using the applicable formula stipulated in note 1(ii).

Trustee's fee

Trustee's fee is recognised on an accrual basis using the applicable formula stipulated in note 1(iii).

3.10 Finance income and finance costs

Finance income comprises interest income on funds invested and net foreign exchange gains that are recognised in profit or loss.

Finance costs comprise interest expense on borrowings, amortisation of transaction costs incurred on borrowings and net foreign exchange losses that are recognised in profit or loss.

Foreign exchange gains and losses are reported on a net basis as either finance income or finance cost depending on whether the foreign exchange movements are in a net gain or net loss position.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items directly related to Unitholders' funds, in which case it is recognised in Unitholders' funds.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and for differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity; or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits, against which the temporary differences can be utilised, will be available. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of the Trust for income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the tax ruling which includes a distribution of at least 90% of the taxable income of the Trust, the Trustee will not be taxed on the portion of taxable income of the Trust that is distributed to Unitholders. Any portion of the taxable income that is not distributed to Unitholders will be taxed on the Trustee. In the event that there are subsequent adjustments to the taxable income when the actual taxable income of the Trust is finally agreed with the IRAS, such adjustments are taken up as an adjustment to the taxable income for the next distribution following the agreement with the IRAS.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Tax (cont'd)

Although the Trust is not taxed on its taxable income distributed, the Trustee and the Manager are required to deduct income tax from distributions of such taxable income of the Trust (i.e. which has not been taxed in the hands of the Trustee) to certain Unitholders. However, the Trustee and the Manager will not deduct tax from distributions made out of the Trust's taxable income to the extent that the beneficial Unitholder is:

- An individual (excluding a partnership in Singapore);
- A tax resident Singapore-incorporated company;
- A body of persons registered or constituted in Singapore (e.g. a town council, a statutory board, a registered charity, a registered cooperative society, a registered trade union, a management corporation, a club or a trade and industry association);
- A Singapore branch of a foreign company which has been presented a letter of approval from the Comptroller of Income Tax granting waiver from tax deducted at source in respect of distributions from the Trust;
- An agent bank acting as a nominee for individuals who have purchased Units within the CPFIS and the distributions received from the Trust are returned to CPFIS; or
- An international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145).

The above tax transparency ruling does not apply to gains from sale of properties. Where the gains are trading gains, the Trustee will be assessed for tax. Where the gains are capital gains, the Trustee will not be assessed for tax and may distribute the capital gains without tax being deducted at source.

3.12 Earnings per unit

Basic earning per unit is calculated by dividing the total return for the year after tax attributable to Unitholders of the Trust by the weighted average number of units outstanding during the year. Diluted earnings per unit is determined by adjusting the total return for the year after tax attributable to Unitholders of the Trust and the weighted average number of units outstanding, adjusted for the effects of all dilutive potential units.

3.13 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer (the chief operating decision maker), to make decisions about resources to be allocated to the segment and to assess the segment's performance, and for which discrete financial information is available.

4 PLANT AND EQUIPMENT

Group	Furniture and fittings $'000	Equipment $'000	Total $'000
Cost			
At 1 January 2017	4,853	2,056	6,909
Additions	735	294	1,029
Disposals	(25)	(33)	(58)
At 31 December 2017	5,563	2,317	7,880
Additions	605	214	819
Disposals	(147)	(130)	(277)
At 31 December 2018	6,021	2,401	8,422
Accumulated depreciation			
At 1 January 2017	3,292	1,333	4,625
Depreciation charge for the year	789	400	1,189
Disposals	(21)	(22)	(43)
At 31 December 2017	4,060	1,711	5,771
Depreciation charge for the year	706	350	1,056
Disposals	(140)	(125)	(265)
At 31 December 2018	4,626	1,936	6,562
Carrying amounts			
At 1 January 2017	1,561	723	2,284
At 31 December 2017	1,503	606	2,109
At 31 December 2018	1,395	465	1,860

Trust	Equipment $'000
Cost	
At 1 January 2017	1,148
Additions	214
At 31 December 2017	1,362
Additions	38
At 31 December 2018	1,400
Accumulated depreciation	
At 1 January 2017	765
Depreciation charge for the year	215
At 31 December 2017	980
Depreciation charge for the year	189
At 31 December 2018	1,169
Carrying amounts	
At 1 January 2017	383
At 31 December 2017	382
At 31 December 2018	231

5 INVESTMENT PROPERTIES

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
At 1 January	6,387,338	6,247,771	5,011,000	5,008,300
Acquisitions	–	53,093	–	–
Capital expenditure capitalised	62,808	32,893	4,130	1,048
	6,450,146	6,333,757	5,015,130	5,009,348
Changes in fair value	100,215	54,624	94,870	1,652
Effects of movements in exchange rates	(56,397)	(1,043)	–	–
At 31 December	6,493,964	6,387,338	5,110,000	5,011,000

Measurement of fair value

The fair value of investment properties is determined by external independent valuers having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued. Valuations of the investment properties are carried out at least once a year.

The valuers have considered valuation techniques including the discounted cash flow method, capitalisation approach and direct comparison method. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates. The direct comparison method involves the analysis of comparable sales of similar properties, with adjustments made to differentiate the comparables in terms of location, area, quality and other relevant factors.

Fair value hierarchy

The fair value measurement for investment properties have been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation techniques	Key unobservable inputs	Range	Inter-relationship between significant unobservable inputs and fair value measurement
Discounted cash flow method	Discount rate	6.25% - 6.50% (2017: 6.50%)	The estimated fair value would increase if the discount rate and terminal yield were lower.
	Terminal yield	4.15% - 6.50% (2017: 4.25% - 6.50%)	
Capitalisation approach	Capitalisation rate	3.50% - 6.25% (2017: 4.00% - 6.25%)	The estimated fair value would increase if the capitalisation rate was lower.
Direct comparison method	Price per square foot	$461 - $2,423 (2017: $443 - $2,341)	The estimated fair value would increase if the price per square foot was higher.

Security

The investment property, Suntec Singapore (2017: Suntec Singapore), with a total carrying value of $711,000,000 (2017: $700,000,000), has been mortgaged as security for a credit facility granted to a subsidiary (note 12).

6 INTERESTS IN JOINT VENTURES

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Investment in joint ventures	2,239,616	2,047,112	850,574	850,574
Loans to joint ventures	615,622	613,122	615,622	613,122
	2,855,238	2,660,234	1,466,196	1,463,696

The loans bear interest between 3.37% to 5.16% (2017: 2.39% to 4.54%) per annum and have no fixed terms of repayment. The settlement of these loans is neither planned nor likely to occur in the foreseeable future and hence the loans are classified as non-current.

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Effective interests held by the Group 2018 %	2017 %
One Raffles Quay Pte. Ltd. ("ORQPL") [1]	Singapore	33.33	33.33
BFC Development LLP ("BFCDLLP") [1]	Singapore	33.33	33.33
Park Mall Investment Limited ("PMIL") [2]	British Virgin Islands	30.0	30.0
Southgate Trust ("SGT") [3]	Australia	50.0	50.0
Held by joint ventures			
Held by PMIL			
Park Mall Holdings Limited [2]	British Virgin Islands	30.0	30.0
Held by Park Mall Holdings Limited			
Park Mall Pte. Ltd. [4]	Singapore	30.0	30.0

One Raffles Quay Pte. Ltd. owns One Raffles Quay, Singapore.

BFC Development LLP owns Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall, Singapore.

Park Mall Pte. Ltd. owns a commercial property under development located at 9 Penang Road, Singapore.

Suntec REIT (Australia) Trust owns 50% interest in Southgate Trust which in turn, owns 100% (2017: 50%) in Southgate Complex, Melbourne, Australia.

(1) Audited by Ernst & Young LLP. The Manager's Board of Directors and Audit Committee are satisfied that the appointment will not compromise the standard and effectiveness of the audit.

(2) Not required to be audited under the laws of the country in which it was incorporated.

(3) For consolidation purposes, this entity has been audited by a member of KPMG International.

(4) Audited by KPMG LLP Singapore.

6 INTERESTS IN JOINT VENTURES (CONT'D)

The following summarises the financial information of the Group's material joint ventures based on their financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	ORQPL $'000	BFCDLLP $'000	PMIL $'000	SGT $'000	Total $'000
2018					
Revenue	150,500	212,866	–	48,279	411,645
Expenses	(82,767)	(115,003)	(746)	(20,852)	(219,368)
Net change in fair value of investment properties	4,000	7,000	–	72,266	83,266
Total return for the year[(a)]	71,733	104,863	(746)	99,693	275,543
[(a)] Includes:					
- Depreciation	(9)	(32)	–	–	(41)
- Interest income	216	270	–	108	594
- Interest expense	(33,186)	(62,857)	–	–	(96,043)
- Tax (expense)/refund	(14,012)	–	316	–	(13,696)
Non-current assets	1,693,878	5,076,554	636,322	700,083	8,106,837
Current assets [(b)]	1,502,165	7,347	7,093	22,597	1,539,202
Current liabilities [(c)]	(49,098)	(33,047)	(12,119)	(21,002)	(115,266)
Non-current liabilities [(d)]	(1,048,670)	(1,700,466)	(399,626)	–	(3,148,762)
Net assets	2,098,275	3,350,388	231,670	701,678	6,382,011
[(b)] Includes cash and cash equivalents	9,352	18,755	5,587	18,883	52,577
[(c)] Includes current financial liabilities (excluding trade and other payables and provisions)	–	–	–	8,741	8,741
[(d)] Includes non-current financial liabilities (excluding trade and other payables and provisions)	1,043,107	1,704,527	399,626	–	3,147,260
Group's interest in net assets of joint ventures at the beginning of the year	696,438	1,114,449	61,483	174,742	2,047,112
Share of total return	23,911	34,954	(223)	49,846	108,488
Distributions for the year	(22,552)	(32,608)	–	(13,395)	(68,555)
Gain/(Loss) recognised directly in Unitholders' funds	1,632	–	–	(23,915)	(22,283)
Capital injection	–	–	8,241	166,613	174,854
Carrying amount of interest in joint ventures at the end of the year	699,429	1,116,795	69,501	353,891	2,239,616

6 INTERESTS IN JOINT VENTURES (CONT'D)

	ORQPL $'000	BFCDLLP $'000	PMIL $'000	SGT $'000	Total $'000
2017					
Revenue	162,691	207,197	20	28,902	398,810
Expenses	(82,236)	(99,363)	(867)	(10,592)	(193,058)
Net change in fair value of investment properties	1,800	–	–	16,152	17,952
Total return for the year[(a)]	82,255	107,834	(847)	34,462	223,704
[(a)] Includes:					
- Depreciation	(21)	(39)	–	–	(60)
- Interest income	100	144	–	62	306
- Interest expense	(29,742)	(53,020)	–	–	(82,762)
- Tax (expense)/refund	(16,453)	–	220	–	(16,233)
Non-current assets	1,689,306	5,069,126	578,181	347,833	7,684,446
Current assets[(b)]	1,500,603	191	3,909	5,290	1,509,993
Current liabilities[(c)]	(55,360)	(25,502)	(5,600)	(6,819)	(93,281)
Non-current liabilities[(d)]	(1,045,247)	(1,700,466)	(371,555)	–	(3,117,268)
Net assets	2,089,302	3,343,349	204,935	346,304	5,983,890
[(b)] Includes cash and cash equivalents	9,130	7,201	3,125	2,911	22,367
[(c)] Includes current financial liabilities (excluding trade and other payables and provisions)	–	–	–	273	273
[(d)] Includes non-current financial liabilities (excluding trade and other payables and provisions)	1,039,604	1,704,527	371,555	–	3,115,686
Group's interest in net assets of joint ventures at the beginning of the year	696,128	1,114,444	18,377	161,337	1,990,286
Share of total return	27,418	35,945	(254)	17,231	80,340
Distributions for the year	(26,826)	(35,940)	–	(7,449)	(70,215)
(Loss)/Gain recognised directly in Unitholders' funds	(282)	–	–	159	(123)
Capital injection	–	–	1,664	3,464	5,128
Conversion of loan to investment	–	–	41,696	–	41,696
Carrying amount of interest in joint ventures at the end of the year	696,438	1,114,449	61,483	174,742	2,047,112

7 INTERESTS IN SUBSIDIARIES

	Trust	
	2018 $'000	2017 $'000
Equity investment at cost	914,067	829,549
Loans to subsidiaries	625,735	538,000
	1,539,802	1,367,549

The loans are unsecured, interest-free and have no fixed terms of repayment. The settlement of these loans is neither planned nor likely to occur in the foreseeable future and hence the loans are classified as non-current.

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Effective interests held by the Group	
		2018 %	2017 %
Held by the Trust			
Comina Investment Limited. [2]	British Virgin Islands	100.0	100.0
Suntec Harmony Pte. Ltd. [1]	Singapore	100.0	100.0
Suntec REIT MTN Pte. Ltd. [1]	Singapore	100.0	100.0
Suntec REIT Capital Pte. Ltd. [1]	Singapore	100.0	100.0
Suntec REIT (Australia) Trust [2]	Australia	100.0	100.0
Suntec (PM) Pte. Ltd. [1]	Singapore	100.0	100.0
Held through subsidiaries			
Held by Suntec Harmony Pte. Ltd.			
Harmony Partners Investments Limited [2]	British Virgin Islands	51.0	51.0
Held by Harmony Partners Investments Limited			
Harmony Investors Group Limited [2]	British Virgin Islands	60.8	60.8
Held by Harmony Investors Group Limited			
Harmony Investors Holding Limited [2]	British Virgin Islands	60.8	60.8
Held by Harmony Investors Holding Limited			
Harmony Convention Holding Pte Ltd [1]	Singapore	60.8	60.8
Held by Suntec REIT (Australia) Trust			
Suntec REIT 177 Trust [3]	Australia	100.0	100.0
Suntec Southgate Trust [2]	Australia	100.0	100.0
Suntec REIT 477 Trust [2]	Australia	100.0	100.0

Harmony Convention Holding Pte Ltd owns Suntec Singapore, Singapore.

Suntec REIT 177 Trust owns 177 – 199 Pacific Highway, North Sydney.

Suntec REIT 477 Trust owns 50% interest in Olderfleet, 477 Collins Street, Melbourne.

[1] *Audited by KPMG LLP Singapore.*

[2] *Not required to be audited under the laws of the country in which it is incorporated.*

[3] *For consolidation purposes, this entity has been audited by a member of KPMG International.*

8 TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Trade receivables	15,490	16,534	6,408	6,939
Impairment losses	(3,567)	(3,175)	(3,546)	(3,122)
Net receivables	11,923	13,359	2,862	3,817
Deposits	12	11	–	–
Amounts due from subsidiaries:				
- Non-trade	–	–	8,762	6,969
Other receivables	5,646	248	377	42
Prepayments	5,587	4,614	4,219	2,585
	23,168	18,232	16,220	13,413

The trade receivables in respect of Suntec Singapore (2017: Suntec Singapore), amounting to $9,075,000 (2017: $9,504,000) are charged or assigned by way of security for a credit facility granted to a subsidiary (note 12).

The non-trade amounts due from the subsidiaries are unsecured, interest-free and repayable on demand.

The exposure of the Group and the Trust to currency risk, credit risk and impairment losses related to trade receivables is disclosed in note 15.

9 DEFERRED TAX LIABILITIES

Movements in deferred tax liabilities of the Group during the year

	At 1 January 2017 $'000	Recognised in statement of total return (note 24) $'000	At 31 December 2017 $'000	Recognised in statement of total return (note 24) $'000	At 31 December 2018 $'000
Investment properties	11,032	20,336	31,368	11,742	43,110
Plant and equipment	1,990	(1,812)	178	13	191
Tax losses carry-forward	–	(2,293)	(2,293)	–	(2,293)
Others	–	(257)	(257)	(730)	(987)
	13,022	15,974	28,996	11,025	40,021

10 FINANCIAL DERIVATIVES

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Derivative assets				
- Forward exchange contracts	–	211	–	211
- Interest rate swaps				
- Designated as hedging instrument	–	633	–	–
- At FVTPL	1,516	202	1,516	202
	1,516	1,046	1,516	413
Classified as:				
Current	943	243	943	243
Non-current	573	803	573	170
	1,516	1,046	1,516	413
Derivative liabilities				
- Forward exchange contracts	1,305	–	1,305	–
- Embedded derivatives relating to convertible bonds	23,632	38,481	23,632	38,481
- Interest rate swaps				
- At FVTPL	5,868	2,116	4,945	2,116
	30,805	40,597	29,882	40,597
Classified as:				
Current	3,408	456	3,408	456
Non-current	27,397	40,141	26,474	40,141
	30,805	40,597	29,882	40,597

Interest rate swaps

The Group and the Trust use interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing term loans by swapping the interest expense on a proportion of these term loans from floating rates to fixed rates.

Interest rate swaps of the Group and the Trust with a total notional amount of $1,357.5 million (2017: $1,470.0 million) and $1,265.5 million (2017: $1,220.0 million) respectively, have been entered into at the reporting date to provide fixed rate funding for average terms of 3 years (2017: 3 years) at an average interest rate of 1.31% to 2.24% (2017: 1.31% to 2.20%) per annum. This includes interest rate swaps designated as hedging instruments in cash flow hedges with notional amounts of $Nil (2017: $250.0 million).

Forward foreign exchange contracts

The Group manages its exposure to foreign currency movements on its net income denominated in Australian Dollar from its investment in Australia by using forward exchange contracts.

Forward exchange contracts with aggregate notional amounts of $20.6 million (2017: $8.0 million), with maturities of less than one year, have been entered into to hedge the currency risk of Australian Dollar.

Offsetting financial assets and financial liabilities

The Group enters into derivative transactions under International Swaps and Derivatives Association ("ISDA") master netting agreements. In general, under such agreements, the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

10 FINANCIAL DERIVATIVES (CONT'D)

Offsetting financial assets and financial liabilities (cont'd)

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

As at 31 December 2018 and 31 December 2017, the Group's derivative financial assets and liabilities do not have any amounts that are eligible for offsetting under the enforceable master netting arrangement.

11 CASH AND CASH EQUIVALENTS

	Group		Trust	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Cash at bank and in hand	96,211	161,194	55,986	109,340
Fixed deposits	40,446	11,461	40,446	11,461
	136,657	172,655	96,432	120,801

The weighted average effective interest rate relating to cash and cash equivalents at the reporting date for the Group and the Trust is 1.19% and 1.23% (2017: 0.55% and 0.33%) per annum respectively. Interest rates reprice at intervals of one month.

Cash and cash equivalents in respect of Suntec Singapore (2017: Suntec Singapore) amounting to $30,716,000 (2017: $29,442,000) are charged or assigned by way of security for a credit facility granted to a subsidiary (note 12).

The exposure of the Group and the Trust to interest rate and currency risks related to financial assets are disclosed in note 15.

12 INTEREST-BEARING BORROWINGS

	Note	Group		Trust	
		2018	2017	2018	2017
		$'000	$'000	$'000	$'000
Term loans					
- secured		364,191	365,111	–	–
- unsecured		2,767,994	2,510,523	2,767,994	2,510,523
		3,132,185	2,875,634	2,767,994	2,510,523
Convertible bonds					
- unsecured	14	359,660	355,237	359,660	355,237
		3,491,845	3,230,871	3,127,654	2,865,760
Classified as:					
Current		513,770	237,004	513,770	237,004
Non-current		2,978,075	2,993,867	2,613,884	2,628,756
		3,491,845	3,230,871	3,127,654	2,865,760

The exposure of the Group and the Trust to liquidity and interest rate risks related to interest-bearing borrowings are disclosed in note 15.

12 INTEREST-BEARING BORROWINGS (CONT'D)

Terms and debt repayment schedule

Terms and conditions of outstanding interest-bearing borrowings are as follows:

	Currency	Weighted average nominal interest rate %	Year of maturity	2018 Face value $'000	2018 Carrying amount $'000	2017 Face value $'000	2017 Carrying amount $'000
Group							
Floating rate term loans	SGD	2.84%	2019 – 2024	2,303,536	2,294,006	2,268,342	2,262,262
Fixed rate term loans	SGD	3.20%	2020 – 2023	840,000	838,179	615,000	613,372
Convertible bonds	SGD	1.75%	2024	300,000	275,686	300,000	272,024
Convertible bonds	SGD	1.75%	2021	87,500	83,974	88,000	83,213
				3,531,036	3,491,845	3,271,342	3,230,871
Trust							
Floating rate term loans	SGD	2.84%	2019 – 2024	1,937,536	1,929,815	1,902,342	1,897,151
Fixed rate term loans	SGD	3.20%	2020 – 2023	840,000	838,179	615,000	613,372
Convertible bonds	SGD	1.75%	2024	300,000	275,686	300,000	272,024
Convertible bonds	SGD	1.75%	2021	87,500	83,974	88,000	83,213
				3,165,036	3,127,654	2,905,342	2,865,760

Secured term loan

As at 31 December 2018, the Group has in place a secured term loan facility and revolving credit facility amounting to $406.0 million (2017: $366.0 million) with a panel of banks. As at 31 December 2018, the Group has drawn down $366.0 million (2017: $366.0 million) of secured facilities.

The facilities are secured on the following:

- A first legal mortgage on Suntec Singapore (2017: Suntec Singapore) (the "Property");
- A first fixed charge over the central rental collection account in relation to the Property (notes 8 and 11);
- An assignment of the subsidiary's rights, title and interest in the key 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 institutions granting the facility (note 5).

Unsecured term loans

Included in unsecured term loans are euro medium term notes ("EMTN") amounting to $840.0 million (2017: $615.0 million).

12 INTEREST-BEARING BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities			Derivatives liabilities	
	Term loans $'000	Convertible bonds $'000	Interest payable $'000	Embedded derivatives liabilities relating to convertible bonds $'000	Total $'000
Balance at 1 January 2018	2,875,634	355,237	12,825	38,481	3,282,177
Changes from financing cash flows					
Financing costs paid	(8,022)	(10)	(86,520)	–	(94,552)
Proceeds from euro medium term notes	330,000	–	–	–	330,000
Repayment of euro medium term notes	(105,000)	–	–	–	(105,000)
Proceeds from interest-bearing loans	923,536	–	–	–	923,536
Repayment of interest-bearing loans	(888,342)	–	–	–	(888,342)
Total changes from financing cash flows	252,172	(10)	(86,520)	–	165,642
Change in fair value	–	–	–	(14,849)	(14,849)
Other changes					
Liability-related					
Financing costs	4,379	4,933	85,929	–	95,241
Capitalised borrowing costs	–	–	2,056	–	2,056
Total liability-related other changes	4,379	4,933	87,985	–	97,297
Total equity-related other changes	–	(500)	–	–	(500)
Balance at 31 December 2018	3,132,185	359,660	14,290	23,632	3,529,767

12 INTEREST-BEARING BORROWINGS (CONT'D)

	Liabilities			Derivatives liabilities	
	Term loans $'000	Convertible bonds $'000	Interest payable $'000	Embedded derivatives liabilities relating to convertible bonds $'000	Total $'000
Balance at 1 January 2017	3,026,209	279,590	11,463	18,103	3,335,365
Changes from financing cash flows					
Financing costs paid	(4,103)	(3,605)	(74,640)	–	(82,348)
Proceeds from convertible bonds	–	300,000	–	–	300,000
Repayment of convertible bonds	–	(45,500)	–	–	(45,500)
Proceeds from euro medium term notes	200,000	–	–	–	200,000
Proceeds from interest-bearing loan	600,000	–	–	–	600,000
Repayment of interest-bearing loans	(951,200)	–	–	–	(951,200)
Total changes from financing cash flows	(155,303)	250,895	(74,640)	–	20,952
Change in fair value	–	–	–	(4,317)	(4,317)
Other changes					
Liability-related					
Financing costs	4,805	15,947	75,940	–	96,692
Derivative component of convertible bonds	–	(24,695)	–	24,695	–
Others	(77)	–	–	–	(77)
Total liability-related other changes	4,728	(8,748)	75,940	24,695	96,615
Total equity-related other changes	–	(166,500)	62	–	(166,438)
Balance at 31 December 2017	2,875,634	355,237	12,825	38,481	3,282,177

13 TRADE AND OTHER PAYABLES

	Group		Trust	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Trade payables	1,663	3,988	563	1,460
Accrued operating expenses	36,421	39,191	21,160	23,517
Amounts due to a subsidiary (trade)	–	–	2	–
Amounts due to related parties (trade):				
- Trustee	258	254	258	254
- Manager	3,727	3,624	3,514	3,624
- Related corporations of the Manager	3,472	1,992	1,223	1,056
Deferred income	25,254	29,153	9,461	9,266
Interest payable	14,290	12,825	13,414	11,979
Other payables	27,664	17,862	5,249	5,239
	112,749	108,889	54,844	56,395

As at 31 December 2018, other payables of the Group include progress payments payable of $21.4 million (2017: $10.3 million) for Olderfleet, 477 Collins Street.

The exposure of the Group and the Trust to liquidity and currency risks related to trade and other payables is disclosed in note 15.

14 CONVERTIBLE BONDS – DEBT COMPONENT

	Group and Trust	
	2018	2017
	$'000	$'000
At 1 January	355,237	279,590
Redemption of convertible bonds due 2021	–	(45,500)
Conversion of convertible bonds due 2021	(500)	(166,500)
Proceeds from issuance of convertible bonds due 2024	–	300,000
Transaction costs	(10)	(3,605)
Amount classified as derivative liabilities	–	(24,695)
Amortisation of transaction costs	764	3,010
Interest accretion	4,169	12,937
At 31 December	359,660	355,237

Convertible bonds due 2024

In 2017, the Trust issued $300.0 million principal amounts of convertible bonds (the "2024 Bonds") due 2024 which carry a coupon interest at 1.75% per annum. The 2024 Bonds are convertible by bondholders into Units at the conversion price of $2.189 per new Unit at any time on or after 9.00 a.m. on 9 January 2018 up to 3.00 p.m. on 23 November 2024 or, if redeemed prior to 23 November 2024, then up to 3.00 p.m. on a date no later than 7 business days prior to the date fixed for redemption thereof.

Based on the conversion price, the 2024 Bonds are convertible into approximately 137,048,880 Units (2017: 137,048,880 Units), representing 5.1% (2017: 5.2%) of the total number of Units of the Trust in issue as at 31 December 2018 (2017: 31 December 2017). The Trust has the option to pay cash in lieu of issuing new Units on conversion of any 2024 Bonds. The 2024 Bonds may be redeemed, in whole or in part, at the option of the bondholders on 30 November 2020 at their principal amount plus interest accrued up to the date of the redemption. The 2024 Bonds may also be redeemed, in whole but not in part at their principal amount plus interest accrued to (but excluding) the date of redemption, at the option of the Trust on or at any time after 30 November 2020 but not less than 7 business days prior to 30 November 2024 (subject to the satisfaction of certain conditions).

14 CONVERTIBLE BONDS – DEBT COMPONENT (CONT'D)

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

As at 31 December 2018, the effective interest rate for the 2024 Bonds – debt component – is approximately 3.27% (2017: 3.27%) per annum.

On 23 January 2019, the Manager announced that the conversion price of the 2024 Bonds would be adjusted from $2.189 to $2.14 per new Unit effective as of 28 February 2019. Based on the revised conversion price, the 2024 Bonds are convertible into approximately 140,186,915 Units, representing 5.2% of the total number of Units of the Trust in issue as at 31 December 2018.

Convertible bonds due 2021

In 2016, the Trust issued $300.0 million principal amounts of convertible bonds (the "2021 Bonds") due 2021 which carry a coupon interest at 1.75% per annum. The 2021 Bonds are convertible by bondholders into Units at the initial conversion price of $2.101 per new Unit at any time on or after 9.00 a.m. on 16 October 2016 up to 3.00 p.m. on 29 August 2021 or, if redeemed prior to 29 August 2021, then up to 3.00 p.m. on a date no later than 7 business days prior to the date fixed for redemption thereof. The initial conversion price of $2.101 was adjusted to $2.06 per new Unit on 25 January 2017, in accordance with the terms and conditions of the 2021 Bonds (the "Terms of the 2021 Bonds") effective as of 28 February 2017.

The Trust has the option to pay cash in lieu of issuing new Units on conversion of any 2021 Bonds ("Alternative Settlement Right"). The 2021 Bonds may be redeemed, in whole or in part, at the option of the bondholders on 5 September 2019 at their principal amount plus interest accrued up to the date of the redemption. The 2021 Bonds may also be redeemed, in whole but not in part at their principal amount plus interest accrued to (but excluding) the date of redemption, at the option of the Trust on or at any time after 5 September 2019 but not less than 7 business days prior to 5 September 2021 (subject to the satisfaction of certain conditions).

The bondholders, following the occurrence of a change of control event, which includes change of control of the Manager, as described in the Terms of the 2021 Bonds, will have the right to exercise conversion right at a conversion price determined in accordance with the specified formula set out in the Terms of the 2021 Bonds to convert the 2021 Bonds into Units, subject to the Trust's Alternative Settlement Right. The 2021 Bonds may also be redeemed, at the option of the bondholders, in whole but not in part at their principal amount plus interest accrued to the date of redemption.

On 12 April 2017, the Trust had announced an occurrence of a change of control event within the meaning of condition 7.5(d)(ii)(A) of the Terms of the 2021 Bonds. Pursuant to condition 7.5(a) of the Terms of the 2021 Bonds, the conversion price was temporarily adjusted from $2.06 to $1.74 per new Unit (the "Change of Control Conversion Price") in accordance with the Terms of the 2021 Bonds during the change of control period.

During the change of control period, (i) conversion notices for the conversion of $166.5 million in principal amount of the 2021 Bonds were received pursuant to condition 7.5(a) of the Terms of the 2021 Bonds and (ii) redemption notices for the redemption of $45.5 million in principal amount of the 2021 Bonds were received pursuant to condition 7.6 of the Terms of the 2021 Bonds.

Pursuant to the aforementioned conversion notices received, 95,689,646 new Units were issued on 29 May 2017 at the Change of Control Conversion Price. Accordingly, $212.0 million in principal amount of the 2021 Bonds had been converted or redeemed as the case may be and cancelled in accordance with the Terms of the 2021 Bonds.

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

The conversion price of $2.06 was further adjusted to $2.04 per new Unit on 24 October 2018, in accordance with the Terms of the 2021 Bonds, effective as of 28 November 2018.

14 CONVERTIBLE BONDS – DEBT COMPONENT (CONT'D)

As at 31 December 2018, $87.5 million (2017: $88.0 million) remained outstanding.

Based on the adjusted conversion price of $2.04 (2017: $2.06), the 2021 Bonds are convertible into approximately 42,892,156 Units (2017: 42,718,446 Units), representing 1.6% (2017: 1.6%) of the total number of Units of the Trust in issue as at 31 December 2018.

As at 31 December 2018, the effective interest rate for the 2021 Bonds – debt component – is approximately 3.32% (2017: 3.33%) per annum.

On 23 January 2019, the Manager announced that the conversion price of the 2021 Bonds would be further adjusted from $2.04 to $2.01 per new Unit, effective as of 28 February 2019. Based on the revised conversion price, the 2021 Bonds are convertible into approximately 43,532,338 Units, representing 1.6% of the total number of Units of the Trust in issue as at 31 December 2018.

15 FINANCIAL INSTRUMENTS

Financial risk management

The Group has exposure to credit risk, liquidity risk and market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risk. The Manager monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors of the Manager oversees how management of the Manager monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board is assisted in its oversight role by the Audit Committee. The Audit Committee undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

Credit risk

Credit risk is the potential loss resulting from the failure of a tenant or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

The Manager has established credit limits for tenants, obtained security deposits and/or bank guarantees (where applicable) and monitors their balances on an on-going basis. Credit evaluations are performed by the Manager before lease agreements are entered into with tenants.

15 FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

	Note	Group		Trust	
		2018 $'000	2017 $'000	2018 $'000	2017 $'000
Derivative assets					
- Forward exchange contracts	10	–	211	–	211
- Interest rate swaps					
- Designated as hedging instrument	10	–	633	–	–
- At FVTPL	10	1,516	202	1,516	202
Trade and other receivables*	8	17,581	13,618	12,001	10,828
Cash and cash equivalents	11	136,657	172,655	96,432	120,801
		155,754	187,319	109,949	132,042

* *Excludes prepayments.*

The maximum exposure to credit risk for trade receivables at the reporting date by type of tenant is:

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Office	811	328	802	237
Retail	2,383	4,017	2,060	3,580
Convention	8,729	9,014	–	–
	11,923	13,359	2,862	3,817

The Group's tenants are engaged in a wide spectrum of business activities across many industry segments.

Impairment losses

Expected credit loss assessment for individual tenants as at 1 January and 31 December 2018

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual tenants, which comprise a large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off and are based on actual credit loss experience over the last three years.

15 FINANCIAL INSTRUMENTS (CONT'D)

The ageing of trade receivables at the reporting date was:

	2018 $'000	2017 $'000
Group		
Not past due	9,623	7,315
Past due 31 – 60 days	1,060	3,141
Past due 61 – 90 days	526	1,742
More than 90 days	4,281	4,336
	15,490	16,534
Less: Impairment loss	(3,567)	(3,175)
	11,923	13,359
Trust		
Not past due	2,367	2,393
Past due 31 – 60 days	244	601
Past due 61 – 90 days	251	422
More than 90 days	3,546	3,523
	6,408	6,939
Less: Impairment loss	(3,546)	(3,122)
	2,862	3,817

Movements in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
At 1 January	3,175	1,490	3,122	1,365
Impairment loss recognised	2,493	2,059	2,479	1,992
Write-back of impairment loss	(1,961)	(146)	(1,953)	(109)
Allowance utilised	(140)	(228)	(102)	(126)
At 31 December	3,567	3,175	3,546	3,122

The Group does not have trade receivables for which no loss allowance is recognised because of collateral.

The Manager believes that, apart from the above, no additional impairment allowance is necessary in respect of trade receivables as these receivables mainly arose from tenants that have a good track record with the Group, and the Group has sufficient security deposits as collateral.

15 FINANCIAL INSTRUMENTS (CONT'D)

Non-trade amounts due from subsidiaries and loans to subsidiaries

The Trust has non-trade receivables from its subsidiaries and loans to subsidiaries of $634,497,000 (2017: $544,969,000). These balances are amounts lent to subsidiaries to satisfy their funding requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default, these exposures are considered to have low credit risk. Therefore impairment on these balances has been measured on the 12-month expected credit loss basis; and the amount of the allowance is insignificant.

Loans to joint ventures

The Group and the Trust have loans to joint ventures of $615,622,000 (2017: $613,122,000). These balance are amounts lent to joint ventures to satisfy their funding requirements. Based on an assessment of qualitative and qualitative factors that are indicative of the risk of default, these exposures are considered to have low credit risk. Therefore impairment on these balances has been measured on the 12-month expected credit loss basis; and the amount of the allowance is insignificant.

Derivatives

The derivatives are entered into with bank and financial institution counterparties, which are rated A to AA-, based on Standard & Poor's ratings.

Cash and cash equivalents

Cash and fixed deposits are placed with financial institutions which are regulated. The Group and the Trust held cash and cash equivalents of $136,657,000 and $96,432,000 respectively at 31 December 2018 (2017: $172,655,000 and $120,801,000 respectively). The cash and cash equivalents are held with bank and financial institution counterparties which are rated A to AA-, based on Standard & Poor's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. In addition, the Manager monitors and observes limits on total borrowings according to the CIS Code issued by the MAS.

The Group has a US$1,500.0 million (approximately $2,044.5 million) (2017: US$1,500.0 million (approximately $1,967.6 million)) EMTN programme, of which $840.0 million (2017: $615.0 million) was utilised as at 31 December 2018 (2017: as at 31 December 2017).

15 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

The following are the remaining contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

		← Cash flows →			
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	1 to 5 years $'000	More than 5 years $'000
Group					
2018					
Non-derivative financial liabilities					
Floating rate term loans[1]	2,294,006	(2,707,136)	(670,915)	(1,531,144)	(505,077)
Fixed rate term loans	838,179	(916,493)	(28,500)	(887,993)	–
Convertible bonds	359,660	(420,085)	(94,281)	(21,000)	(304,804)
Trade and other payables*	87,495	(87,495)	(87,495)	–	–
Security deposits	68,877	(68,877)	(19,744)	(45,890)	(3,243)
	3,648,217	(4,200,086)	(900,935)	(2,486,027)	(813,124)
Derivative financial instruments					
Interest rate swaps (net-settled)					
- At FVTPL[1]	4,352	(18,071)	(3,848)	(14,223)	–
Forward exchange contracts	1,305				
- Outflow	–	(20,578)	(20,578)	–	–
- Inflow	–	19,198	19,198	–	–
	5,657	(19,451)	(5,228)	(14,223)	–
	3,653,874	(4,219,537)	(906,163)	(2,500,250)	(813,124)
2017					
Non-derivative financial liabilities					
Floating rate term loans[1]	2,262,262	(2,389,105)	(179,776)	(2,209,329)	–
Fixed rate term loans	613,372	(668,114)	(123,824)	(442,627)	(101,663)
Convertible bonds	355,237	(429,963)	(6,790)	(113,119)	(310,054)
Trade and other payables*	79,736	(79,736)	(79,736)	–	–
Security deposits	65,286	(65,286)	(25,387)	(37,833)	(2,066)
	3,375,893	(3,632,204)	(415,513)	(2,802,908)	(413,783)
Derivative financial instruments					
Interest rate swaps (net-settled)					
- Designated as hedging instrument [1]	(633)	(395)	(395)	–	–
- At FVTPL[1]	1,914	(6,803)	(4,312)	(2,491)	–
Forward exchange contracts	(211)				
- Outflow	–	(7,831)	(7,831)	–	–
- Inflow	–	8,027	8,027	–	–
	1,070	(7,002)	(4,511)	(2,491)	–
	3,376,963	(3,639,206)	(420,024)	(2,805,399)	(413,783)

* *Excludes deferred income.*

[1] *For the purpose of the contractual cash flows calculation, Swap Offer Rate ("SOR") of 1.53% - 1.95% (2017: 0.89% - 1.17%) was used.*

15 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

		Cash flows			
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	1 to 5 years $'000	More than 5 years $'000
Trust					
2018					
Non-derivative financial liabilities					
Floating rate term loans[1]	1,929,815	(2,290,471)	(660,607)	(1,124,787)	(505,077)
Fixed rate term loans	838,179	(916,493)	(28,500)	(887,993)	–
Convertible bonds	359,660	(420,085)	(94,281)	(21,000)	(304,804)
Trade and other payables*	45,383	(45,383)	(45,383)	–	–
Security deposits	63,459	(63,459)	(17,107)	(43,109)	(3,243)
	3,236,496	(3,735,891)	(845,878)	(2,076,889)	(813,124)
Derivative financial instruments					
Interest rate swaps (net-settled)					
- At FVTPL[1]	3,429	(9,175)	(2,276)	(6,899)	–
Forward exchange contracts	1,305				
- Outflow	–	(20,578)	(20,578)	–	–
- Inflow	–	19,198	19,198	–	–
	4,734	(10,555)	(3,656)	(6,899)	–
	3,241,230	(3,746,446)	(849,534)	(2,083,788)	(813,124)
2017					
Non-derivative financial liabilities					
Floating rate term loans[1]	1,897,151	(2,007,719)	(171,625)	(1,836,094)	–
Fixed rate term loans	613,372	(668,114)	(123,824)	(442,627)	(101,663)
Convertible bonds	355,237	(429,963)	(6,790)	(113,119)	(310,054)
Trade and other payables*	47,129	(47,129)	(47,129)	–	–
Security deposits	60,290	(60,290)	(23,211)	(35,013)	(2,066)
	2,973,179	(3,213,215)	(372,579)	(2,426,853)	(413,783)
Derivative financial instruments					
Interest rate swaps (net-settled)					
- At FVTPL[1]	1,914	(6,803)	(4,312)	(2,491)	–
Forward exchange contracts	(211)				
- Outflow	–	(7,831)	(7,831)	–	–
- Inflow	–	8,027	8,027	–	–
	1,703	(6,607)	(4,116)	(2,491)	–
	2,974,882	(3,219,822)	(376,695)	(2,429,344)	(413,783)

Net-settled derivative financial assets are included in the maturity analyses as they are held to 'hedge' the cash flow variability of the Group's floating rate term loans.

* *Excludes deferred income.*

[1] *For the purpose of the contractual cash flows calculation, Swap Offer Rate ("SOR") of 1.53% - 1.95% (2017: 0.89% - 1.17%) was used.*

15 FINANCIAL INSTRUMENTS (CONT'D)

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's total return value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is managed by the Manager on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates.

The Group adopts a policy of ensuring that between 60% and 80% of its interest rate risk exposure is at a fixed-rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

As at 31 December 2018, the Group has entered into interest rate swaps with a total notional amount of $1,357.5 million (2017: $1,470.0 million) whereby the Group has agreed with counterparties to exchange, at specified intervals, the difference between floating rate and fixed rate interest amounts calculated by reference to the agreed notional principal amounts of the swaps.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

	Group Nominal amount		Trust Nominal amount	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Fixed rate instruments				
Interest-bearing borrowings	(1,227,500)	(1,003,000)	(1,227,500)	(1,003,000)
Interest rate swaps	(1,357,500)	(1,470,000)	(1,265,500)	(1,220,000)
	(2,585,000)	(2,473,000)	(2,493,000)	(2,223,000)
Variable rate instruments				
Interest-bearing borrowings	(2,303,536)	(2,268,342)	(1,937,536)	(1,902,342)
Interest rate swaps	1,357,500	1,470,000	1,265,500	1,220,000
	(946,036)	(798,342)	(672,036)	(682,342)

15 FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments

For the interest rate swaps and the other variable rate financial assets and liabilities, a change of 50 basis points ("bp") (2017: 50 bp) in interest rate at the reporting date would increase/(decrease) Unitholders' funds and total return (before any tax effects) by the amounts shown below. This analysis assumes that all other variables remain constant.

	Statement of total return		Unitholders' funds	
	50 bp increase $'000	50 bp decrease $'000	50 bp increase $'000	50 bp decrease $'000
Group				
2018				
Variable rate instruments	(11,518)	11,518	–	–
Interest rate swaps	8,239	(8,402)	–	–
Cash flow sensitivity (net)	(3,279)	3,116	–	–
2017				
Variable rate instruments	(11,342)	11,342	–	–
Interest rate swaps	6,328	(6,369)	246	(247)
Cash flow sensitivity (net)	(5,014)	4,973	246	(247)

	Statement of total return	
	50 bp increase $'000	50 bp decrease $'000
Trust		
2018		
Variable rate instruments	(9,688)	9,688
Interest rate swaps	6,178	(6,277)
Cash flow sensitivity (net)	(3,510)	3,411
2017		
Variable rate instruments	(9,512)	9,512
Interest rate swaps	6,328	(6,369)
Cash flow sensitivity (net)	(3,184)	3,143

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at FVTPL, nor does the Group designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

15 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk

The Group is exposed to currency risk on distributions from its Australia operations. In 2018, the Group entered into forward currency contracts with a total notional amount of $20.6 million (2017: $8.0 million) whereby the Group agreed with counterparties to exchange Australian Dollar at specified rates, on specified dates.

At the reporting date, the exposure to currency risk is as follows:

	2018 AUD $'000	2017 AUD $'000
Group		
Cash and cash equivalents	45,426	29,767
Trade and other receivables	8,306	6,951
Net statement of financial position exposure	53,732	36,718
Forward exchange contracts	(20,578)	(8,027)
Net exposure	33,154	28,691

	2018 AUD $'000	2017 AUD $'000
Trust		
Cash and cash equivalents	45,406	29,675
Trade and other receivables	8,306	6,951
Net statement of financial position exposure	53,712	36,626
Forward exchange contracts	(20,578)	(8,027)
Net exposure	33,134	28,599

15 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk (cont'd)

Sensitivity analysis

A 10% strengthening (weakening) of the Singapore Dollar against Australian Dollar would increase/(decrease) total return (before any tax effects) by the amounts shown below. This analysis assumes that all other variables remain constant.

	Statement of total return	
	2018	2017
	$'000	$'000
Group		
10% strengthening	(3,315)	(2,869)
10% weakening	3,315	2,869
Trust		
10% strengthening	(3,313)	(2,860)
10% weakening	3,313	2,860

Capital management

The Board of Directors of the Manager reviews the Group's capital management policy regularly so as to optimise Unitholders' return through a mix of available capital sources. The Group monitors its gearing ratio and maintains it within the approved limits. The Group assesses its capital management approach as a key part of the Group's overall strategy, and this is continuously reviewed by the Manager. The Group's gearing stood at 36.7% (2017: 35.0%) as at 31 December 2018.

The Group is subject to the aggregate leverage limit as defined in the Property Funds Appendix. The Property Funds Appendix stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% of the fund's deposited property. The Group complied with the stipulated Aggregate Leverage limit.

There were no changes in the Group's approach to capital management during the financial year.

15 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their level in fair value hierarchy, are as follows. It does not include fair value information of financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Note	Mandatorily at fair value $'000	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value Level 1 $'000	Fair value Level 2 $'000	Fair value Level 3 $'000
Group								
2018								
Financial assets measured at fair value								
Interest rate swaps at FVTPL	10	1,516	–	–	1,516	–	1,516	–
Financial assets not measured at fair value								
Loans to joint ventures	6	–	615,622	–	615,622			
Cash and cash equivalents	11	–	136,657	–	136,657			
Trade and other receivables*	8	–	17,581	–	17,581			
		–	769,860	–	769,860			
Financial liabilities measured at fair value								
Forward exchange contracts	10	(1,305)	–	–	(1,305)	–	(1,305)	–
Interest rate swaps at FVTPL	10	(5,868)	–	–	(5,868)	–	(5,868)	–
Embedded derivatives relating to convertible bonds	10	(23,632)	–	–	(23,632)	–	–	(23,632)
		(30,805)	–	–	(30,805)			
Financial liabilities not measured at fair value								
Interest-bearing borrowings	12	–	–	(3,132,185)	(3,132,185)	–	–	(3,137,710)
Security deposits		–	–	(68,877)	(68,877)	–	–	(64,748)
Convertible bonds	14	–	–	(359,660)	(359,660)	–	–	(353,505)
Trade and other payables^	13	–	–	(87,495)	(87,495)			
		–	–	(3,648,217)	(3,648,217)			

** Excludes prepayments.*

^ Excludes deferred income.

15 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

	Note	Designated at fair value $'000	Fair value-hedging instrument $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value Level 1 $'000	Fair value Level 2 $'000	Fair value Level 3 $'000
Group									
2017									
Financial assets measured at fair value									
Forward exchange contracts	10	211	–	–	–	211	–	211	–
Interest rate swaps at FVTPL	10	202	–	–	–	202	–	202	–
Interest rate swaps designated as hedging instrument	10	–	633	–	–	633	–	633	–
		413	633	–	–	1,046			
Financial assets not measured at fair value									
Trade and other receivables*	8	–	–	13,618	–	13,618			
Cash and cash equivalents	11	–	–	172,655	–	172,655			
		–	–	186,273	–	186,273			
Financial liabilities measured at fair value									
Interest rate swaps at FVTPL	10	(2,116)	–	–	–	(2,116)	–	(2,116)	–
Embedded derivatives relating to convertible bonds	10	(38,481)	–	–	–	(38,481)	–	–	(38,481)
		(40,597)	–	–	–	(40,597)			
Financial liabilities not measured at fair value									
Interest-bearing borrowings	12	–	–	–	(2,875,634)	(2,875,634)	–	–	(2,878,080)
Security deposits		–	–	–	(65,286)	(65,286)	–	–	(62,810)
Convertible bonds	14	–	–	–	(355,237)	(355,237)	–	–	(359,919)
Trade and other payables^	13	–	–	–	(79,736)	(79,736)			
		–	–	–	(3,375,893)	(3,375,893)			

* *Excludes prepayments.*

^ *Excludes deferred income.*

15 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

	Note	Mandatorily at fair value $'000	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value Level 1 $'000	Fair value Level 2 $'000	Fair value Level 3 $'000
Trust								
2018								
Financial assets measured at fair value								
Interest rate swaps at FVTPL	10	1,516	–	–	1,516	–	1,516	–
Financial assets not measured at fair value								
Loans to joint ventures	6	–	615,622	–	615,622			
Loans to subsidiaries	7	–	625,735	–	625,735			
Trade and other receivables*	8	–	12,001	–	12,001			
Cash and cash equivalents	11	–	96,432	–	96,432			
		–	1,349,790	–	1,349,790			
Financial liabilities measured at fair value								
Forward exchange contracts	10	(1,305)	–	–	(1,305)	–	(1,305)	–
Interest rate swaps at FVTPL	10	(4,945)	–	–	(4,945)	–	(4,945)	–
Embedded derivatives relating to convertible bonds	10	(23,632)	–	–	(23,632)	–	–	(23,632)
		(29,882)	–	–	(29,882)			
Financial liabilities not measured at fair value								
Interest-bearing borrowings	12	–	–	(2,767,994)	(2,767,994)	–	–	(2,773,518)
Security deposits		–	–	(63,459)	(63,459)	–	–	(59,516)
Convertible bonds	14	–	–	(359,660)	(359,660)	–	–	(353,505)
Trade and other payables^	13	–	–	(45,383)	(45,383)			
		–	–	(3,236,496)	(3,236,496)			

** Excludes prepayments.*

^ Excludes deferred income.

15 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

	Note	Designated at fair value $'000	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value Level 1 $'000	Fair value Level 2 $'000	Fair value Level 3 $'000
Trust								
2017								
Financial assets measured at fair value								
Forward exchange contracts	10	211	–	–	211	–	211	–
Interest rate swaps at FVTPL	10	202	–	–	202	–	202	–
		413	–	–	413			
Financial assets not measured at fair value								
Trade and other receivables*	8	–	10,828	–	10,828			
Cash and cash equivalents	11	–	120,801	–	120,801			
		–	131,629	–	131,629			
Financial liabilities measured at fair value								
Interest rate swaps at FVTPL	10	(2,116)	–	–	(2,116)	–	(2,116)	–
Embedded derivatives relating to convertible bonds	10	(38,481)	–	–	(38,481)	–	–	(38,481)
		(40,597)	–	–	(40,597)			
Financial liabilities not measured at fair value								
Interest-bearing borrowings	12	–	–	(2,510,523)	(2,510,523)	–	–	(2,512,969)
Security deposits		–	–	(60,290)	(60,290)	–	–	(57,988)
Convertible bonds	14	–	–	(355,237)	(355,237)	–	–	(359,919)
Trade and other payables^	13	–	–	(47,129)	(47,129)			
		–	–	(2,973,179)	(2,973,179)			

* *Excludes prepayments.*

^ *Excludes deferred income.*

15 FINANCIAL INSTRUMENTS (CONT'D)

Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Group and Trust

Type	Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Embedded derivatives relating to convertible bonds	*Discounted cash flows and market comparison technique:* The fair value of the embedded derivative is the difference between the fair value of the convertible bonds based on broker quotes and the fair value of the liability component of the convertible bonds, determined using the discounted cash flows approach. The valuation requires management to estimate the expected cash flows over life of the convertible bonds to investors, which are not evidenced by observable market data.	Discount rate – 2.83% - 3.71% (2017: 2.99% - 3.21%)	The estimated fair value of the embedded derivatives relating to convertible bonds would increase if the discount rate was lower.
Forward exchange contracts and Interest rate swaps	*Market comparison technique:* The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.	Not applicable	Not applicable

Financial instruments not measured at fair value

Group and Trust

Type	Valuation technique	Key unobservable inputs
Fixed rate borrowings	Discounted cash flows	Discount rate – 2.92% - 3.40% (2017: 2.81% - 3.27%)
Security deposits	Discounted cash flows	Discount rate – 2.80% (2017: 2.26%)

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables and interest-bearing borrowings which reprice within three months) are assumed to approximate their fair values because of the short period to maturity or repricing.

15 FINANCIAL INSTRUMENTS (CONT'D)

Measurement of fair values (cont'd)

(ii) Transfer between Level 1 and 2

During the financial year ended 31 December 2018, there were no transfers between Level 1 and Level 2.

(iii) Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurement in Level 3 of the fair value hierarchy:

	Group and Trust	
	2018	2017
	$'000	$'000
Embedded derivatives relating to convertible bonds		
At 1 January	(38,481)	(18,103)
Amount classified as derivative liabilities (note 14)	–	(24,695)
Changes in fair value recognised in profit or loss	14,849	4,317
At 31 December	(23,632)	(38,481)

Sensitivity analysis

If the discount rate assumption applied by management were 5.0% favourable or unfavourable with all other variables held constant, the fair value of the embedded derivatives relating to the convertible bonds would decrease/(increase) by $3,151,000 (2017: $3,213,000) and ($3,117,000) (2017: ($3,181,000)) respectively. The analysis is performed on the same basis as 2017.

16 NON-CONTROLLING INTERESTS

The following subsidiaries have material Non-Controlling Interests ("NCI"):

Name	Principal places of business/Country of incorporation	Effective interests held by NCI	
		2018	2017
		%	%
Harmony Investors Group Limited subgroup ("Harmony")	Singapore	39.2	39.2
Harmony Partners Investment Limited ("HPIL")	British Virgin Island	49.0	49.0

The following summarises the financial information of each of the Group's subsidiaries with material NCI based on their respective financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

16 NON-CONTROLLING INTERESTS (CONT'D)

	Harmony $'000	HPIL* $'000	Intra-group elimination $'000	Total $'000
2018				
Revenue	89,635	–	–	89,635
Total return for the year	28,026	14,400	(14,400)	28,026
Total return attributable to NCI for the year	10,986	7,056	(7,056)	10,986
Non-current assets	712,629	58,730		
Current assets	44,153	–		
Non-current liabilities	(380,035)	(55,200)		
Current liabilities	(36,638)	(12)		
Net assets	340,109	3,518		
Net assets attributable to NCI	133,323	1,724	(3,464)	131,583
Cash flows from operating activities	5,512	–		
Cash flows used in investing activities	(867)	–		
Cash flows used in financing activities (dividends to NCI: $7,056,000)	(4,526)	–		
Net increase in cash and cash equivalents	119	–		
2017				
Revenue	78,339	–	–	78,339
Total return for the year	22,235	11,999	(12,000)	22,234
Total return attributable to NCI for the year	8,716	5,880	(5,880)	8,716
Non-current assets	701,727	58,730		
Current assets	44,925	–		
Non-current liabilities	(374,405)	(55,200)		
Current liabilities	(42,164)	(10)		
Net assets	330,083	3,520		
Net assets attributable to NCI	129,393	1,725	(3,217)	127,901
Cash flows from operating activities	5,818	–		
Cash flows used in investing activities	(1,996)	–		
Cash flows used in financing activities (dividends to NCI: $5,880,000)	(3,578)	–		
Net increase in cash and cash equivalents	244	–		

* *The company did not prepare a cash flow statement. All expenses and receipts of the company are paid/received by its subsidiary.*

17 UNITS IN ISSUE

	Group and Trust	
	2018 '000	2017 '000
Units in issue:		
At 1 January	2,652,436	2,536,663
Issue of Units:		
- conversion of the 2021 Bonds to Units	243*	95,690
- asset management fees paid in Units	17,954	20,083
At 31 December	2,670,633	2,652,436
Units to be issued:		
- conversion of the 2021 Bonds to Units	–	121
- asset management fees payable in Units	9,904	8,415
Total issued and issuable Units at 31 December	2,680,537	2,660,972

* *On 25 January 2018 and 28 February 2018, a total of 242,718 Units were issued as a result of the receipt of the conversion notice for the conversion of $500,000 in principal amount of the 2021 Bonds with a conversion price of $2.06.*

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust and available for purposes of such distribution less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust; and
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of the Unitholders, whichever is the lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The Unitholders cannot give any directions to the Manager or the Trustee (whether at a meeting of Unitholders or otherwise) if it would require the Trustee or the Manager to do or omit doing anything which may result in:

- the Trust ceasing to comply with the Listing Manual issued by SGX-ST or the Property Funds Appendix; or
- the exercise of any discretion expressly conferred on the Trustee or the Manager by the Trust Deed or the determination of any matter for which the agreement of either or both the Trustee and the Manager is required under the Trust Deed.

A Unitholder's liability is limited to the amount paid or payable for any Units. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

18 NET ASSET VALUE PER UNIT

	Note	Group		Trust	
		2018	2017	2018	2017
		$'000	$'000	$'000	$'000
Net asset value per Unit is based on:					
Net assets attributable to Unitholders		5,636,523	5,639,074	4,954,558	4,954,212
		'000	'000	'000	'000
Total issued and issuable Units at 31 December	17	2,680,537	2,660,972	2,680,537	2,660,972

19 GROSS REVENUE

	Group		Trust	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Gross rental income	362,945	353,720	233,405	234,724
Dividend income	–	–	108,132	109,118
Others	559	476	236	264
	363,504	354,196	341,773	344,106

Included in gross rental income of the Group and the Trust are contingent rents amounting to $4,817,000 (2017: $3,423,000) and $3,860,000 (2017: $2,593,000) respectively.

20 PROPERTY EXPENSES

	Group		Trust	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Advertising and promotion expenses	4,562	5,868	2,655	4,199
Depreciation of plant and equipment	1,056	1,189	189	215
Loss on disposal of plant and equipment	9	15	–	–
Maintenance expenses	8,408	7,775	205	260
Contributions to sinking fund	11,235	–	9,363	–
Contributions to maintenance funds	20,144	20,144	16,781	16,781
Property management fees (including reimbursables)	23,554	22,430	7,009	7,050
Property tax	22,801	24,361	19,021	20,770
Utilities	3,221	3,257	144	–
Agency commission	4,578	3,232	4,106	2,462
Food and beverages related cost	4,517	4,137	–	–
Others	17,910	15,418	1,622	1,450
	121,995	107,826	61,095	53,187

Property expenses represent the direct operating expenses arising from rental of investment properties and sale of food and beverages.

21 FINANCE INCOME AND FINANCE COSTS

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Interest income:				
- bank deposits	734	536	593	411
- loan to joint ventures	23,195	19,661	23,195	19,661
- interest rate swaps	1,000	–	1,000	–
Net foreign exchange gain	–	887	–	–
Finance income	24,929	21,084	24,788	20,072
Interest expense:				
- bank loans	(76,512)	(63,148)	(69,899)	(56,604)
- convertible bonds	(6,782)	(2,826)	(6,782)	(2,826)
- interest rate swaps	(2,632)	(9,966)	(2,298)	(8,000)
Amortisation of transaction costs	(9,315)	(20,752)	(8,395)	(20,276)
Net foreign exchange loss	(1,877)	–	(39,803)	(1,027)
Finance costs	(97,118)	(96,692)	(127,177)	(88,733)
Recognised in the statement of total return	(72,189)	(75,608)	(102,389)	(68,661)

22 ASSET MANAGEMENT FEES

Included in the asset management fees of the Group and the Trust is an aggregate of 19,443,129 (2017: 17,713,987) Units, amounting to $35,371,000 (2017: $35,022,000), that have been or will be issued to the Manager in satisfaction of the asset management fees payable in Units.

23 OTHER EXPENSES

Included in other expenses are the following items:

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Non-audit fees paid to auditors of the Trust	91	260	66	90

24 TAX EXPENSE

	Note	Group		Trust	
		2018 $'000	2017 $'000	2018 $'000	2017 $'000
Current tax expense					
Adjustment for prior years		(920)	1	–	1
Withholding tax		2,868	2,315	423	134
		1,948	2,316	423	135
Deferred tax expense					
Origination and reversal of temporary differences		11,025	11,450	–	–
Adjustment for prior years		–	4,524	–	–
	9	11,025	15,974	–	–
Total tax expense		12,973	18,290	423	135

24 TAX EXPENSE (CONT'D)

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Reconciliation of effective tax rate				
Total return for the year before tax	331,136	247,304	231,557	169,560
Less: Share of profit of joint ventures	(108,488)	(80,340)	–	–
	222,648	166,964	231,557	169,560
Income tax using the Singapore tax rate of 17% (2017: 17%)	37,850	28,384	39,365	28,825
Non-tax deductible items	10,214	11,852	16,883	11,264
Non-taxable income	(16,623)	(7,608)	(17,448)	(361)
Withholding tax	2,868	2,315	423	134
Tax exempt income	–	–	(5,594)	(6,058)
Tax transparency	(20,416)	(21,178)	(33,206)	(33,670)
(Over)/Under provided in prior years	(920)	4,525	–	1
Total tax expense	12,973	18,290	423	135

25 EARNINGS PER UNIT

Basic earnings per Unit is based on:

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Total return for the year after tax attributable to Unitholders	307,177	220,298	231,134	169,425

	Number of Units			
	Group		Trust	
	2018 '000	2017 '000	2018 '000	2017 '000
Weighted average number of Units:				
- outstanding during the year	2,665,847	2,609,055	2,665,847	2,609,055
- to be issued as payment of asset management fees payable in Units	27	23	27	23
	2,665,874	2,609,078	2,665,874	2,609,078

25 EARNINGS PER UNIT (CONT'D)

In calculating diluted earnings per Unit, the total return for the year after tax and weighted average number of Units in issue are adjusted to take into account the effect of all dilutive potential units, as set out below:

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Total return for the year after tax attributable to Unitholders	307,177	220,298	231,134	169,425
Loss impact of conversion of the dilutive potential Units	(3,135)	–	(3,135)	–
Adjusted total return for the year after tax	304,042	220,298	227,999	169,425

	Number of Units			
	Group		Trust	
	2018 '000	2017 '000	2018 '000	2017 '000
Weighted average number of Units used in calculation of basic earnings per Unit	2,665,874	2,609,078	2,665,874	2,609,078
Weighted average number of Units to be issued assuming conversion of the asset management fees/Bonds	194,604	12,973	194,604	12,973
Weighted average number of Units used in calculation of diluted earnings per Unit	2,860,478	2,622,051	2,860,478	2,622,051

As at 31 December 2018, the Group and the Trust had Bonds which were convertible into approximately 179,941,036 (2017: 179,767,326) Units.

26 OPERATING SEGMENTS

For the purpose of making resource allocation decisions and assessing segment performance, the Group's chief operating decision maker reviews internal/management reports of its retail, office and convention business segments. The nature of the leases (lease of retail, office, convention or other space) is the factor used to determine the reportable segments. As the retail and office of each property are similar in economic characteristics, nature of services and type of customer, the retail and office segments of each property are aggregated accordingly. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the chief operating decision maker for the purpose of assessing segment performance.

Unallocated items comprise mainly other income, trust-related income and expenses, changes in fair value of investment properties and tax expense.

Segment information in respect of the Group's geographical segments is not separately presented as the Group's activities for the year ended 31 December 2018 and 31 December 2017 related mainly to properties located in Singapore, except for 177 Pacific Highway located in Australia.

26 OPERATING SEGMENTS (CONT'D)

Information regarding the Group's reportable segments is presented in the table below.

Information about reportable segments

	← Office →		← Retail →		Convention	
	Suntec City $'000	177 Pacific Highway $'000	Suntec City $'000	Suntec Singapore $'000	Suntec Singapore $'000	Total $'000
2018						
Gross revenue	129,763	40,228	103,878	19,694	69,941	363,504
Property expenses	(30,816)	(5,556)	(30,805)	(4,170)	(51,180)	(122,527)
Reportable segment net property income	98,947	34,672	73,073	15,524	18,761	240,977
2017						
Gross revenue	134,783	40,870	100,205	18,629	59,709	354,196
Property expenses	(26,237)	(5,506)	(28,833)	(4,241)	(44,922)	(109,739)
Reportable segment net property income	108,546	35,364	71,372	14,388	14,787	244,457

Reconciliation of reportable segment net property income

	Group	
	2018 $'000	2017 $'000
Total return		
Reportable segment net property income	240,977	244,457
Unallocated amounts:		
- Net finance costs	(72,189)	(75,608)
- Asset management fees	(47,804)	(47,315)
- Other trust expenses	(3,879)	(3,688)
- Net change in fair value of financial derivatives	5,328	(5,506)
- Net change in fair value of investment properties	100,215	54,624
- Share of profit of joint ventures	108,488	80,340
Consolidated total return for the year before tax	331,136	247,304

27 COMMITMENTS

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
(a) Capital commitments				
Capital expenditure contracted but not provided for	355,519	414,933	–	–
Loan facilities to joint ventures	551,378	553,878	551,378	553,878
	906,897	968,811	551,378	553,878

(b) Investment properties comprise commercial properties that are leased to external customers. The leases contain an initial non-cancellable period of between three and twelve years. Subsequent renewals are negotiated with the lessees. Non-cancellable operating lease rentals receivable are as follows:

	Group		Trust	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Receivables:				
- Within 1 year	265,287	255,710	218,601	207,689
- After 1 year but within 5 years	454,283	448,760	307,782	284,223
- More than 5 years	98,512	141,347	15,510	18,407
	818,082	845,817	541,893	510,319

28 CONTINGENT LIABILITY

Pursuant to the tax transparency ruling from IRAS, the Trustee and the Manager have provided a tax indemnity for certain types of tax losses, including unrecovered late payment penalties that may be suffered by IRAS should IRAS fail to recover from Unitholders tax due or payable on distributions made to them without deduction of tax, subject to the indemnity amount agreed with IRAS. The amount of indemnity, as agreed with IRAS, is limited to the higher of $500,000 or 1.0% of the taxable income of the Trust for the financial year. Each yearly indemnity has a validity period of the earlier of seven years from the relevant year of assessment and three years from the termination of the Trust.

29 FINANCIAL RATIOS

	Group		Trust	
	2018 %	2017 %	2018 %	2017 %
Expenses to weighted average net assets [1]				
- including performance component of asset management fees	0.92	0.92	0.96	0.95
- excluding performance component of asset management fees	0.66	0.64	0.66	0.65
Portfolio turnover rate [2]	–	–	–	–

[1] *The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group and the Trust, excluding property expenses, interest expense and income tax expense.*

[2] *The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group and the Trust expressed as a percentage of daily average net asset value.*

30 RELATED PARTIES

During the financial year, other than the transactions disclosed elsewhere in the financial statements, there were the following related party transactions:

	Group	
	2018	2017
	$'000	$'000
Acquisition fees paid to the Manager	(1,911)	(660)
Asset management fees paid/payable to a related corporation of the Manager	(3,662)	(3,629)
Agency commission paid/payable to a related corporation of the Manager	(4,578)	(3,232)
Rental income received/receivable from an associate of the Manager	2,042	1,713
Rental income received/receivable from related corporations of the Manager	1,231	1,047
Property management fees paid/payable (including reimbursable) to related corporations of the Manager	(24,490)	(22,359)
Professional services fees paid/payable to related corporations of the Manager	(1,109)	(1,080)

	Trust	
	2018	2017
	$'000	$'000
Acquisition fees paid to the Manager	(1,911)	(660)
Agency commission paid/payable to a related corporation of the Manager	(4,106)	(2,462)
Rental income received/receivable from an associate of the Manager	2,042	1,713
Rental income received/receivable from related corporations of the Manager	617	636
Property management fees paid/payable (including reimbursable) to a related corporation of the Manager	(7,009)	(7,050)
Professional services fees paid/payable to related corporations of the Manager	(1,109)	(1,080)

31 SUBSEQUENT EVENT

The Group has the following events subsequent to year end:

- The Manager declared distribution of 2.590 cents per unit in respect of the period from 1 October 2018 to 31 December 2018 which was paid on 28 February 2019.

- The Group issued S$100 million notes at 3.355% per annum, maturing in 2025 through the US$1,500,000,000 Euro Medium Term Note Programme established by its subsidiary, Suntec REIT MTN Pte. Ltd..

32 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards and interpretations and amendments to standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

Applicable to 2019 financial statements

- FRS 116 *Leases*
- INT-FRS 123 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to FRS 28)
- *Prepayment Features with Negative Compensation* (Amendments to FRS 109)
- *Previously Held Interest in a Joint Operation* (Amendments to FRS 103 and 111)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to FRS 12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to FRS 23)

32 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED (CONT'D)

The Group is still in the process of assessing the impact of the new FRS, amendments to and interpretations of FRSs on the financial statements. The Group's preliminary assessment of FRS116, which has minimal impact on the Group, is as described below.

FRS 116

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. FRS 116 replaces existing lease accounting guidance, including FRS 17 *Leases*, INT-FRS 104 *Determining whether an Arrangement contains a Lease*, INT-FRS 15 *Operating Leases – Incentives* and INT-FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted.

The Group and the Trust plan to apply FRS 116 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting FRS 116 will be recognised as an adjustment to the opening balance of Unitholders' Funds at 1 January 2019, with no restatement of comparative information. The Group and the Trust plan to apply the practical expedient to grandfather the definition of a lease on transition. This means that they will apply FRS 116 to all contracts entered into before 1 January 2019 and identified as leases in accordance with FRS 17 and INT-FRS 104.

(i) The Group as lessee

The Group expects its existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under FRS 116. Under the new standard, remaining lease payments of the operating leases will be recognised at their present value discounted using appropriate discount rate. In addition, the nature of expenses related to those leases will now change as FRS 116 replaces the straight-line operating lease expense with depreciation charge of ROU assets and interest expense on lease liabilities.

(ii) The Group as lessor

FRS 116 substantially carries forward the current existing lessor accounting requirements. Accordingly, the Group continues to classify its leases as operating leases, and to account for these leases using the existing operating lease accounting model. However, FRS 116 requires more extensive disclosures to be provided by a lessor.

INDEPENDENT AUDITORS' REPORT

Unitholders of Suntec Real Estate Investment Trust
(Constituted under a Trust Deed dated 1 November 2004 (as amended) in the Republic of Singapore)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Suntec Real Estate Investment Trust (the "Trust") and its subsidiaries ("the Group"), which comprise the Statements of Financial Position and Portfolio Statements of the Group and the Trust as at 31 December 2019, and the Statements of Total Return, Distribution Statements and Statements of Movements in Unitholders' Funds of the Group and the Trust and the Statement of Cash Flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 85 to 150.

In our opinion, the accompanying consolidated financial statements of the Group and the Statement of Financial Position, Portfolio Statement, Statement of Total Return, Distribution Statement and Statement of Movements in Unitholders' Funds of the Trust present fairly, in all material respects, the financial position and the portfolio holdings of the Group and the Trust as at 31 December 2019 and the total return, distributable income and movements in Unitholders' funds of the Group and the Trust and cash flows of the Group for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the '*Auditor's responsibilities for the audit of the financial statements*' section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties
(Refer to Note 5 to the financial statements)

Risk:

As at 31 December 2019, the Group has interests in eight investment properties, including five properties held through interests in joint arrangements (collectively "investment properties").

The Group has engaged external valuers to perform independent valuations for each of the investment properties. The valuation process involves significant judgement in determining the appropriate valuation methodology and in estimating the underlying assumptions to be applied. Key underlying assumptions include price per square foot, projected cash flows, growth rates, discount rates, terminal yield and capitalisation rates.

Our response:

We evaluated the qualification and competence of the external valuers and held discussions with the valuers to understand their valuation methods and assumptions used, where appropriate.

We compared the valuation methodologies used against those used in the past and those applied by other valuers for similar property types.

For the underlying assumptions, we tested the integrity of the projected cash flows used in the valuations to supporting leases and other documents. When a growth rate is assumed in the projected cash flows, we assessed the reasonableness by comparing against historical trend and available industry data. We also assessed the price per square foot, discount rates, terminal yields and capitalisation rates, against historical trends and available industry data, taking into consideration comparability and market factors.

Our findings:

The valuers are members of generally-recognised professional bodies for valuers. The valuation methodologies used are comparable to methods used in the prior years and those used for similar property types. The key assumptions used are comparable to the historical trends and within the range of available industry data.

Other information

ARA Trust Management (Suntec) Limited, the Manager of the Trust (the "Manager") is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report. We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants, and for such internal controls as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

Unitholders of Suntec Real Estate Investment Trust
(Constituted under a Trust Deed dated 1 November 2004 (as amended) in the Republic of Singapore)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Eng Chin Chin.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
31 March 2020

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2019

	Note	Group		Trust	
		2019 $'000	2018 $'000	2019 $'000	2018 $'000
Non-current assets					
Plant and equipment	4	1,648	1,860	237	231
Investment properties	5	6,879,695	6,493,964	5,206,000	5,110,000
Interests in joint ventures	6	2,956,834	2,855,238	1,468,719	1,466,196
Interests in subsidiaries	7	–	–	1,780,370	1,539,802
Derivative assets	10	–	573	–	573
		9,838,177	9,351,635	8,455,326	8,116,802
Current assets					
Derivative assets	10	1	943	1	943
Trade and other receivables	8	36,987	23,168	39,708	16,220
Cash and cash equivalents	11	157,206	136,657	107,258	96,432
		194,194	160,768	146,967	113,595
Total assets		10,032,371	9,512,403	8,602,293	8,230,397
Current liabilities					
Interest-bearing borrowings	12	589,429	513,770	589,429	513,770
Trade and other payables	13	137,500	112,749	70,740	54,844
Derivative liabilities	10	11,761	3,408	11,761	3,408
Security deposits		19,967	19,744	17,437	17,107
		758,657	649,671	689,367	589,129
Non-current liabilities					
Interest-bearing borrowings	12	3,040,819	2,978,075	2,676,260	2,613,884
Security deposits		53,342	49,133	50,068	46,352
Derivative liabilities	10	20,473	27,397	12,540	26,474
Deferred tax liabilities	9	52,936	40,021	–	–
		3,167,570	3,094,626	2,738,868	2,686,710
Total liabilities		3,926,227	3,744,297	3,428,235	3,275,839
Net assets		6,106,144	5,768,106	5,174,058	4,954,558
Represented by:					
Unitholders' funds		5,977,058	5,636,523	5,174,058	4,954,558
Non-controlling interests	16	129,086	131,583	–	–
		6,106,144	5,768,106	5,174,058	4,954,558
Units in issue ('000)	17	2,801,016	2,670,633	2,801,016	2,670,633
Net asset value per Unit ($)	18	2.126	2.103	1.841	1.848

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF TOTAL RETURN

year ended 31 December 2019

	Note	Group		Trust	
		2019 $'000	2018 $'000	2019 $'000	2018 $'000
Gross revenue	19	366,730	363,504	357,879	341,773
Property expenses	20	(129,978)	(121,995)	(70,065)	(61,095)
Impairment loss on trade receivables		(565)	(532)	(565)	(526)
Net property income		236,187	240,977	287,249	280,152
Share of profit of joint ventures	6	157,793	108,488	–	–
Finance income	21	28,739	24,929	28,604	24,788
Finance costs	21	(109,348)	(97,118)	(110,664)	(127,177)
Net finance costs		(80,609)	(72,189)	(82,060)	(102,389)
Asset management fees	22				
- base fee		(34,131)	(32,826)	(30,500)	(29,237)
- performance fee		(15,148)	(14,978)	(15,148)	(14,978)
Professional fees		(404)	(688)	(225)	(292)
Trustee's fees		(1,685)	(1,628)	(1,566)	(1,508)
Audit fees		(507)	(470)	(387)	(355)
Valuation fees		(131)	(141)	(78)	(94)
Other expenses	23	(815)	(952)	(758)	(863)
Net income		260,550	225,593	156,527	130,436
Net change in fair value of financial derivatives		(3,972)	5,328	3,038	6,251
Net change in fair value of investment properties	5	154,389	100,215	93,836	94,870
Total return for the year before tax		410,967	331,136	253,401	231,557
Tax expense	24	(15,874)	(12,973)	(584)	(423)
Total return for the year after tax		395,093	318,163	252,817	231,134
Attributable to:					
Unitholders of the Trust		390,534	307,177	252,817	231,134
Non-controlling interests	16	4,559	10,986	–	–
		395,093	318,163	252,817	231,134
Earnings per Unit (cents)					
Basic	25	14.158	11.522	9.166	8.670
Diluted	25	13.069	10.629	8.470	7.971

The accompanying notes form an integral part of these financial statements.

DISTRIBUTION STATEMENTS

year ended 31 December 2019

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Amount available for distribution to Unitholders at the beginning of the year	69,220	69,036	69,220	69,036
Total return attributable to Unitholders	390,534	307,177	252,817	231,134
Net tax adjustments (Note A)	(269,697)	(187,498)	(16,087)	(3,323)
Taxable income	120,837	119,679	236,730	227,811
Add:				
- Tax exempt dividend income (Note B)	115,893	108,132	–	–
- Others (Note C)	26,000	39,000	26,000	39,000
Amount available for distribution to Unitholders	331,950	335,847	331,950	335,847
Distributions to Unitholders:				
Distribution of 2.590 cents per Unit for period from 1/10/2018 to 31/12/2018	(69,426)	–	(69,426)	–
Distribution of 3.230 cents per Unit for period from 1/1/2019 to 5/5/2019	(86,678)	–	(86,678)	–
Distribution of 1.565 cents per Unit for period from 6/5/2019 to 30/6/2019	(43,786)	–	(43,786)	–
Distribution of 2.365 cents per Unit for period from 1/7/2019 to 30/9/2019	(66,244)	–	(66,244)	–
Distribution of 2.604 cents per Unit for period from 1/10/2017 to 31/12/2017	–	(69,292)	–	(69,292)
Distribution of 2.433 cents per Unit for period from 1/1/2018 to 31/3/2018	–	(64,817)	–	(64,817)
Distribution of 2.474 cents per Unit for period from 1/4/2018 to 30/6/2018	–	(65,993)	–	(65,993)
Distribution of 2.491 cents per Unit for period from 1/7/2018 to 30/9/2018	–	(66,525)	–	(66,525)
	(266,134)	(266,627)	(266,134)	(266,627)
Income available for distribution to Unitholders at end of the year	65,816	69,220	65,816	69,220
Distribution per Unit (cents) *	9.507	9.988	9.507	9.988

* *The distribution per Unit relates to the distributions in respect of the relevant financial year. The distribution for the last quarter of the financial year will be paid subsequent to the reporting date. See Note 31.*

The accompanying notes form an integral part of these financial statements.

DISTRIBUTION STATEMENTS

year ended 31 December 2019

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Note A				
Net tax adjustments comprise:				
- Amortisation of transaction costs	8,659	8,395	8,659	8,395
- Asset management fees paid/payable in Units	36,519	35,371	36,519	35,371
- Net profit from subsidiaries and joint ventures	(203,630)	(149,975)	–	–
- Trustee's fees	1,685	1,628	1,566	1,508
- Net change in fair value of investment properties	(154,389)	(100,215)	(93,836)	(94,870)
- Net foreign currency exchange differences	1,832	1,312	10,087	39,359
- Net change in fair value of financial derivatives	4,084	(5,467)	(2,926)	(6,113)
- Sinking fund contribution	19,260	11,235	16,050	9,363
- Deferred tax	12,915	11,025	–	–
- Other items (Note D)	3,368	(807)	7,794	3,664
Net tax adjustments	(269,697)	(187,498)	(16,087)	(3,323)

Note B

This relates to the dividend income received from Comina Investment Limited, Suntec Harmony Pte. Ltd. and Suntec REIT Capital Pte. Ltd. and distributions of profits from Suntec REIT (Australia) Trust and BFC Development LLP ("BFCD LLP").

Note C

This relates to a portion of the sales proceeds from disposal of an investment property in December 2015.

Note D

This mainly relates to non-tax deductible expenses and rollover adjustments after finalisation of prior year adjustments.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

year ended 31 December 2019

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Balance at the beginning of the year	5,636,523	5,639,074	4,954,558	4,954,212
Total return for the year after tax attributable to Unitholders of the Trust	390,534	307,177	252,817	231,134
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges [1]	756	1,248	–	–
Foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(17,438)	(80,188)	–	–
Net loss recognised directly in Unitholders' funds	(16,682)	(78,940)	–	–
Unitholders' transactions				
Creation of Units:				
- private placement Units	200,000	–	200,000	–
- conversion of convertible bonds	–	500	–	500
- asset management fees paid/payable in Units	18,105	17,405	18,105	17,405
Units to be issued:				
- asset management fees payable in Units	18,414	17,966	18,414	17,966
Unit issue expenses	(3,702)	(32)	(3,702)	(32)
Distributions to Unitholders	(266,134)	(266,627)	(266,134)	(266,627)
Net decrease in Unitholders' funds resulting from Unitholders' transactions	(33,317)	(230,788)	(33,317)	(230,788)
Unitholders' funds at end of the year	5,977,058	5,636,523	5,174,058	4,954,558

[1] *This represents the share of fair value change of the cash flow hedges as a result of interest rate swaps entered into by a joint venture.*

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

as at 31 December 2019

Group

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed Occupancy Rate 2019 %	Committed Occupancy Rate 2018 %	Carrying Value 2019 $'000	Carrying Value 2018 $'000	Percentage of Unitholders' funds 2019 %	Percentage of Unitholders' funds 2018 %
Investment properties in Singapore											
Suntec City Mall	Leasehold	99 years	69 years	3 Temasek Boulevard	Commercial	99.6	99.6	2,070,000	2,060,000	34.6	36.5
Suntec City Office Towers	Leasehold	99 years	69 years	5 - 9 Temasek Boulevard	Commercial	100.0	98.6	3,136,000	3,050,000	52.5	54.1
Suntec Singapore ^	Leasehold	99 years	69 years	1 Raffles Boulevard	Commercial	n/m	n/m	720,000	711,000	12.0	12.6
Investment properties in Australia											
177 Pacific Highway	Freehold	–	–	177 – 199 Pacific Highway, North Sydney	Commercial	100.0	100.0	599,758	561,542	10.0	10.0
Olderfleet, 477 Collins Street	Freehold	–	–	477 Collins Street, Melbourne	Under development	n/m	n/m	213,206	111,422	3.6	2.0
55 Currie Street	Freehold	–	–	55 Currie Street, Adelaide	Commercial	91.7	n/m	140,731	–	2.4	–
Investment properties, at valuation								6,879,695	6,493,964	115.1	115.2
Interests in joint ventures (note 6)								2,956,834	2,855,238	49.5	50.6
								9,836,529	9,349,202	164.6	165.8
Other assets and liabilities (net)								(3,730,385)	(3,581,096)	(62.4)	(63.5)
Net assets								6,106,144	5,768,106	102.2	102.3
Non-controlling interests								(129,086)	(131,583)	(2.2)	(2.3)
Unitholders' funds								5,977,058	5,636,523	100.0	100.0

^ *denotes Suntec Singapore Convention and Exhibition Centre.*

n/m denotes not meaningful.

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

as at 31 December 2019

Trust

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed Occupancy Rate 2019 %	Committed Occupancy Rate 2018 %	Carrying Value 2019 $'000	Carrying Value 2018 $'000	Percentage of Unitholders' funds 2019 %	Percentage of Unitholders' funds 2018 %
Investment properties in Singapore											
Suntec City Mall	Leasehold	99 years	69 years	3 Temasek Boulevard	Commercial	99.6	99.6	2,070,000	2,060,000	40.0	41.6
Suntec City Office Towers	Leasehold	99 years	69 years	5 - 9 Temasek Boulevard	Commercial	100.0	98.6	3,136,000	3,050,000	60.6	61.5
Investment properties, at valuation								5,206,000	5,110,000	100.6	103.1
Interests in joint ventures (note 6)								1,468,719	1,466,196	28.4	29.6
Interests in subsidiaries (note 7)								1,780,370	1,539,802	34.4	31.1
								8,455,089	8,115,998	163.4	163.8
Other assets and liabilities (net)								(3,281,031)	(3,161,440)	(63.4)	(63.8)
Unitholders' funds								5,174,058	4,954,558	100.0	100.0

The accompanying notes form an integral part of these financial statements.

PORTFOLIO STATEMENTS

as at 31 December 2019

Note:

Suntec City Office Towers comprise 15 strata lots in Suntec City Office Tower One, 10 strata lots in Suntec City Office Tower Two, 76 strata lots in Suntec City Office Tower Three and all the strata lots in Suntec City Office Towers Four and Five.

Suntec Singapore comprises more than one million square feet of versatile floor space over six levels which includes approximately 142,000 square feet of retail space.

177 Pacific Highway is a 31-storey commercial building located in North Sydney, Australia.

Olderfleet, 477 Collins Street is a proposed 40-storey office building located in Melbourne, Australia. It is currently under development and is scheduled to be completed by mid 2020.

55 Currie Street is a 12-storey commercial building located in Adelaide, Australia.

The carrying amounts of the investment properties as at 31 December 2019 were based on independent valuations undertaken by Savills Valuation and Professional Services (S) Pte Ltd, Savills Valuations Pty Ltd, Valuations Services (SA) Pty Ltd and CIVAS (VIC) Pty Limited (2018: Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Jones Lang LaSalle Advisory Services Pty Ltd and CIVAS (VIC) Pty Limited). The independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations were based on the discounted cash flow method, capitalisation approach and direct comparison method.

Description of property	Valuation 2019 $'000	Valuation 2018 $'000
Suntec City Mall	2,070,000	2,060,000
Suntec City Office Towers	3,136,000	3,050,000
Suntec Singapore	720,000	711,000
177 Pacific Highway	599,758	561,542
Olderfleet, 477 Collins Street*	406,135	400,038
55 Currie Street	140,731	–

* *For Olderfleet, 477 Collins Street, the carrying amount of the investment property under development of $213,206,000 (2018: $111,422,000) is derived based on the valuation amount less estimated costs to complete.*

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

year ended 31 December 2019

	Group	
	2019	**2018**
	$'000	**$'000**
Cash flows from operating activities		
Net income	260,550	225,593
Adjustments for:		
Impairment loss on trade receivables	565	532
Bad debts recovered	(255)	(11)
Asset management fees paid/payable in Units	36,519	35,371
Depreciation of plant and equipment	835	1,056
Loss on disposal of plant and equipment	5	9
Net finance costs	80,609	72,189
Share of profit of joint ventures	(157,793)	(108,488)
	221,035	226,251
Changes in:		
- Trade and other receivables	(5,230)	(5,020)
- Trade and other payables	13,649	(11,802)
Cash generated from operations	229,454	209,429
Tax refund	–	920
Net cash from operating activities	229,454	210,349
Cash flows from investing activities		
Capital expenditure on investment properties	(5,707)	(5,830)
Acquisition of an investment property	(141,542)	–
Security deposit paid in relation to a development	(14,079)	–
Progress payments on construction	(86,003)	(41,576)
Dividend income received	78,390	65,123
Change in investment in joint ventures	(20,794)	(174,854)
Change in loans to joint ventures	(2,523)	(2,500)
Proceeds from disposal of plant and equipment	–	3
Interest received	26,926	23,851
Purchase of plant and equipment	(628)	(819)
Net cash used in investing activities	(165,960)	(136,602)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

year ended 31 December 2019

	Note	Group 2019 $'000	2018 $'000
Cash flows from financing activities			
Distributions to Unitholders		(265,905)	(266,636)
Dividends paid to non-controlling interests		(7,056)	(7,056)
Financing costs paid		(97,513)	(94,552)
Redemption of convertible bonds		(1,000)	–
Proceeds from euro medium term notes		100,000	330,000
Repayment of euro medium term notes		–	(105,000)
Proceeds from issuance of units		200,000	–
Proceeds from settlement of derivatives		2,166	–
Proceeds from interest-bearing loans		498,387	923,536
Unit issue costs paid		(3,702)	(32)
Repayment of interest-bearing loans		(465,000)	(888,342)
Net cash used in financing activities		(39,623)	(108,082)
Net increase/(decrease) in cash and cash equivalents		23,871	(34,335)
Cash and cash equivalents at beginning of the year		136,657	172,655
Effects of exchange rate fluctuations on cash held		(3,322)	(1,663)
Cash and cash equivalents at the end of the year	11	157,206	136,657

Significant non-cash transactions

The Group and the Trust had issued or will be issuing a total of 19,495,145 (2018: 19,443,129) Units to the Manager, amounting to approximately $36,519,000 (2018: $35,371,000) at unit prices ranging from $1.8183 to $1.9537 (2018: $1.7075 to $1.9058) as satisfaction of asset management fees payable in Units in respect of the year ended 31 December 2019 (2018: 31 December 2018).

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 31 March 2020.

1. GENERAL

Suntec Real Estate Investment Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 1 November 2004 (as amended by a first supplemental deed dated 25 January 2006, a second supplemental deed dated 20 April 2006, a third supplemental deed dated 30 July 2007, a fourth supplemental deed dated 11 October 2007, a fifth supplemental deed dated 29 September 2008, a sixth supplemental deed dated 14 April 2010, a first amending and restating deed dated 7 September 2010, a second amending and restating deed dated 14 April 2016, a ninth supplemental deed dated 21 May 2018 and a tenth supplemental deed dated 23 July 2018) (collectively the "Trust Deed") between ARA Trust Management (Suntec) Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust in trust for the holders ("Unitholders") of units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 9 December 2004 and was included in the Central Provident Fund Investment Scheme ("CPFIS") on 9 December 2004.

The principal activity of the Trust and its subsidiaries is to invest in income producing real estate and real estate related assets, which are used or substantially used for commercial purposes, with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth.

The financial statements of the Trust as at and for the year ended 31 December 2019 comprise the Trust and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in joint ventures.

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures of these services are as follows:

(i) Property management fees

APM Property Management Pte Ltd ("APM"), the property manager of Suntec City Mall and Suntec City Office Towers is entitled to receive 3.0% per annum of gross revenue for provision of lease management services, marketing and marketing co-ordination services and property management services. In addition, where the aggregate of all (1) licence fees; (2) media sales; and (3) other advertising and promotion income derived from Suntec City Mall for each financial year exceeds $5,520,000, APM is entitled to receive a commission of 10.0% of the said licence fees, media sales and other advertising and promotion income which exceeds $5,520,000 for each financial year.

Suntec Singapore International Convention and Exhibition Services Pte Ltd, the operator of Suntec Singapore Convention and Exhibition Centre, is entitled to receive 3.0% per annum of gross revenue for operations, sales and marketing services for conventions, exhibitions, meetings and events facilities.

CBRE Pty Ltd ("CBRE"), the building manager of 177 Pacific Highway, is entitled to receive an agreed annual fee for the provision of property management, real estate accounting and technical services.

APM Australia (ARA) Pty Ltd, the property manager of 55 Currie Street is entitled to receive 1.5% per annum of gross income.

The property management fees are payable monthly in arrears.

1. GENERAL (CONT'D)

(ii) Asset management fees

Pursuant to the Trust Deed, asset management fees comprise the following:

(a) a base fee not exceeding 0.3% per annum of the value of the Deposited Property (being all the assets of the Trust (including all its Authorised Investments) as defined in the Trust Deed) of the Trust or such higher percentage as may be approved by an extraordinary resolution of a meeting of Unitholders; and

(b) an annual performance fee equal to a rate of 4.5% per annum of the Net Property Income (as defined in the Trust Deed) of the Trust and any Special Purpose Vehicles (as defined in the Trust Deed) for each financial year, or such lower percentage as may be determined by the Manager in its absolute discretion or such higher percentage as may be approved by an extraordinary resolution at a meeting of Unitholders.

Based on the current agreement between the Manager and the Trustee, the base fee is agreed to be 0.3% per annum of the value of the Deposited Property.

The asset management fees shall be paid in the form of Units and/or cash as the Manager may elect. The portion of the base fees payable in the form of Units is payable quarterly in arrears and the portion of the asset management fees payable in cash is payable monthly in arrears. The performance fee is paid annually in arrears, regardless of whether it is paid in form of cash and/or Units.

The Manager is also entitled to receive an acquisition fee at the rate of 1.0% of the acquisition price and a divestment fee of 0.5% of the sales price on all future acquisitions and disposals of properties.

(iii) Trustee's fee

Pursuant to the Trust Deed, the Trustee's fee shall not exceed 0.25% per annum of the value of the Deposited Property (subject to a minimum sum of $9,000 per month) or such higher percentage as may be approved by an extraordinary resolution of a meeting of Unitholders.

The Trustee's fee is payable out of the Deposited Property of the Trust on a monthly basis, in arrears. The Trustee is also entitled to reimbursement of all reasonable out-of-pocket expenses incurred in the performance of its duties under the Trust Deed.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants, and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS").

2.2 Basis of measurement

These financial statements are prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Trust's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2. BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes:

- note 5 – Valuation of investment properties
- note 15 – Valuation of financial instruments

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Manager has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for all significant fair value measurements, including Level 3 fair values; and reports directly to the Chief Executive Officer.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as property valuations, broker quotes or pricing services, is used to measure fair value, then the team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which the valuation should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable data).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- note 5 – Valuation of investment properties
- note 15 – Valuation of financial instruments

2. BASIS OF PREPARATION (CONT'D)

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following FRS, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 January 2019:

- FRS 116 *Leases*
- FRS INT 123 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to FRS 28)
- *Previously Held Interest in a Joint Operation* (Amendments to FRS 103 and FRS 111)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to FRS 23)

An explanation of how the Group classifies and measures its leases under the principles of FRS 116 is set out in Note 3.5.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group, except as explained in note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests ("NCI") in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Joint ventures (equity-accounted investees)

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, obligations for the liabilities, relating to the arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

As at 31 December 2019, the Group is a 50% (31 December 2018: 50%) partner with Mirvac Commercial Sub SPV Ltd in 477 Collins Street Joint Venture (the "477 Collins Street Joint Venture"), whose principal activity is that of a property investment and the place of business is Australia. The Group has classified the 477 Collins Street Joint Venture as a joint operation as the joint venture partners control the 477 Collins Street Joint Venture collectively, and the 477 Collins Street Joint Venture is not structured through a separate legal vehicle.

Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with the equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries and joint ventures in the separate financial statements

Investments in subsidiaries and joint ventures are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised and presented in the foreign currency translation reserve (translation reserve) in Unitholders' funds. However, if the foreign operation is disposed of such that control, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Foreign currency (cont'd)

Foreign operations (cont'd)

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised and presented in the translation reserve in Unitholders' funds.

3.3 Plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

The gain or loss arising from the retirement or disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment.

The estimated useful lives for the current and comparative years are as follows:

Furniture and fittings	5 years
Equipment	3 - 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in such manner and frequency required under the Property Funds Appendix of the CIS Code issued by the MAS (being (i) at least once a financial year and (ii) in the event that the manager proposes to issue new Units or redeem existing Units and the valuation was conducted more than six months ago and the market conditions indicate that the real estate values have changed materially).

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. Property that is being constructed for future use as investment property is accounted for at fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases

The Group has applied FRS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under FRS 17 and INT FRS 104. The details of accounting policies under FRS 17 and INT FRS 104 are disclosed separately.

Policy applicable from 1 January 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in FRS 116.

This policy is applied to contracts entered into, on or after 1 January 2019.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

Policy applicable from 1 January 2019 (cont'd)

(i) As a lessee (cont'd)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies FRS 115 to allocate the consideration in the contract.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from FRS 116.

Leases - Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

Leases - Policy applicable before 1 January 2019 (cont'd)

(i) As a lessee

Payment made under operating leases are recognised in the statement of total return on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(ii) As a lessor

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

Rental income from investment property is recognised as 'revenue' on a straight-line basis over the term of the lease.

3.6 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets (cont'd)

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the Manager. The information considered includes:

- how the performance of the portfolio is evaluated and reported to the Manager; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Financial assets that are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

These financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial instruments (cont'd)

(vi) Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the hedging reserve in Unitholders' funds. The effective portion of changes in the fair value of the derivative that is recognised in the hedging reserve in Unitholders' funds is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in Unitholders' funds until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to profit or loss.

(vii) Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

(viii) Convertible bonds

The convertible bonds comprise a liability for the principal and interest and a derivative liability. The liability component of the convertible bonds is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The derivative liability is recognised initially at the difference between the fair value of the convertible bonds as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability component and derivative liability in proportion to their initial carrying amounts.

Subsequent to initial recognition, the convertible bonds are measured at amortised cost using the effective interest method. The separated derivative liability is measured at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods in respect of assets other than goodwill are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Unitholders' funds

Unitholders' funds are classified as equity.

Issue costs relate to expenses incurred in connection with the issue of units. The expenses are deducted directly against Unitholders' funds.

3.9 Revenue recognition

(i) Rental income from operating leases

Rental income receivable under operating leases is recognised as 'revenue' on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period in which they are earned. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the right to receive payment is established.

3.10 Expenses

(i) Property expenses

Property expenses consist of advertising and promotion expenses, property tax, property management fees (using the applicable formula stipulated in note 1(i)), maintenance charges and other property outgoings in relation to investment properties where such expenses are the responsibility of the Group.

(ii) Asset management fees

Asset management fees are recognised on an accrual basis using the applicable formula stipulated in note 1(ii).

(iii) Trustee's fee

Trustee's fee is recognised on an accrual basis using the applicable formula stipulated in note 1(iii).

3.11 Finance income and finance costs

Finance income comprises interest income on funds invested and net foreign exchange gains that are recognised in profit or loss.

Finance costs comprise interest expense on borrowings, amortisation of transaction costs incurred on borrowings and net foreign exchange losses that are recognised in profit or loss.

Foreign exchange gains and losses are reported on a net basis as either finance income or finance cost depending on whether the foreign exchange movements are in a net gain or net loss position.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Finance income and finance costs (cont'd)

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.12 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in Unitholders' funds.

Current tax is the expected tax payable on the taxable income for the year, measured using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Deferred tax is not recognised for temporary difference on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and temporary differences related to investments in subsidiaries and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date and reflects uncertainty related to income tax, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity; or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits, against which the temporary differences can be utilised, will be available. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of the Trust for income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the tax ruling which includes a distribution of at least 90% of the taxable income of the Trust, the Trustee will not be taxed on the portion of taxable income of the Trust that is distributed to Unitholders. Any portion of the taxable income that is not distributed to Unitholders will be taxed on the Trustee. In the event that there are subsequent adjustments to the taxable income when the actual taxable income of the Trust is finally agreed with the IRAS, such adjustments are taken up as an adjustment to the taxable income for the next distribution following the agreement with the IRAS.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Tax (cont'd)

Although the Trust is not taxed on its taxable income distributed, the Trustee and the Manager are required to deduct income tax from distributions of such taxable income of the Trust (i.e. which has not been taxed in the hands of the Trustee) to certain Unitholders. However, the Trustee and the Manager will not deduct tax from distributions made out of the Trust's taxable income to the extent that the beneficial Unitholder is:

- An individual (excluding a partnership in Singapore);
- A tax resident Singapore-incorporated company;
- A body of persons registered or constituted in Singapore (e.g. a town council, a statutory board, a registered charity, a registered cooperative society, a registered trade union, a management corporation, a club or a trade and industry association);
- A Singapore branch of a foreign company which has been presented a letter of approval from the Comptroller of Income Tax granting waiver from tax deducted at source in respect of distributions from the Trust;
- An agent bank acting as a nominee for individuals who have purchased Units within the CPFIS and the distributions received from the Trust are returned to CPFIS; or
- An international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145).

The above tax transparency ruling does not apply to gains from sale of properties. Where the gains are trading gains, the Trustee will be assessed for tax. Where the gains are capital gains, the Trustee will not be assessed for tax and may distribute the capital gains without tax being deducted at source.

3.13 Earnings per unit

Basic earnings per unit is calculated by dividing the total return for the year after tax attributable to Unitholders of the Trust by the weighted average number of units outstanding during the year. Diluted earnings per unit is determined by adjusting the total return for the year after tax attributable to Unitholders of the Trust and the weighted average number of units outstanding, adjusted for the effects of all dilutive potential units.

3.14 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer (the chief operating decision maker), to make decisions about resources to be allocated to the segment and to assess the segment's performance, and for which discrete financial information is available.

3.15 New standards and interpretations not yet adopted

A number of new standards and amendments to standards, including those listed below, are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Group has not early applied the following new or amended standards in preparing these statements. They are not expected to have a significant impact on the Group's consolidated financial statements and the Trust's statement of financial position:

- *Amendments to References to Conceptual Framework in FRS Standards;*
- *Definition of a Business* (Amendments to FRS 103); and
- *Definition of Material* (Amendments to FRS 1 and FRS 8).

4. PLANT AND EQUIPMENT

Group	Furniture and fittings $'000	Equipment $'000	Total $'000
Cost			
At 1 January 2018	5,563	2,317	7,880
Additions	605	214	819
Disposals	(147)	(130)	(277)
At 31 December 2018	6,021	2,401	8,422
Additions	301	327	628
Disposals	(52)	(84)	(136)
At 31 December 2019	6,270	2,644	8,914
Accumulated depreciation			
At 1 January 2018	4,060	1,711	5,771
Depreciation charge for the year	706	350	1,056
Disposals	(140)	(125)	(265)
At 31 December 2018	4,626	1,936	6,562
Depreciation charge for the year	496	339	835
Disposals	(52)	(79)	(131)
At 31 December 2019	5,070	2,196	7,266
Carrying amounts			
At 1 January 2018	1,503	606	2,109
At 31 December 2018	1,395	465	1,860
At 31 December 2019	1,200	448	1,648

Trust	Equipment $'000
Cost	
At 1 January 2018	1,362
Additions	38
At 31 December 2018	1,400
Additions	195
At 31 December 2019	1,595
Accumulated depreciation	
At 1 January 2018	980
Depreciation charge for the year	189
At 31 December 2018	1,169
Depreciation charge for the year	189
At 31 December 2019	1,358
Carrying amounts	
At 1 January 2018	382
At 31 December 2018	231
At 31 December 2019	237

5. INVESTMENT PROPERTIES

	Group		Trust	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
At 1 January	6,493,964	6,387,338	5,110,000	5,011,000
Acquisitions	141,542	–	–	–
Capital expenditure capitalised	99,390	62,808	2,164	4,130
	6,734,896	6,450,146	5,112,164	5,015,130
Changes in fair value	154,389	100,215	93,836	94,870
Effects of movements in exchange rates	(9,590)	(56,397)	–	–
At 31 December	6,879,695	6,493,964	5,206,000	5,110,000

Measurement of fair value

The fair value of investment properties is determined by external independent valuers having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued. Valuations of the investment properties are carried out at least once a year.

The valuers have considered valuation techniques including the discounted cash flow method, capitalisation approach and/or direct comparison method. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates. The direct comparison method involves the analysis of comparable sales of similar properties, with adjustments made to differentiate the comparable in terms of location, area, quality and other relevant factors.

The valuation technique(s) considered by valuers for each property is in line with market practices generally adopted in the jurisdiction in which the property is located.

Fair value hierarchy

The fair value measurement for investment properties have been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

5. INVESTMENT PROPERTIES (CONT'D)

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation techniques	Key unobservable inputs	Range	Inter-relationship between significant unobservable inputs and fair value measurement
Discounted cash flow method	Discount rate	Singapore: 6.00% - 6.50% (2018: 6.25% - 6.50%) Australia: 6.38% - 7.75% (2018: 6.50%)	The estimated fair value would increase if the discount rate and terminal yield were lower.
	Terminal yield	Singapore 4.00% - 6.20% (2018: 4.15% - 6.50%) Australia 4.62% - 7.50% (2018: 4.68% - 5.63%)	
Capitalisation approach	Capitalisation rate	Singapore 3.50% - 6.25% (2018: 3.50% - 6.25%) Australia 4.50% - 7.25% (2018: 4.62% - 5.63%)	The estimated fair value would increase if the capitalisation rate was lower.
Direct comparison method	Price per square foot	Singapore $665 - $2,474 (2018: $461 - $2,423)	The estimated fair value would increase if the price per square foot was higher.

Security

The investment property, Suntec Singapore (2018: Suntec Singapore), with a total carrying value of $720,000,000 (2018: $711,000,000), has been mortgaged as security for a credit facility granted to a subsidiary (note 12).

6. INTERESTS IN JOINT VENTURES

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Investment in joint ventures	2,338,689	2,239,616	850,574	850,574
Loans to joint ventures	618,145	615,622	618,145	615,622
	2,956,834	2,855,238	1,468,719	1,466,196

The loans bear interest between 3.74% to 5.46% (2018: 3.37% to 5.16%) per annum and have no fixed terms of repayment. The settlement of these loans is neither planned nor likely to occur in the foreseeable future and hence the loans are classified as non-current.

6. INTERESTS IN JOINT VENTURES (CONT'D)

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Effective interests held by the Group	
		2019 %	2018 %
One Raffles Quay Pte. Ltd. ("ORQPL") [1]	Singapore	33.33	33.33
BFC Development LLP ("BFCDLLP") [1]	Singapore	33.33	33.33
Park Mall Investment Limited ("PMIL") [2]	British Virgin Islands	30.0	30.0
Southgate Trust ("SGT") [3]	Australia	50.0	50.0
Held by joint ventures			
Held by PMIL			
Park Mall Holdings Limited [2]	British Virgin Islands	30.0	30.0
Held by Park Mall Holdings Limited			
Park Mall Pte. Ltd. [4]	Singapore	30.0	30.0

One Raffles Quay Pte. Ltd. owns One Raffles Quay, Singapore.

BFC Development LLP owns Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall, Singapore.

Park Mall Pte. Ltd. owns a commercial property located at 9 Penang Road, Singapore.

Suntec REIT (Australia) Trust owns 50% interest in Southgate Trust which in turn, owns 100% (2018: 100%) in Southgate Complex, Melbourne, Australia.

[1] *Audited by Ernst & Young LLP. The Manager's Board of Directors and Audit Committee are satisfied that the appointment will not compromise the standard and effectiveness of the audit.*

[2] *Not required to be audited under the laws of the country in which it was incorporated.*

[3] *For consolidation purposes, this entity has been audited by a member of KPMG International.*

[4] *Audited by KPMG LLP Singapore.*

6. INTERESTS IN JOINT VENTURES (CONT'D)

The following summarises the financial information of the Group's material joint ventures based on their financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	ORQPL $'000	BFCDLLP $'000	PMIL $'000	SGT $'000	Total $'000
2019					
Revenue	148,089	216,829	1	54,983	419,902
Expenses	(82,991)	(114,305)	(6,081)	(20,253)	(223,630)
Net change in fair value of investment properties	18,100	–	190,715	46,261	255,076
Total return for the year [(a)]	83,198	102,524	184,635	80,991	451,348
[(a)] Includes:					
- Depreciation	(28)	(44)	–	–	(72)
- Interest income	237	403	–	76	716
- Interest expense	(34,269)	(69,195)	(3,795)	–	(107,259)
- Tax expense	(13,423)	–	–	–	(13,423)
Non-current assets	1,712,422	5,081,981	930,002	757,622	8,482,027
Current assets[(b)]	1,512,570	18,347	7,246	11,273	1,549,436
Current liabilities[(c)]	(933,781)	(5,983)	(37,935)	(6,901)	(984,600)
Non-current liabilities[(d)]	(172,549)	(1,743,930)	(460,608)	–	(2,377,087)
Net assets	2,118,662	3,350,415	438,705	761,994	6,669,776
[(b)] Includes cash and cash equivalents	16,654	15,610	3,044	9,108	44,416
[(c)] Includes current financial liabilities (excluding trade and other payables and provisions)	910,904	5,034	–	1,084	917,022
[(d)] Includes non-current financial liabilities (excluding trade and other payables and provisions)	167,069	1,743,930	460,608	–	2,371,607
Group's interest in net assets of joint ventures at the beginning of the year	699,429	1,116,795	69,501	353,891	2,239,616
Share of total return	27,732	34,175	55,390	40,496	157,793
Distributions for the year	(21,693)	(34,165)	–	(18,699)	(74,557)
Gain/(Loss) recognised directly in Unitholders' funds	756	–	–	(5,713)	(4,957)
Capital injection	–	–	6,720	14,074	20,794
Carrying amount of interest in joint ventures at the end of the year	706,224	1,116,805	131,611	384,049	2,338,689

6. INTERESTS IN JOINT VENTURES (CONT'D)

	ORQPL $'000	BFCDLLP $'000	PMIL $'000	SGT $'000	Total $'000
2018					
Revenue	150,500	212,866	–	48,279	411,645
Expenses	(82,767)	(115,003)	(746)	(20,852)	(219,368)
Net change in fair value of investment properties	4,000	7,000	–	72,266	83,266
Total return for the year [(a)]	71,733	104,863	(746)	99,693	275,543
[(a)] Includes:					
- Depreciation	(9)	(32)	–	–	(41)
- Interest income	216	270	–	108	594
- Interest expense	(33,186)	(62,857)	–	–	(96,043)
- Tax (expense)/refund	(14,012)	–	316	–	(13,696)
Non-current assets	1,693,878	5,076,554	636,322	700,083	8,106,837
Current assets[(b)]	1,502,165	7,347	7,093	22,597	1,539,202
Current liabilities[(c)]	(49,098)	(33,047)	(12,119)	(21,002)	(115,266)
Non-current liabilities[(d)]	(1,048,670)	(1,700,466)	(399,626)	–	(3,148,762)
Net assets	2,098,275	3,350,388	231,670	701,678	6,382,011
[(b)] Includes cash and cash equivalents	9,352	18,755	5,587	18,883	52,577
[(c)] Includes current financial liabilities (excluding trade and other payables and provisions)	–	–	–	8,741	8,741
[(d)] Includes non-current financial liabilities (excluding trade and other payables and provisions)	1,043,107	1,704,527	399,626	–	3,147,260
Group's interest in net assets of joint ventures at the beginning of the year	696,438	1,114,449	61,483	174,742	2,047,112
Share of total return	23,911	34,954	(223)	49,846	108,488
Distributions for the year	(22,552)	(32,608)	–	(13,395)	(68,555)
Gain/(Loss) recognised directly in Unitholders' funds	1,632	–	–	(23,915)	(22,283)
Capital injection	–	–	8,241	166,613	174,854
Carrying amount of interest in joint ventures at the end of the year	699,429	1,116,795	69,501	353,891	2,239,616

7. INTERESTS IN SUBSIDIARIES

	Trust	
	2019 $'000	2018 $'000
Equity investment at cost	957,336	914,067
Loans to subsidiaries	823,034	625,735
	1,780,370	1,539,802

The loans are unsecured, interest-free and have no fixed terms of repayment. The settlement of these loans is neither planned nor likely to occur in the foreseeable future and hence the loans are classified as non-current.

7. INTERESTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Effective interests held by the Group 2019 %	2018 %
Held by the Trust			
Comina Investment Limited. [2]	British Virgin Islands	100.0	100.0
Suntec Harmony Pte. Ltd. [1]	Singapore	100.0	100.0
Suntec REIT MTN Pte. Ltd. [1]	Singapore	100.0	100.0
Suntec REIT Capital Pte. Ltd. [1]	Singapore	100.0	100.0
Suntec REIT (Australia) Trust [2]	Australia	100.0	100.0
Suntec (PM) Pte. Ltd. [1]	Singapore	100.0	100.0
Held through subsidiaries			
Held by Suntec Harmony Pte. Ltd. Harmony Partners Investments Limited [2]	British Virgin Islands	51.0	51.0
Held by Harmony Partners Investments Limited Harmony Investors Group Limited [2]	British Virgin Islands	60.8	60.8
Held by Harmony Investors Group Limited Harmony Investors Holding Limited [2]	British Virgin Islands	60.8	60.8
Held by Harmony Investors Holding Limited Harmony Convention Holding Pte Ltd [1]	Singapore	60.8	60.8
Held by Suntec REIT (Australia) Trust Suntec REIT 177 Trust [3]	Australia	100.0	100.0
Suntec REIT 477 Trust [3]	Australia	100.0	100.0
Suntec REIT 55 Trust (formerly Suntec Southgate Trust) [3]	Australia	100.0	100.0
Suntec REIT 21 Trust [2]	Australia	100.0	–

Harmony Convention Holding Pte Ltd owns Suntec Singapore, Singapore.

Suntec REIT 177 Trust owns 177 – 199 Pacific Highway, North Sydney.

Suntec REIT 477 Trust owns 50% interest in Olderfleet, 477 Collins Street, Melbourne.

Suntec REIT 55 Trust (formerly Suntec Southgate Trust) owns 55 Currie Street, Adelaide.

[1] *Audited by KPMG LLP Singapore.*

[2] *Not required to be audited under the laws of the country in which it is incorporated.*

[3] *For consolidation purposes, this entity has been audited by a member of KPMG International.*

8. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Trade receivables	12,986	15,490	6,045	6,408
Impairment losses	(1,707)	(3,567)	(1,698)	(3,546)
Net receivables	11,279	11,923	4,347	2,862
Deposits	14,037	12	–	–
Amounts due from subsidiaries:				
- Non-trade	–	–	29,023	8,762
Other receivables	3,316	5,646	26	377
Prepayments	8,355	5,587	6,312	4,219
	36,987	23,168	39,708	16,220

The trade receivables in respect of Suntec Singapore (2018: Suntec Singapore), amounting to $5,999,000 (2018: $$9,075,000) are charged or assigned by way of security for a credit facility granted to a subsidiary (note 12).

Deposits mainly relates to security deposit paid for the development of a freehold property located at 21 Harris Street, Pyrmont, Sydney, Australia.

The non-trade amounts due from the subsidiaries are unsecured, interest-free and repayable on demand.

The exposure of the Group and the Trust to currency risk, credit risk and impairment losses related to trade receivables is disclosed in note 15.

9. DEFERRED TAX LIABILITIES

Movements in deferred tax liabilities of the Group during the year

	At 1 January 2018 $'000	Recognised in statement of total return (note 24) $'000	At 31 December 2018 $'000	Recognised in statement of total return (note 24) $'000	At 31 December 2019 $'000
Investment properties	31,368	11,742	43,110	10,371	53,481
Plant and equipment	178	13	191	(78)	113
Tax losses carry-forward	(2,293)	–	(2,293)	1,867	(426)
Others	(257)	(730)	(987)	755	(232)
	28,996	11,025	40,021	12,915	52,936

10. FINANCIAL DERIVATIVES

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Derivative assets				
- Interest rate swaps	1	1,516	1	1,516
Classified as:				
Current	1	943	1	943
Non-current	–	573	–	573
	1	1,516	1	1,516
Derivative liabilities				
- Interest rate swaps	19,585	5,868	11,652	4,945
- Forward exchange contracts	88	1,305	88	1,305
- Embedded derivatives relating to convertible bonds	12,561	23,632	12,561	23,632
	32,234	30,805	24,301	29,882
Classified as:				
Current	11,761	3,408	11,761	3,408
Non-current	20,473	27,397	12,540	26,474
	32,234	30,805	24,301	29,882

Interest rate swaps

The Group and the Trust use interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing term loans by swapping the interest expense on a proportion of these term loans from floating rates to fixed rates.

Interest rate swaps of the Group and the Trust with a total notional amount of $1,466.5 million (2018: $1,357.5 million) and $1,100.5 million (2018: $1,265.5 million) respectively, have been entered into at the reporting date to provide fixed rate funding for 3 to 5 years (2018: 3 years) at an average interest rate of 1.48% to 2.24% (2018: 1.31% to 2.24%) per annum.

Forward foreign exchange contracts

The Group manages its exposure to foreign currency movements on its net income denominated in Australian Dollar from its investment in Australia by using forward exchange contracts.

Forward exchange contracts with aggregate notional amounts of $20.2 million (2018: $20.6 million), with maturities of less than one year, have been entered into to hedge the currency risk of Australian Dollar.

Offsetting financial assets and financial liabilities

The Group enters into derivative transactions under International Swaps and Derivatives Association ("ISDA") master netting agreements. In general, under such agreements, the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

As at 31 December 2019 and 31 December 2018, the Group's derivative financial assets and liabilities do not have any amounts that are eligible for offsetting under the enforceable master netting arrangement.

11. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Cash at bank and in hand	156,132	96,211	106,184	55,986
Fixed deposits	1,074	40,446	1,074	40,446
	157,206	136,657	107,258	96,432

The weighted average effective interest rate relating to cash and cash equivalents at the reporting date for the Group and the Trust is 0.74% and 0.62% (2018: 1.19% and 1.23%) per annum respectively. Interest rates reprice at intervals of one month.

Cash and cash equivalents in respect of Suntec Singapore (2018: Suntec Singapore) amounting to $22,153,000 (2018: $30,716,000) are charged or assigned by way of security for a credit facility granted to a subsidiary (note 12).

The exposure of the Group and the Trust to interest rate and currency risks related to financial assets are disclosed in note 15.

12. INTEREST-BEARING BORROWINGS

		Group		Trust	
	Note	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Term loans					
- secured		364,559	364,191	–	–
- unsecured		2,901,938	2,767,994	2,901,938	2,767,994
		3,266,497	3,132,185	2,901,938	2,767,994
Convertible bonds					
- unsecured	14	363,751	359,660	363,751	359,660
		3,630,248	3,491,845	3,265,689	3,127,654
Classified as:					
Current		589,429	513,770	589,429	513,770
Non-current		3,040,819	2,978,075	2,676,260	2,613,884
		3,630,248	3,491,845	3,265,689	3,127,654

The exposure of the Group and the Trust to liquidity and interest rate risks related to interest-bearing borrowings are disclosed in note 15.

12. INTEREST-BEARING BORROWINGS (CONT'D)

Terms and debt repayment schedule

Terms and conditions of outstanding interest-bearing borrowings are as follows:

	Currency	Weighted average nominal interest rate %	Year of maturity	2019 Face value $'000	2019 Carrying amount $'000	2018 Face value $'000	2018 Carrying amount $'000
Group							
Floating rate term loans	SGD	2.57%	2019 – 2024	2,336,923	2,328,000	2,303,536	2,294,006
Fixed rate term loans	SGD	3.20%	2020 – 2025	940,000	938,497	840,000	838,179
Convertible bonds	SGD	1.75%	2024	300,000	279,470	300,000	275,686
Convertible bonds	SGD	1.75%	2021	86,500	84,281	87,500	83,974
				3,663,423	3,630,248	3,531,036	3,491,845
Trust							
Floating rate term loans	SGD	2.59%	2019 – 2024	1,970,923	1,963,441	1,937,536	1,929,815
Fixed rate term loans	SGD	3.20%	2020 – 2025	940,000	938,497	840,000	838,179
Convertible bonds	SGD	1.75%	2024	300,000	279,470	300,000	275,686
Convertible bonds	SGD	1.75%	2021	86,500	84,281	87,500	83,974
				3,297,423	3,265,689	3,165,036	3,127,654

Secured term loan

As at 31 December 2019, the Group has in place a secured term loan facility and revolving credit facility amounting to $406.0 million (2018: $406.0 million) with a panel of banks. As at 31 December 2019, the Group has drawn down $366.0 million (2018: $366.0 million) of secured facilities.

The facilities are secured on the following:

- A first legal mortgage on Suntec Singapore (2018: Suntec Singapore) (the "Property");
- A first fixed charge over the central rental collection account in relation to the Property (notes 8 and 11);
- An assignment of the subsidiary's rights, title and interest in the key 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 institutions granting the facility (note 5).

12. INTEREST-BEARING BORROWINGS (CONT'D)

Unsecured term loans

Included in unsecured term loans are euro medium term notes ("EMTN") amounting to $940.0 million (2018: $840.0 million).

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities			Derivative liabilities	
	Term loans $'000	Convertible bonds $'000	Interest payable $'000	Embedded derivatives liabilities relating to convertible bonds $'000	Total $'000
Balance at 1 January 2019	3,132,185	359,660	14,290	23,632	3,529,767
Changes from financing cash flows					
Financing costs paid	(2,997)	(15)	(94,501)	–	(97,513)
Redemption of convertible bonds	–	(1,000)	–	–	(1,000)
Proceeds from euro medium term notes	100,000	–	–	–	100,000
Proceeds from interest-bearing loans	498,387	–	–	–	498,387
Repayment of interest-bearing loans	(465,000)	–	–	–	(465,000)
Total changes from financing cash flows	130,390	(1,015)	(94,501)	–	34,874
Change in fair value	–	–	–	(11,071)	(11,071)
Other changes					
Liability-related					
Financing costs	3,922	5,106	98,862	–	107,890
Capitalised borrowing costs	–	–	4,325	–	4,325
Total liability-related other changes	3,922	5,106	103,187	–	112,215
Balance at 31 December 2019	3,266,497	363,751	22,976	12,561	3,665,785

12. INTEREST-BEARING BORROWINGS (CONT'D)

	Liabilities			Derivative liabilities	
	Term loans $'000	Convertible bonds $'000	Interest payable $'000	Embedded derivatives liabilities relating to convertible bonds $'000	Total $'000
Balance at 1 January 2018	2,875,634	355,237	12,825	38,481	3,282,177
Changes from financing cash flows					
Financing costs paid	(8,022)	(10)	(86,520)	–	(94,552)
Proceeds from euro medium term notes	330,000	–	–	–	330,000
Repayment of euro medium term notes	(105,000)	–	–	–	(105,000)
Proceeds from interest-bearing loans	923,536	–	–	–	923,536
Repayment of interest-bearing loans	(888,342)	–	–	–	(888,342)
Total changes from financing cash flows	252,172	(10)	(86,520)	–	165,642
Change in fair value	–	–	–	(14,849)	(14,849)
Other changes					
Liability-related					
Financing costs	4,379	4,933	85,929	–	95,241
Capitalised borrowing costs	–	–	2,056	–	2,056
Total liability-related other changes	4,379	4,933	87,985	–	97,297
Total equity-related other changes	–	(500)	–	–	(500)
Balance at 31 December 2018	3,132,185	359,660	14,290	23,632	3,529,767

13. TRADE AND OTHER PAYABLES

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Trade payables	3,053	1,663	1,147	563
Accrued operating expenses	38,136	36,421	26,558	21,160
Amounts due to a subsidiary (trade)	–	–	10	2
Amounts due to related parties (trade):				
- Trustee	413	258	413	258
- Manager	4,399	3,727	4,147	3,514
- Related corporations of the Manager	3,149	3,472	825	1,223
Deferred income	21,588	25,254	9,037	9,461
Interest payable	22,976	14,290	22,851	13,414
Other payables	43,786	27,664	5,752	5,249
	137,500	112,749	70,740	54,844

As at 31 December 2019, other payables of the Group include progress payments payable of $25.1 million (2018: $21.4 million) for Olderfleet, 477 Collins Street.

The exposure of the Group and the Trust to liquidity and currency risks related to trade and other payables is disclosed in note 15.

14. CONVERTIBLE BONDS – DEBT COMPONENT

	Group and Trust	
	2019 $'000	2018 $'000
At 1 January	359,660	355,237
Redemption of convertible bonds due 2021	(1,000)	–
Conversion of convertible bonds due 2021	–	(500)
Transaction costs	(15)	(10)
Amortisation of transaction costs	773	764
Interest accretion	4,333	4,169
At 31 December	363,751	359,660

Convertible bonds due 2024

In 2017, the Trust issued $300.0 million principal amounts of convertible bonds (the "2024 Bonds") due 2024 which carry a coupon interest at 1.75% per annum. The 2024 Bonds are convertible by bondholders into Units at the initial conversion price of $2.189 per new Unit. In accordance with the terms and conditions of the 2024 Bonds (the "Terms of the 2024 Bonds"), the initial conversion price of $2.189 was adjusted to $2.14 per new Unit, effective as of 28 February 2019.

Based on the conversion price of $2.14 (2018: $2.189), the 2024 Bonds are convertible into approximately 140,186,915 Units (2018: 137,048,880 Units), representing 5.0% (2018: 5.1%) of the total number of Units of the Trust in issue as at 31 December 2019 (2018: 31 December 2018). The Trust has the option to pay cash in lieu of issuing new Units on conversion of any 2024 Bonds. The 2024 Bonds may be redeemed, in whole or in part, at the option of the bondholders on 30 November 2020 at their principal amount plus interest accrued up to the date of the redemption. The 2024 Bonds may also be redeemed, in whole but not in part at their principal amount plus interest accrued to (but excluding) the date of redemption, at the option of the Trust on or at any time after 30 November 2020 but not less than 7 business days prior to 30 November 2024 (subject to the satisfaction of certain conditions).

14. CONVERTIBLE BONDS – DEBT COMPONENT (CONT'D)

Convertible bonds due 2024 (cont'd)

Unless previously redeemed by the boldholders on 30 November 2020 or by the Trust on or at any time after 30 November 2020 but not less than 7 business days prior to 30 November 2024, the final redemption date of the 2024 Bonds is 30 November 2024.

As at 31 December 2019, the effective interest rate for the 2024 Bonds – debt component – is approximately 3.27% (2018: 3.27%) per annum.

On 22 January 2020, the Manager announced that the conversion price of the 2024 Bonds would be adjusted from $2.14 to $2.11 per new Unit effective as of 28 February 2020. Based on the revised conversion price, the 2024 Bonds are convertible into approximately 142,180,094 Units, representing 5.1% of the total number of Units of the Trust in issue as at 31 December 2019.

Convertible bonds due 2021

In 2016, the Trust issued $300.0 million principal amounts of convertible bonds (the "2021 Bonds") due 2021 which carry a coupon interest at 1.75% per annum. The 2021 Bonds are convertible by bondholders into Units at the initial conversion price of $2.101 per new Unit. The initial conversion price of $2.101 was adjusted to $2.06 per new Unit, in accordance with the terms and conditions of the 2021 Bonds (the "Terms of the 2021 Bonds"), effective as of 28 February 2017.

The Trust has the option to pay cash in lieu of issuing new Units on conversion of any 2021 Bonds. The 2021 Bonds may be redeemed, in whole or in part, at the option of the bondholders on 5 September 2019 at their principal amount plus interest accrued up to the date of the redemption. The 2021 Bonds may also be redeemed, in whole but not in part at their principal amount plus interest accrued to (but excluding) the date of redemption, at the option of the Trust on or at any time after 5 September 2019 but not less than 7 business days prior to 5 September 2021 (subject to the satisfaction of certain conditions).

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

The conversion price of $2.06 was adjusted to $2.04 per new Unit, effective as of 28 November 2018 and further adjusted to $2.01 per new Unit, effective as of 28 February 2019 in accordance with the Terms of the 2021 Bonds.

As at 31 December 2019, $86.5 million (2018: $87.5 million) remained outstanding.

Based on the adjusted conversion price of $2.01 (2018: $2.04), the 2021 Bonds are convertible into approximately 43,034,825 Units (2018: 42,892,156 Units), representing 1.5% (2018: 1.6%) of the total number of Units of the Trust in issue as at 31 December 2019 (31 December 2018).

As at 31 December 2019, the effective interest rate for the 2021 Bonds – debt component – is approximately 3.33% (2018: 3.32%) per annum.

On 22 January 2020, the Manager announced that the conversion price of the 2021 Bonds would be adjusted from $2.01 to $1.98 per new Unit effective as of 28 February 2020. Based on the revised conversion price, the 2021 Bonds are convertible into approximately 43,686,868 Units, representing 1.5% of the total number of Units of the Trust in issue as at 31 December 2019.

15. FINANCIAL INSTRUMENTS

Financial risk management

The Group has exposure to credit risk, liquidity risk and market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risk. The Manager monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors of the Manager oversees how management of the Manager monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board is assisted in its oversight role by the Audit Committee. The Audit Committee undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

Credit risk

Credit risk is the potential loss resulting from the failure of a tenant or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

The Manager has established credit limits for tenants, obtained security deposits and/or bank guarantees (where applicable) and monitors their balances on an on-going basis. Credit evaluations are performed by the Manager before lease agreements are entered into with tenants.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

		Group		Trust	
	Note	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Trade and other receivables*	8	28,632	17,581	33,396	12,001
Derivative assets					
- Interest rate swaps	10	1	1,516	1	1,516
Cash and cash equivalents	11	157,206	136,657	107,258	96,432
		185,839	155,754	140,655	109,949

* *Excludes prepayments.*

15. FINANCIAL INSTRUMENTS (CONT'D)

Exposure to credit risk (cont'd)

The maximum exposure to credit risk for trade receivables at the reporting date by type of tenant is:

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Office	1,026	811	74	802
Retail	4,506	2,383	4,273	2,060
Convention	5,747	8,729	–	–
	11,279	11,923	4,347	2,862

The Group's tenants are engaged in a wide spectrum of business activities across many industry segments.

Impairment losses

Expected credit loss assessment for individual tenants

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual tenants, which comprise a large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off and are based on actual credit loss experience over the last three years.

The ageing of trade receivables at the reporting date was:

	2019 $'000	2018 $'000
Group		
Not past due	8,238	9,623
Past due 31 – 60 days	1,065	1,060
Past due 61 – 90 days	501	526
More than 90 days	3,182	4,281
	12,986	15,490
Less: Impairment loss	(1,707)	(3,567)
	11,279	11,923
Trust		
Not past due	2,281	2,367
Past due 31 – 60 days	482	244
Past due 61 – 90 days	381	251
More than 90 days	2,901	3,546
	6,045	6,408
Less: Impairment loss	(1,698)	(3,546)
	4,347	2,862

15. FINANCIAL INSTRUMENTS (CONT'D)

Movements in allowance for impairment in respect of trade receivables

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
At 1 January	3,567	3,175	3,546	3,122
Impairment loss recognised	746	2,493	746	2,479
Write-back of impairment loss	(181)	(1,961)	(181)	(1,953)
Allowance utilised	(2,425)	(140)	(2,413)	(102)
At 31 December	1,707	3,567	1,698	3,546

The Manager believes that, apart from the above, no additional impairment allowance is necessary in respect of trade receivables as these receivables mainly arose from tenants that have a good track record with the Group, and the Group has sufficient security deposits as collateral.

Non-trade amounts due from subsidiaries and loans to subsidiaries

The Trust has non-trade receivables from its subsidiaries of $843,633,000 (2018: $634,497,000). These balances are amounts lent to subsidiaries to satisfy their funding requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default, these exposures are considered to have low credit risk. Therefore impairment on these balances has been measured on the 12-month expected credit loss basis; and the amount of the allowance is insignificant.

Loans to joint ventures

The Group and the Trust have loans to joint ventures of $618,145,000 (2018: $615,622,000). These balances are amounts lent to joint ventures to satisfy their funding requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default, these exposures are considered to have low credit risk. Therefore impairment on these balances has been measured on the 12-month expected credit loss basis; and the amount of the allowance is insignificant.

Derivatives

The derivatives are entered into with bank and financial institution counterparties which are rated A to AA-, based on Standard & Poor's ratings.

Cash and cash equivalents

Cash and fixed deposits are placed with financial institutions which are regulated. The Group and the Trust held cash and cash equivalents of $157,206,000 and $107,258,000 respectively at 31 December 2019 (2018: $136,657,000 and $96,432,000 respectively). The cash and cash equivalents are held with bank and financial institution counterparties which are rated A to AA-, based on Standard & Poor's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. In addition, the Manager monitors and observes limits on total borrowings according to the CIS Code issued by the MAS.

The Group has a US$1,500.0 million (approximately $2,016.9 million) (2018: US$1,500.0 million (approximately $2,044.5 million)) EMTN programme, of which $940.0 million (2018: $840.0 million) was utilised as at 31 December 2019.

15. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

The following are the remaining contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

		← Cash flows →			
	Carrying amount	Contractual cash flows	Within 1 year	1 to 5 years	More than 5 years
	$'000	$'000	$'000	$'000	$'000
Group					
2019					
Non-derivative financial liabilities					
Floating rate term loans [1]	2,328,000	(2,530,673)	(60,163)	(2,470,510)	–
Fixed rate term loans	938,497	(1,002,632)	(331,042)	(571,250)	(100,340)
Convertible bonds	363,751	(414,840)	(327,318)	(87,522)	–
Trade and other payables*	115,912	(115,912)	(115,912)	–	–
Security deposits	73,309	(73,309)	(19,967)	(48,672)	(4,670)
	3,819,469	(4,137,366)	(854,402)	(3,177,954)	(105,010)
Derivative financial instruments					
Interest rate swaps (net-settled) [1]	19,585	(15,111)	(5,690)	(9,421)	–
Forward exchange contracts	88				
- Outflow		(20,307)	(20,307)	–	–
- Inflow		20,240	20,240	–	–
	19,673	(15,178)	(5,757)	(9,421)	–
	3,839,142	(4,152,544)	(860,159)	(3,187,375)	(105,010)
2018					
Non-derivative financial liabilities					
Floating rate term loans [1]	2,294,006	(2,707,136)	(670,915)	(1,531,144)	(505,077)
Fixed rate term loans	838,179	(916,493)	(28,500)	(887,993)	–
Convertible bonds	359,660	(420,085)	(94,281)	(21,000)	(304,804)
Trade and other payables*	87,495	(87,495)	(87,495)	–	–
Security deposits	68,877	(68,877)	(19,744)	(45,890)	(3,243)
	3,648,217	(4,200,086)	(900,935)	(2,486,027)	(813,124)
Derivative financial instruments					
Interest rate swaps (net-settled) [1]	4,352	(18,071)	(3,848)	(14,223)	–
Forward exchange contracts	1,305				
- Outflow		(20,578)	(20,578)	–	–
- Inflow		19,198	19,198	–	–
	5,657	(19,451)	(5,228)	(14,223)	–
	3,653,874	(4,219,537)	(906,163)	(2,500,250)	(813,124)

* *Excludes deferred income.*

[1] *For the purpose of the contractual cash flows calculation, Swap Offer Rate ("SOR") of 1.42% - 1.70% (2018: 1.53% - 1.95%) was used.*

15. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

		Cash flows			
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	1 to 5 years $'000	More than 5 years $'000
Trust					
2019					
Non-derivative financial liabilities					
Floating rate term loans [1]	1,963,441	(2,129,418)	(51,134)	(2,078,284)	–
Fixed rate term loans	938,497	(1,002,632)	(331,042)	(571,250)	(100,340)
Convertible bonds	363,751	(414,840)	(327,318)	(87,522)	–
Trade and other payables*	61,703	(61,703)	(61,703)	–	–
Security deposits	67,505	(67,505)	(17,437)	(45,614)	(4,454)
	3,394,897	(3,676,098)	(788,634)	(2,782,670)	(104,794)
Derivative financial instruments					
Interest rate swaps (net-settled) [1]	11,652	(9,267)	(4,193)	(5,074)	–
Forward exchange contracts	88				
- Outflow		(20,307)	(20,307)	–	–
- Inflow		20,240	20,240	–	–
	11,740	(9,334)	(4,260)	(5,074)	–
	3,406,637	(3,685,432)	(792,894)	(2,787,744)	(104,794)
2018					
Non-derivative financial liabilities					
Floating rate term loans [1]	1,929,815	(2,290,471)	(660,607)	(1,124,787)	(505,077)
Fixed rate term loans	838,179	(916,493)	(28,500)	(887,993)	–
Convertible bonds	359,660	(420,085)	(94,281)	(21,000)	(304,804)
Trade and other payables*	45,383	(45,383)	(45,383)	–	–
Security deposits	63,459	(63,459)	(17,107)	(43,109)	(3,243)
	3,236,496	(3,735,891)	(845,878)	(2,076,889)	(813,124)
Derivative financial instruments					
Interest rate swaps (net-settled) [1]	3,429	(9,175)	(2,276)	(6,899)	–
Forward exchange contracts	1,305				
- Outflow		(20,578)	(20,578)	–	–
- Inflow		19,198	19,198	–	–
	4,734	(10,555)	(3,656)	(6,899)	–
	3,241,230	(3,746,446)	(849,534)	(2,083,788)	(813,124)

* *Excludes deferred income.*

[1] *For the purpose of the contractual cash flows calculation, Swap Offer Rate ("SOR") of 1.42% - 1.70% (2018: 1.53% - 1.95%) was used.*

Net-settled derivative financial assets are included in the maturity analyses as they are held to 'hedge' the cash flow variability of the Group's floating rate term loans.

15. FINANCIAL INSTRUMENTS (CONT'D)

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's total return or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is managed by the Manager on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates.

The Group adopts a policy of ensuring that between 60% to 80% of its interest rate risk exposure is at a fixed-rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

As at 31 December 2019, the Group has entered into interest rate swaps with a total notional amount of $1,466.5 million (2018: $1,357.5 million) whereby the Group has agreed with counterparties to exchange, at specified intervals, the difference between floating rate and fixed rate interest amounts calculated by reference to the agreed notional principal amounts of the swaps.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

	Group		Trust	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Fixed rate instruments				
Interest-bearing borrowings	(1,326,500)	(1,227,500)	(1,326,500)	(1,227,500)
Interest rate swaps	(1,466,500)	(1,357,500)	(1,100,500)	(1,265,500)
	(2,793,000)	(2,585,000)	(2,427,000)	(2,493,000)
Variable rate instruments				
Interest-bearing borrowings	(2,336,922)	(2,303,536)	(1,970,922)	(1,937,536)
Interest rate swaps	1,466,500	1,357,500	1,100,500	1,265,500
	(870,422)	(946,036)	(870,422)	(672,036)

15. FINANCIAL INSTRUMENTS (CONT'D)

Cash flow sensitivity analysis for variable rate instruments

For the interest rate swaps and the other variable rate financial assets and liabilities, a change of 50 basis points ("bp") (2018: 50 bp) in interest rate at the reporting date would increase/(decrease) Unitholders' funds and total return (before any tax effects) by the amounts shown below. This analysis assumes that all other variables remain constant.

	Statement of total return		Unitholders' funds	
	50 bp increase $'000	50 bp decrease $'000	50 bp increase $'000	50 bp decrease $'000
Group				
2019				
Variable rate instruments	(11,685)	11,685	–	–
Interest rate swaps	16,212	(16,561)	–	–
Cash flow sensitivity (net)	4,527	(4,876)	–	–
2018				
Variable rate instruments	(11,518)	11,518	–	–
Interest rate swaps	8,239	(8,402)	–	–
Cash flow sensitivity (net)	(3,279)	3,116	–	–

	Statement of total return	
	50 bp increase $'000	50 bp decrease $'000
Trust		
2019		
Variable rate instruments	(9,855)	9,855
Interest rate swaps	9,549	(9,726)
Cash flow sensitivity (net)	(306)	129
2018		
Variable rate instruments	(9,688)	9,688
Interest rate swaps	6,178	(6,277)
Cash flow sensitivity (net)	(3,510)	3,411

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at FVTPL, nor does the Group designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Currency risk

The Group is exposed to currency risk on distributions from its Australia operations. In 2019, the Group entered into forward currency contracts with a total notional amount of $20.2 million (2018: $20.6 million) whereby the Group agreed with counterparties to exchange Australian Dollar at specified rates, on specified dates.

15. FINANCIAL INSTRUMENTS (CONT'D)

Currency risk (cont'd)

At the reporting date, the exposure to currency risk is as follows:

	2019 AUD $'000	2018 AUD $'000
Group		
Cash and cash equivalents	8,803	45,426
Trade and other receivables	14,946	8,306
Net statement of financial position exposure	23,749	53,732
Forward exchange contracts	(20,240)	(20,578)
Net exposure	3,509	33,154
Trust		
Cash and cash equivalents	8,565	45,406
Trade and other receivables	14,946	8,306
Net statement of financial position exposure	23,511	53,712
Forward exchange contracts	(20,240)	(20,578)
Net exposure	3,271	33,134

Sensitivity analysis

A 10% strengthening/(weakening) of the Singapore Dollar against Australian Dollar would (decrease)/increase total return (before any tax effects) by the amounts shown below. This analysis assumes that all other variables remain constant.

	Statement of total return	
	2019 $'000	2018 $'000
Group		
10% strengthening	(351)	(3,315)
10% weakening	351	3,315
Trust		
10% strengthening	(327)	(3,313)
10% weakening	327	3,313

Capital management

The Board of Directors of the Manager reviews the Group's capital management policy regularly so as to optimise Unitholders' return through a mix of available capital sources. The Group monitors its gearing ratio and maintains it within the approved limits. The Group assesses its capital management approach as a key part of the Group's overall strategy, and this is continuously reviewed by the Manager. The Group's gearing stood at 37.7% (2018: 36.7%) as at 31 December 2019.

The Group is subject to the aggregate leverage limit as defined in the Property Funds Appendix. The Property Funds Appendix stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 45.0% of the fund's deposited property. The Group has complied with the stipulated Aggregate Leverage limit.

There were no changes in the Group's approach to capital management during the financial year.

15. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their level in fair value hierarchy, are as follows. It does not include fair value information of financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group	Note	Mandatorily at fair value $'000	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value Level 1 $'000	Fair value Level 2 $'000	Fair value Level 3 $'000
2019								
Financial assets measured at fair value								
Interest rate swaps	10	1	–	–	1	–	1	–
Financial assets not measured at fair value								
Loans to joint ventures	6	–	618,145	–	618,145			
Cash and cash equivalents	11	–	157,206	–	157,206			
Trade and other receivables*	8	–	28,632	–	28,632			
		–	803,983	–	803,983			
Financial liabilities measured at fair value								
Interest rate swaps	10	(19,585)	–	–	(19,585)	–	(19,585)	–
Forward exchange contracts	10	(88)	–	–	(88)	–	(88)	–
Embedded derivatives relating to convertible bonds	10	(12,561)	–	–	(12,561)	–	–	(12,561)
		(32,234)	–	–	(32,234)			
Financial liabilities not measured at fair value								
Interest-bearing borrowings	12	–	–	(3,266,497)	(3,266,497)	–	–	(3,268,820)
Security deposits		–	–	(73,309)	(73,309)	–	–	(68,973)
Convertible bonds	14	–	–	(363,751)	(363,751)	–	–	(371,317)
Trade and other payables^	13	–	–	(115,912)	(115,912)			
		–	–	(3,819,469)	(3,819,469)			

* *Excludes prepayments.*

^ *Excludes deferred income.*

15. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

Group	Note	Mandatorily at fair value $'000	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value Level 1 $'000	Fair value Level 2 $'000	Fair value Level 3 $'000
2018								
Financial assets measured at fair value								
Interest rate swaps	10	1,516	–	–	1,516	–	1,516	–
Financial assets not measured at fair value								
Loans to joint ventures	6	–	615,622	–	615,622			
Cash and cash equivalents	11	–	136,657	–	136,657			
Trade and other receivables*	8	–	17,581	–	17,581			
		–	769,860	–	769,860			
Financial liabilities measured at fair value								
Interest rate swaps	10	(5,868)	–	–	(5,868)	–	(5,868)	–
Forward exchange contracts	10	(1,305)	–	–	(1,305)	–	(1,305)	–
Embedded derivatives relating to convertible bonds	10	(23,632)	–	–	(23,632)	–	–	(23,632)
		(30,805)	–	–	(30,805)			
Financial liabilities not measured at fair value								
Interest-bearing borrowings	12	–	–	(3,132,185)	(3,132,185)	–	–	(3,137,710)
Security deposits		–	–	(68,877)	(68,877)	–	–	(64,748)
Convertible bonds	14	–	–	(359,660)	(359,660)	–	–	(353,505)
Trade and other payables^	13	–	–	(87,495)	(87,495)			
		–	–	(3,648,217)	(3,648,217)			

* *Excludes prepayments.*

^ *Excludes deferred income.*

15. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

Trust	Note	Mandatorily at fair value $'000	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000
2019								
Financial assets measured at fair value								
Interest rate swaps	10	1	–	–	1	–	1	–
Financial assets not measured at fair value								
Loans to joint ventures	6	–	618,145	–	618,145			
Loans to subsidiaries	7	–	823,034	–	823,034			
Trade and other receivables*	8	–	33,396	–	33,396			
Cash and cash equivalents	11	–	107,258	–	107,258			
		–	1,581,833	–	1,581,833			
Financial liabilities measured at fair value								
Interest rate swaps	10	(11,652)	–	–	(11,652)	–	(11,652)	–
Forward exchange contracts	10	(88)	–	–	(88)	–	(88)	–
Embedded derivatives relating to convertible bonds	10	(12,561)	–	–	(12,561)	–	–	(12,561)
		(24,301)	–	–	(24,301)			
Financial liabilities not measured at fair value								
Interest-bearing borrowings	12	–	–	(2,901,938)	(2,901,938)	–	–	(2,904,261)
Security deposits		–	–	(67,505)	(67,505)	–	–	(63,360)
Convertible bonds	14	–	–	(363,751)	(363,751)	–	–	(371,317)
Trade and other payables^	13	–	–	(61,703)	(61,703)			
		–	–	(3,394,897)	(3,394,897)			

* *Excludes prepayments.*

^ *Excludes deferred income.*

15. FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

Trust	Note	Mandatorily at fair value $'000	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value: Level 1 $'000	Fair value: Level 2 $'000	Fair value: Level 3 $'000
2018								
Financial assets measured at fair value								
Interest rate swaps at FVTPL	10	1,516	–	–	1,516	–	1,516	–
Financial assets not measured at fair value								
Loans to joint ventures	6	–	615,622	–	615,622			
Loans to subsidiaries	7	–	625,735	–	625,735			
Trade and other receivables*	8	–	12,001	–	12,001			
Cash and cash equivalents	11	–	96,432	–	96,432			
		–	1,349,790	–	1,349,790			
Financial liabilities measured at fair value								
Interest rate swaps	10	(4,945)	–	–	(4,945)	–	(4,945)	–
Forward exchange contracts	10	(1,305)	–	–	(1,305)	–	(1,305)	–
Embedded derivatives relating to convertible bonds	10	(23,632)	–	–	(23,632)	–	–	(23,632)
		(29,882)	–	–	(29,882)			
Financial liabilities not measured at fair value								
Interest-bearing borrowings	12	–	–	(2,767,994)	(2,767,994)	–	–	(2,773,518)
Security deposits		–	–	(63,459)	(63,459)	–	–	(59,516)
Convertible bonds	14	–	–	(359,660)	(359,660)	–	–	(353,505)
Trade and other payables^	13	–	–	(45,383)	(45,383)			
		–	–	(3,236,496)	(3,236,496)			

* *Excludes prepayments.*

^ *Excludes deferred income.*

15. FINANCIAL INSTRUMENTS (CONT'D)

Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Group and Trust

Type	Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Forward exchange contracts and Interest rate swaps	*Market comparison technique*: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.	Not applicable	Not applicable
Embedded derivatives relating to convertible bonds	*Discounted cash flows and market comparison technique*: The fair value of the embedded derivative is the difference between the fair value of the convertible bonds based on broker quotes and the fair value of the liability component of the convertible bonds, determined using the discounted cash flows approach. The valuation requires management to estimate the expected cash flows over the life of the convertible bonds to investors, which are not evidenced by observable market data.	Discount rate – 2.52% - 2.75% (2018: 2.83% - 3.71%)	The estimated fair value of the embedded derivatives relating to convertible bonds would increase if the discount rate was lower.

Financial instruments not measured at fair value

Group and Trust

Type	Valuation technique	Key unobservable inputs
Fixed rate borrowings	Discounted cash flows	Discount rate – 2.85% - 3.34% (2018: 2.92% - 3.40%)
Security deposits	Discounted cash flows	Discount rate – 2.65% - 2.67% (2018: 2.80%)

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables and interest-bearing borrowings) are assumed to approximate their fair values because of the short period to maturity or repricing.

15. FINANCIAL INSTRUMENTS (CONT'D)

(ii) Transfer between Level 1 and 2

During the financial year ended 31 December 2019, there were no transfers between Level 1 and Level 2.

(iii) Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurement in Level 3 of the fair value hierarchy:

	Group and Trust	
	2019	2018
	$'000	$'000
Embedded derivatives relating to convertible bonds		
At 1 January	(23,632)	(38,481)
Changes in fair value recognised in profit or loss	11,071	14,849
At 31 December	(12,561)	(23,632)

Sensitivity analysis

If the discount rate assumption applied by management were 5.0% favourable or unfavourable with all other variables held constant, the fair value of the embedded derivative relating to the convertible bonds would decrease/(increase) by $2,079,000 (2018: $3,151,000) and ($2,065,000) (2018: ($3,117,000)) respectively. The analysis is performed on the same basis as 2018.

16. NON-CONTROLLING INTERESTS

The following subsidiaries have material Non-Controlling Interests ("NCI"):

Name	Principal places of business/Country of incorporation	Effective interests held by NCI	
		2019	2018
		%	%
Harmony Investors Group Limited subgroup ("Harmony")	Singapore	39.2	39.2
Harmony Partners Investment Limited ("HPIL")	British Virgin Islands	49.0	49.0

16. NON-CONTROLLING INTERESTS (CONT'D)

The following summarises the financial information of each of the Group's subsidiaries with material NCI based on their respective financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	Harmony $'000	HPIL* $'000	Intra-group elimination $'000	Total $'000
2019				
Revenue	81,775	–	–	81,775
Total return for the year	11,631	14,400	(14,400)	11,631
Total return attributable to NCI for the year	4,559	7,056	(7,056)	4,559
Non-current assets	721,410	58,730		
Current assets	34,316	–		
Non-current liabilities	(391,069)	(55,200)		
Current liabilities	(30,916)	(13)		
Net assets	333,741	3,517		
Net assets attributable to NCI	130,827	1,723	(3,464)	129,086
Cash flows from operating activities	2,836	–		
Cash flows used in investing activities	(1,121)	–		
Cash flows used in financing activities (dividends to NCI: $7,056,000)	(4,505)	–		
Net decrease in cash and cash equivalents	(2,790)	–		

	Harmony $'000	HPIL* $'000	Intra-group elimination $'000	Total $'000
2018				
Revenue	89,635	–	–	89,635
Total return for the year	28,026	14,400	(14,400)	28,026
Total return attributable to NCI for the year	10,986	7,056	(7,056)	10,986
Non-current assets	712,629	58,730		
Current assets	44,153	–		
Non-current liabilities	(380,035)	(55,200)		
Current liabilities	(36,638)	(12)		
Net assets	340,109	3,518		
Net assets attributable to NCI	133,323	1,724	(3,464)	131,583
Cash flows from operating activities	5,512	–		
Cash flows used in investing activities	(867)	–		
Cash flows used in financing activities (dividends to NCI: $7,056,000)	(4,526)	–		
Net increase in cash and cash equivalents	119	–		

* *The Company did not prepare a cash flow statement. All expenses and receipts of the company are paid/received by its subsidiary.*

17. UNITS IN ISSUE

	Group and Trust	
	2019 '000	2018 '000
Units in issue:		
At 1 January	2,670,633	2,652,436
Issue of Units:		
- conversion of the 2021 Bonds to Units	–	243*
- units issued for private placement	111,111	–
- asset management fees paid in Units	19,272	17,954
At 31 December	2,801,016	2,670,633
Units to be issued:		
- asset management fees payable in Units	10,127	9,904
Total issued and issuable Units at 31 December	2,811,143	2,680,537

* *On 25 January 2018 and 28 February 2018, a total of 242,718 Units were issued as a result of the receipt of the conversion notice for the conversion of $500,000 in principal amount of the 2021 Bonds with a conversion price of $2.06 per conversion unit.*

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust and available for purposes of such distribution less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust; and
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of the Unitholders, whichever is the lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The Unitholders cannot give any directions to the Manager or the Trustee (whether at a meeting of Unitholders or otherwise) if it would require the Trustee or the Manager to do or omit doing anything which may result in:

- the Trust ceasing to comply with the Listing Manual issued by SGX-ST or the Property Funds Appendix; or
- the exercise of any discretion expressly conferred on the Trustee or the Manager by the Trust Deed or the determination of any matter for which the agreement of either or both the Trustee and the Manager is required under the Trust Deed.

A Unitholder's liability is limited to the amount paid or payable for any Units. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

18. NET ASSET VALUE PER UNIT

	Note	Group		Trust	
		2019	2018	2019	2018
		$'000	$'000	$'000	$'000
Net asset value per Unit is based on:					
Net assets attributable to Unitholders		5,977,058	5,636,523	5,174,058	4,954,558
		'000	'000	'000	'000
Total issued and issuable Units at 31 December	17	2,811,143	2,680,537	2,811,143	2,680,537

19. GROSS REVENUE

	Group		Trust	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Gross rental income	366,229	362,945	241,821	233,405
Dividend income	–	–	115,893	108,132
Others	501	559	165	236
	366,730	363,504	357,879	341,773

Included in gross rental income of the Group and the Trust are contingent rents amounting to $4,705,000 (2018: $4,817,000) and $3,862,000 (2018: $3,860,000) respectively.

20. PROPERTY EXPENSES

	Group		Trust	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Advertising and promotion expenses	5,735	4,562	3,357	2,655
Depreciation of plant and equipment	835	1,056	189	189
Loss on disposal of plant and equipment	5	9	–	–
Maintenance expenses	9,520	8,408	319	205
Contributions to sinking fund	19,260	11,235	16,050	9,363
Contributions to maintenance fund	20,144	20,144	16,781	16,781
Property management fees (including reimbursables)	23,412	23,554	7,259	7,009
Property tax	25,330	22,801	21,478	19,021
Utilities	2,962	3,221	97	144
Agency commission	3,660	4,578	3,158	4,106
Food and beverages related cost	3,768	4,517	–	–
Others	15,347	17,910	1,377	1,622
	129,978	121,995	70,065	61,095

Property expenses represent the direct operating expenses arising from rental of investment properties and sale of food and beverages.

21. FINANCE INCOME AND FINANCE COSTS

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Interest income:				
- bank deposits	1,596	734	1,461	593
- loan to joint ventures	25,224	23,195	25,224	23,195
- interest rate swaps	1,919	1,000	1,919	1,000
Finance income	28,739	24,929	28,604	24,788
Interest expense:				
- bank loans	(89,584)	(76,512)	(83,740)	(69,899)
- convertible bonds	(6,776)	(6,782)	(6,776)	(6,782)
- interest rate swaps	(2,502)	(2,632)	(1,910)	(2,298)
Amortisation of transaction costs	(9,028)	(9,315)	(8,659)	(8,395)
Net foreign exchange loss	(1,458)	(1,877)	(9,579)	(39,803)
Finance costs	(109,348)	(97,118)	(110,664)	(127,177)
Recognised in the statement of total return	(80,609)	(72,189)	(82,060)	(102,389)

22. ASSET MANAGEMENT FEES

Included in the asset management fees of the Group and the Trust is $36,519,000 (2018: $35,371,000) or an aggregate of 19,495,145 (2018: 19,443,129) Units of asset management fees that have been or will be issued to the Manager in satisfaction of the asset management fees payable in Units.

23. OTHER EXPENSES

Included in other expenses are the following items:

	Group		Trust	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Non-audit fees paid to auditors of the Trust	183	91	36	66

24. TAX EXPENSE

	Note	Group		Trust	
		2019	2018	2019	2018
		$'000	$'000	$'000	$'000
Current tax expense					
Adjustment for prior years		–	(920)	–	–
Withholding tax		2,959	2,868	584	423
		2,959	1,948	584	423
Deferred tax expense					
Origination and reversal of temporary differences		12,160	11,025	–	–
Adjustment for prior years		755	–	–	–
	9	12,915	11,025	–	–
Total tax expense		15,874	12,973	584	423
Reconciliation of effective tax rate					
Total return for the year before tax		410,967	331,136	253,401	231,557
Less: Share of profit of joint ventures		(157,793)	(108,488)	–	–
		253,174	222,648	253,401	231,557
Income tax using the Singapore tax rate of 17% (2018: 17%)		43,040	37,850	43,078	39,365
Effects of tax rates in foreign jurisdiction		(3,653)	718	–	–
Non-tax deductible items		11,722	8,751	13,715	16,883
Non-taxable income		(4,934)	(3,088)	(16,450)	(17,448)
Withholding tax		2,959	2,868	584	423
Tax exempt income		–	–	(6,328)	(5,594)
Tax transparency		(34,015)	(33,206)	(34,015)	(33,206)
Under/(over) provided in prior years		755	(920)	–	–
Total tax expense		15,874	12,973	584	423

25. EARNINGS PER UNIT

Basic earnings per Unit is based on:

	Group		Trust	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Total return for the year after tax attributable to Unitholders	390,534	307,177	252,817	231,134

	Number of Units			
	Group		Trust	
	2019	2018	2019	2018
	'000	'000	'000	'000
Weighted average number of Units:				
- outstanding during the year	2,758,286	2,665,847	2,758,286	2,665,847
- to be issued as payment of asset management fees payable in Units	28	27	28	27
	2,758,314	2,665,874	2,758,314	2,665,874

In calculating diluted earnings per Unit, the total return for the year after tax and weighted average number of Units in issue are adjusted to take into account the effect of all dilutive potential units, as set out below:

	Group		Trust	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Total return for the year after tax attributable to Unitholders	390,534	307,177	252,817	231,134
Profit/(Loss) impact of conversion of the dilutive potential Units	800	(3,135)	800	(3,135)
Adjusted total return for the year after tax	391,334	304,042	253,617	227,999

	Number of Units			
	Group		Trust	
	2019	2018	2019	2018
	'000	'000	'000	'000
Weighted average number of Units used in calculation of basic earnings per Unit	2,758,314	2,665,874	2,758,314	2,665,874
Weighted average number of Units to be issued assuming conversion of the asset management fees/bonds	236,069	194,604	236,069	194,604
Weighted average number of Units used in calculation of diluted earnings per Unit	2,994,383	2,860,478	2,994,383	2,860,478

As at 31 December 2019, the Group and the Trust had Bonds which were convertible into approximately 183,221,740 (2018: 179,941,036) Units.

26. OPERATING SEGMENTS

For the purpose of making resource allocation decisions and assessing segment performance, the Group's chief operating decision maker reviews internal/management reports of the Group's retail, office and convention business segments. The nature of the leases (lease of retail, office, convention or other space) is the factor used to determine the reportable segments. As the retail and office of each property are similar in economic characteristics, nature of services and type of customer, the retail and office segments of each property are aggregated accordingly. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the chief operating decision maker for the purpose of assessing segment performance.

Unallocated items comprise mainly other income, trust-related income and expenses, changes in fair value of investment properties and tax expense.

Segment information in respect of the Group's geographical segments is not separately presented as the Group's activities for the year ended 31 December 2019 was related mainly to properties located in Singapore, except for 177 Pacific Highway and 55 Currie Street, which are located in Australia.

Information regarding the Group's reportable segments is presented in the table below.

Information about reportable segments

	Office			Retail		Convention	
	Suntec City $'000	177 Pacific Highway $'000	55 Currie Street $'000	Suntec City $'000	Suntec Singapore $'000	Suntec Singapore $'000	Total $'000
2019							
Gross revenue	133,380	38,125	4,845	108,605	20,029	61,746	366,730
Property expenses	(34,579)	(5,408)	(1,205)	(36,050)	(4,838)	(48,463)	(130,543)
Reportable segment net property income	98,801	32,717	3,640	72,555	15,191	13,283	236,187
2018							
Gross revenue	129,763	40,228	–	103,878	19,694	69,941	363,504
Property expenses	(30,816)	(5,556)	–	(30,805)	(4,170)	(51,180)	(122,527)
Reportable segment net property income	98,947	34,672	–	73,073	15,524	18,761	240,977

26. OPERATING SEGMENTS (CONT'D)

Reconciliation of reportable segment net property income

	Group	
	2019	2018
	$'000	$'000
Total return		
Reportable segment net property income	236,187	240,977
Unallocated amounts:		
- Net finance costs	(80,609)	(72,189)
- Asset management fees	(49,279)	(47,804)
- Other trust expenses	(3,542)	(3,879)
- Net change in fair value of financial derivatives	(3,972)	5,328
- Net change in fair value of investment properties	154,389	100,215
- Share of profit of joint ventures	157,793	108,488
Consolidated total return for the year before tax	410,967	331,136

27. COMMITMENTS

	Group		Trust	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
(a) Capital commitments				
Capital expenditure contracted but not provided for	232,899	355,519	–	–
Loan facilities to joint ventures	548,855	551,378	548,855	551,378
	781,754	906,897	548,855	551,378

(b) Investment properties comprise commercial properties that are leased to external customers. The leases contain an initial non-cancellable period of between three and twelve years. Subsequent renewals are negotiated with the lessees.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	Trust
	$'000	$'000
2019 – Operating leases under FRS 116		
Less than one year	279,225	217,090
One to two years	207,151	151,608
Two to three years	144,443	92,766
Three to four years	96,318	55,283
Four to five years	54,579	31,487
More than five years	99,366	27,919
Total	881,082	576,153

27. COMMITMENTS (CONT'D)

	Group $'000	Trust $'000
2018 – Operating leases under FRS 17		
Less than one year	265,287	218,601
Between one year to five years	454,283	307,782
More than five years	98,512	15,510
Total	818,082	541,893

28. CONTINGENT LIABILITY

Pursuant to the tax transparency ruling from IRAS, the Trustee and the Manager have provided a tax indemnity for certain types of tax losses, including unrecovered late payment penalties that may be suffered by IRAS should IRAS fail to recover from Unitholders tax due or payable on distributions made to them without deduction of tax, subject to the indemnity amount agreed with IRAS. The amount of indemnity, as agreed with IRAS, is limited to the higher of $500,000 or 1.0% of the taxable income of the Trust for the financial year. Each yearly indemnity has a validity period of the earlier of seven years from the relevant year of assessment and three years from the termination of the Trust.

29. FINANCIAL RATIOS

	Group		Trust	
	2019 %	2018 %	2019 %	2018 %
Expenses to weighted average net assets [1]				
- including performance component of asset management fees	0.92	0.92	0.97	0.96
- excluding performance component of asset management fees	0.66	0.66	0.67	0.66
Portfolio turnover rate [2]	–	–	–	–

[1] *The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group and the Trust, excluding property expenses, interest expense and income tax expense.*

[2] *The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group and the Trust expressed as a percentage of daily average net asset value.*

30. RELATED PARTIES

During the financial year, other than the transactions disclosed elsewhere in the financial statements, there were the following related party transactions:

	Group	
	2019 $'000	2018 $'000
Acquisition fees paid to the Manager	(2,303)	(1,911)
Asset management fees paid/payable to a related corporation of the Manager	(3,789)	(3,662)
Investment management fees paid/payable to a related corporation of the Manager	(7)	–
Agency commission paid/payable to a related corporation of the Manager	(4,052)	(4,578)
Rental income received/receivable from an associate of the Manager	2,428	2,042
Rental income received/receivable from related corporations of the Manager	1,250	1,231
Rental income received/receivable from a close member of a key management personnel of the Manager	67	–
Property management fees paid/payable (including reimbursable) to related corporations of the Manager	(25,178)	(24,490)
Professional services fees paid/payable to related corporations of the Manager	(1,174)	(1,109)

	Trust	
	2019 $'000	2018 $'000
Acquisition fees paid to the Manager	(2,303)	(1,911)
Agency commission paid/payable to a related corporation of the Manager	(3,158)	(4,106)
Rental income received/receivable from an associate of the Manager	2,428	2,042
Rental income received/receivable from related corporations of the Manager	617	617
Rental income received/receivable from a close member of a key management personnel of the Manager	67	–
Property management fees paid/payable (including reimbursable) to a related corporation of the Manager	(7,260)	(7,009)
Professional services fees paid/payable to related corporations of the Manager	(1,174)	(1,109)

31. SUBSEQUENT EVENTS

The Group has the following events subsequent to year end:

- The Manager declared distribution of 2.347 cents per unit in respect of the period from 1 October 2019 to 31 December 2019 which was paid on 28 February 2020.
- The Group issued S$200 million notes at 2.95% per annum, maturing in 2027 through the US$1,500,000,000 Euro Medium Term Note Programme established by its subsidiary, Suntec REIT MTN Pte. Ltd.

On 11 March 2020, the World Health Organisation declared the 2019 Novel Coronavirus ("Covid-19") outbreak a pandemic. The Manager is taking precautionary measures to deal with the Covid-19 outbreak in accordance with guidelines provided by the authorities in the respective countries the Group operates in. The Manager is keeping a watchful eye on the Covid-19 situation as it further evolves and will take the necessary actions to ensure the long term sustainability of the Group.

Suntec Real Estate Investment Trust
2020 First Half 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 which comprises 813,753 sq ft of net lettable area 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 and 141,959 sq ft of net lettable area of Suntec City Mall ("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 ("177 Pacific Highway"), a 50.0 per cent interest in Southgate Complex, Melbourne, Australia ("Southgate Complex"), a 50.0 per cent interest in a commercial building to be developed located at Olderfleet, 477 Collins Street, Melbourne, Australia ("Olderfleet, 477 Collins Street") and a 100 per cent interest in a freehold office building at 55 Currie Street, Adelaide, Australia (" 55 Currie Street").

On 6 April 2020, Suntec REIT completed the acquisition a freehold property at 21 Harris Street, Pyrmont, Sydney, Australia for approximately A$295.0 million (" 21 Harris Street").

The financial information for the period from 1 January 2020 to 30 June 2020 has not been audited but has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements 2410.

SUMMARY OF SUNTEC REAL ESTATE INVESTMENT TRUST RESULTS

	Group		
	1/1/20 to 30/6/20	1/1/19 to 30/6/19	Change
	S$'000	S$'000	%
Gross revenue	**149,448**	**178,073**	**-16.1%**
Net property income	**90,905**	**114,561**	**-20.6%**
Income contribution from joint ventures	**46,871**	**49,749**	**-5.8%**
Distributable income	**103,130**	**130,508**	**-21.0%**
- from operations	*103,130*	*117,508*	*-12.2%*
- from capital [(a)]	*-*	*13,000*	*-100.0%*
Amount available for distribution [(b)]	**92,817**	**130,508**	**-28.9%**
Distribution per unit ("DPU") (cents) [(b)(c)]	**3.293**	**4.795**	**-31.3%**
- 1 January to 31 March [(d)]	*1.760*	*2.434*	*-27.7%*
- 1 April to 30 June	*1.533*	*2.361*	*-35.1%*

Footnote:

(a) This was related to a portion of the sale proceeds from the disposal of Park Mall in December 2015 and was 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) In view of the current COVID-19 outbreak, the Manager had retained 10.0% of the distributable income for the half year ended 30 June 2020 ("1H FY20"). Without the retention, the DPU for 1H FY20 would be 3.659 cents per unit.

(c) Please refer to Page 12 for the distribution per unit computation.

(d) Distribution of 1.760 cents per unit for the period 1 January 2020 to 31 March 2020 was paid on 28 May 2020.

Financial Statements Announcement
For First Half ended 30 June 2020

1 (a)(i) Statements of Total Return and Statement of Distribution for the First Half ended 30 June 2020 ("1H FY20")

Statement of total return	Group		
	1/1/20 to 30/6/20	1/1/19 to 30/6/19	Change
	S$'000	S$'000	%
Gross revenue [a]	**149,448**	**178,073**	**-16.1%**
Maintenance charges	(19,701)	(19,701)	0.0%
Property management fees [b]	(4,034)	(4,860)	17.0%
Property tax [c]	(13,738)	(11,786)	-16.6%
Other property expenses [d]	(21,070)	(27,165)	22.4%
Property expenses	**(58,543)**	**(63,512)**	**7.8%**
Net property income	**90,905**	**114,561**	**-20.6%**
Other income [e]	1,881	-	n.m.
Share of profit of joint ventures [f]	35,690	60,673	-41.2%
Finance income [g]	11,229	15,103	-25.7%
Finance expenses [g]	(48,932)	(54,256)	9.8%
Asset management fees - base fee [h]	(17,776)	(16,737)	-6.2%
Asset management fees - performance fee [i]	(6,845)	(7,499)	8.7%
Trust expenses [j]	(2,156)	(1,897)	-13.7%
Net income	**63,996**	**109,948**	**-41.8%**
Net change in fair value of financial derivatives [k]	(33,173)	(6,967)	-376.1%
Net change in fair value of investment properties [l]	(66,596)	-	n.m.
Total return before tax	**(35,773)**	**102,981**	**-134.7%**
Income tax expense [m]	(912)	(2,156)	57.7%
Total return for the period after tax	**(36,685)**	**100,825**	**-136.4%**
Attributable to:			
Unitholders	(1,604)	100,977	-101.6%
Non-controlling interests	(35,081)	(152)	-22979.6%
Total return for the period	**(36,685)**	**100,825**	**-136.4%**

Statement of distribution	Group		
	1/1/20 to 30/6/20	1/1/19 to 30/6/19	Change
	S$'000	S$'000	%
Total return for the period attributable to Unitholders before distribution	**(1,604)**	**100,977**	**-101.6%**
Non-tax chargeable items [n]	46,781	(40,149)	216.5%
Taxable income	**45,177**	**60,828**	**-25.7%**
Dividend income [o]	57,953	56,680	2.2%
Income available for distribution to Unitholders	**103,130**	**117,508**	**-12.2%**
Unitholders' distribution:			
- from operations	103,130	117,508	-12.2%
- from capital [p]	-	13,000	-100.0%
Distributable income	**103,130**	**130,508**	**-21.0%**
Amount available for distribution [q]	**92,817**	**130,508**	**-28.9%**

Footnotes:

(a) Gross revenue comprises mainly rental income from retail mall and offices, convention revenue and income from rental of atrium and media spaces. Please refer to Note 8(i) for breakdown in Gross revenue.

(b) Property management fees for 1H FY20 was lower year-on-year mainly due to lower gross revenue and net property income achieved.

(c) Property tax for 1H FY20 was higher year-on-year mainly due to higher annual value assessed by Inland Revenue of Singapore ("IRAS").

(d) Other property expenses for 1H FY20 was lower compared to the corresponding period mainly due to lower staff costs and food and beverage related costs in tandem with the drop in convention events.

(e) This relates to the income guarantee in relation to 21 Harris Street.

(f) This relates to the Group's one-third interest in One Raffles Quay Pte Ltd ("ORQPL"), one-third interest in BFC Development LLP ("BFCD LLP"), 30.0% interest in Park Mall Pte. Ltd ("PMPL") and 50.0% interest in Southgate Trust. The decrease for 1H FY20 was mainly due to absence of revaluation gain of S$22.0 million for 9 Penang Road in April 2019.

(g) Included in the finance income and finance expenses are the following:

	Group		
	1/1/20 to 30/6/20	1/1/19 to 30/6/19	Change
	S$'000	S$'000	%
Finance income:			
Interest income			
- fixed deposits and current account	260	921	-71.8%
- loans to joint ventures	10,133	12,848	-21.1%
- interest rate swaps	34	1,334	-97.5%
Net foreign currency exchange differences	802	-	n.m.
	11,229	15,103	-25.7%
Finance expenses:			
Interest expense			
- bank loans, notes and convertible bonds (1)	(38,896)	(48,770)	20.2%
- interest rate swaps (2)	(5,338)	(604)	-783.8%
Amortisation and transaction costs	(4,698)	(4,457)	-5.4%
Net foreign currency exchange differences	-	(425)	100.0%
	(48,932)	(54,256)	9.8%
Net financing costs	**(37,703)**	**(39,153)**	**3.7%**

(1) Interest expense on bank loans, notes and convertible bonds for 1H FY20 was lower year-on-year due to decrease in interest rates.
(2) Interest rate swaps costs for 1H FY20 increased year-on-year due to the present lower interest rates environment.

(h) Asset management fees – base fees for 1H FY20 was higher year-on-year mainly due to acquisition of 21 Harris Street and 55 Currie Street in April 2020 and September 2019 respectively.

(i) Asset management fees - performance fees for 1H FY20 was lower year-on-year mainly due to lower net property income achieved.

(j) Trust expenses for 1H FY20 was higher compared to the corresponding period mainly due to higher professional fees.

(k) This relates to the net loss arising from fair value remeasurement of the foreign currency forward contracts, interest rate swaps and convertible bonds. These have little impact on distributable income.

(l) This relates due to revaluation loss on Suntec Singapore offset by revaluation gain for 21 Harris Street.

(m) This relates to income tax on operating profits and non-tax transparent income received as well as deferred tax provision.The income tax was lower year-on-year mainly due to a lower provision of income tax made by a subsidiary in 1H FY20 .

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

	Group		
	1/1/20 to 30/6/20	1/1/19 to 30/6/19	Change
Non-tax deductible/(chargeable) items	**S$'000**	**S$'000**	**%**
Amortisation of transaction costs	4,337	4,274	1.5%
Asset management fees paid/payable in units	18,313	17,949	2.0%
Net change in fair value of financial derivatives	33,339	6,968	378.5%
Net foreign currency exchange differences	(877)	407	-315.5%
Sinking fund contribution	9,630	9,630	0.0%
Temporary differences and other adjustments [(1)]	3,950	2,373	66.5%
Net change in fair value of investment properties	66,596	-	n.m.
Net profit from subsidiaries and/or joint ventures	(88,507)	(81,750)	8.3%
Total	**46,781**	**(40,149)**	**-216.5%**

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

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

	Group		
	1/1/20 to 30/6/20	1/1/19 to 30/6/19	Change
	S$'000	**S$'000**	**%**
Wholly-owned subsidiaries:			
Comina Investment Limited [(1)]	11,602	11,185	3.7%
Suntec Harmony Pte. Ltd. [(2)]	-	5,472	-100.0%
Suntec REIT Capital Pte. Ltd. [(3)]	11,600	9,700	19.6%
Suntec REIT (Australia) Trust [(4)]	17,762	12,945	37.2%
	40,964	39,302	4.2%
Joint venture:			
BFC Development LLP [(5)]	16,989	17,378	-2.2%
	57,953	**56,680**	**2.2%**

(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, a 50.0% effective interest in Olderfleet, 477 Collins Street, a 100% effective interest in 55 Currie Street and a 100% effective interest in 21 Harris Street.
(5) BFCD LLP has a one-third interest in MBFC Properties.

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

(q) In view of the current COVID-19 outbreak, the Manager had retained 10.0% of its 1H FY20 distributable income.

Financial Statements Announcement
For First Half ended 30 June 2020

1 (b)(i) Statements of Financial Position as at 30 June 2020

	Group		Trust	
	30/6/20	31/12/19	30/6/20	31/12/19
	S$'000	S$'000	S$'000	S$'000
Non-current assets				
Plant and equipment	1,525	1,648	325	237
Investment properties [(a)]	7,140,836	6,879,695	5,207,627	5,206,000
Interest in joint ventures [(b)]	2,961,751	2,956,834	1,469,511	1,468,719
Interests in subsidiaries [(c)]	-	-	1,707,433	1,780,370
Trade and other receivables [(d)]	12,422	-	-	-
Total non-current assets	**10,116,534**	**9,838,177**	**8,384,896**	**8,455,326**
Current assets				
Derivative assets [(e)]	180	1	180	1
Trade and other receivables [(f)]	61,721	36,987	50,262	39,708
Cash and cash equivalents [(g)]	355,181	157,206	290,622	107,258
Total current assets	**417,082**	**194,194**	**341,064**	**146,967**
Total assets	**10,533,616**	**10,032,371**	**8,725,960**	**8,602,293**
Current liabilities				
Interest-bearing borrowings [(h)]	501,276	589,429	501,276	589,429
Trade and other payables	135,280	137,500	63,910	70,740
Derivative liabilities [(e)]	15,991	11,761	15,991	11,761
Current portion of security deposits	31,680	19,967	21,574	17,437
Total current liabilities	**684,227**	**758,657**	**602,751**	**689,367**
Non-current liabilities				
Interest-bearing borrowings [(h)]	3,717,141	3,040,819	2,923,541	2,676,260
Non-current portion of security deposits	44,637	53,342	42,581	50,068
Derivative liabilities [(e)]	50,019	20,473	27,722	12,540
Deferred tax liabilities	51,793	52,936	-	-
Total non-current liabilities	**3,863,590**	**3,167,570**	**2,993,844**	**2,738,868**
Total liabilities	**4,547,817**	**3,926,227**	**3,596,595**	**3,428,235**
Net assets	**5,985,799**	**6,106,144**	**5,129,365**	**5,174,058**
Represented by:				
Unitholders' funds [(i)]	5,891,794	5,977,058	5,129,365	5,174,058
Non-controlling interests	94,005	129,086	-	-
Total Equity	**5,985,799**	**6,106,144**	**5,129,365**	**5,174,058**

Footnotes:

(a) The increase was mainly due to the acquisition of 21 Harris Street on 6 April 2020 and the progress payments made in relation to Olderfleet, 477 Collins Street which is currently under development, offset by lower valuation in relation to Suntec Singapore.

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

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

(d) This relates mainly to rental guarantee held in escrow in relation to 21 Harris Street.

(e) 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.The increase in net derivative liabilities was mainly due to additional interest rate hedges entered into as at 30 June 2020.

(f) The increase for the Group was mainly due to dividend receivable from joint ventures and government grants receivable. The increase for the Trust was mainly due to dividend receivable from joint ventures and advances made to a subsidiary.

(g) The increase in cash and cash equivalents was mainly due to active capital management strategy to maintain a higher liquidity in view of the current COVID-19 situation.

(h) The interest-bearing borrowings are stated at amortised cost. The current portion of the interest-bearing borrowings as at 30 June 2020 relates to a S$220.0 million loan facilities due in the first half of 2021 and S$300.0 million convertible bonds due in 2024 which will be redeemable on 30 November 2020.

(i) Please refer to statement of movements in unitholders' funds item 1(e)(i) for details.

1 (c) Aggregate amount of borrowings and debt securities

	Group		Trust	
	30/6/20	31/12/19	30/6/20	31/12/19
	S$'000	S$'000	S$'000	S$'000
Amount repayable in one year or less, or on demand				
- Unsecured [(c)]				
(i) financial institutions	219,865	-	219,865	-
(ii) notes & convertible bonds	281,411	589,429	281,411	279,470
(iii) subsidiary	-	-	-	309,959
	501,276	589,429	501,276	589,429
Amount repayable after one year				
- Secured [(a)(b)]	793,600	364,559	-	-
- Unsecured [(c)]				
(i) financial institutions	1,811,884	1,963,441	1,811,884	1,963,441
(ii) notes & convertible bonds	1,111,657	712,819	84,926	84,281
(iii) subsidiary	-	-	1,026,731	628,538
	3,717,141	3,040,819	2,923,541	2,676,260
	4,218,417	3,630,248	3,424,817	3,265,689

Details of borrowings and collaterals

(a) The Group has in place a secured term loan facility and revolving credit facility amounting to S$406.0 million with a panel of banks. As at 30 June 2020, the Group has drawn down S$366.0 million of secured facilities.

This 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 key 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 institutions granting the facility.*

(b) The Group also has in place a secured syndicated green loan facilities amounting to A$450.0 million which were fully drawn down as at 30 June 2020.

The facilities are secured by the following security interests held under a security trust for the finance parties:
- *A first registered real property mortgage over 177 Pacific Highway, 55 Currie Street and 21 Harris Street (the "Australian Properties");*
- *A first registered general security over the rental collection accounts in relation to the Australian Properties, supported by account bank deeds from the account banks;*
- *A first registered specific security deed from the borrower in respect of all units and shares in, and any shareholder loans to each Australian guarantor;*
- *A parent guarantee in respect of all obligations of the borrower.*

(c) The Group has unsecured interest-bearing borrowings and revolving credit facilities amounting to S$2,440.0 million from various institutional banks. As at 30 June 2020, the Group has drawn down S$2,038.1 million of bank borrowings, S$386.5 million of convertible bonds and S$1,030.0 million medium term notes issued by SRMTN and on-lent to the Trust.

1 (d) Statements of Cash Flow

	Group	
	1/1/20 to 30/6/20	1/1/19 to 30/6/19
	S$'000	S$'000
Operating activities		
Net income	63,996	109,948
Adjustments for:		
Depreciation of plant and equipment	384	419
Loss on disposal of plant and equipment	2	4
Asset management fees paid/payable in units	18,313	17,949
Net financing costs [(a)]	37,703	39,153
Allowance for doubtful receivables	125	101
Share of profit of joint ventures	(35,690)	(60,673)
Operating income before working capital changes	84,833	106,901
Changes in working capital		
Trade and other receivables	(4,157)	(3,250)
Trade and other payables	14,042	(5,346)
Cash flows generated from operations	**94,718**	**98,305**
Income tax paid	-	-
Net cash flow from operating activities	**94,718**	**98,305**
Investing activities		
Interest received	10,388	13,717
Dividend received from joint ventures	18,033	22,437
Change in investment in joint ventures [(b)]	(3,840)	(9,537)
Acquisition of investment property [(c)]	(267,417)	-
Capital expenditure on investment properties	(5,244)	(813)
Security deposit paid in relation to a development	-	(14,079)
Purchase of plant and equipment	(264)	(452)
Progress payments on construction [(d)]	(33,368)	(38,944)
Loans to joint venture	(792)	-
Net cash flow used in investing activities	**(282,504)**	**(27,671)**
Financing activities		
Proceeds from interest-bearing loans	581,692	440,152
Proceeds from euro medium term notes	400,000	100,000
Proceeds from issuance of units	-	200,000
Unit issue costs paid	-	(3,675)
Proceeds from settlement of derivatives	42	1,193
Financing costs paid	(62,569)	(54,782)
Repayment of euro medium term notes	(310,000)	-
Repayment of interest-bearing loans	(115,486)	(430,000)
Dividend paid to non-controlling interest	-	(3,528)
Distributions to unitholders	(116,023)	(155,076)
Net cash flow from financing activities	**377,656**	**94,284**
Net increase in cash and cash equivalents	**189,870**	**164,918**
Cash and cash equivalents at beginning of the period	**157,206**	**136,657**
Effect on exchange rate fluctuations on cash held	**8,105**	**(409)**
Cash and cash equivalents at end of the period	**355,181**	**301,166**

Footnotes:

(a) Please refer to footnote (g) under note 1(a)(i) Statement of Total Return and Statement of Distribution for 1H FY20 on page 4.

(b) This relates to capital injections made to PMPL. In the corresponding period, it included capital injections made to PMPL and Southgate Trust.

(c) This relates the acquisition of 21 Harris Street, Pyrmont, Sydney, Australia.

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

1 (e) Statements of Movements in Unitholders' Funds

	Group		Trust	
	1/1/20 to 30/6/20	1/1/19 to 30/6/19	1/1/20 to 30/6/20	1/1/19 to 30/6/19
	S$'000	S$'000	S$'000	S$'000
Balance at the beginning of the period	**5,977,058**	**5,636,523**	**5,174,058**	**4,954,558**
Operations				
Total return for the period attributable to unitholders	(1,604)	100,977	58,013	74,088
Net (decrease)/increase in net assets resulting from operations	**(1,604)**	**100,977**	**58,013**	**74,088**
Effective portion of changes in fair value of cash flow hedges [(a)]	(4,624)	494	-	-
Translation differences from financial statements of foreign entities	23,670	(12,487)	-	-
Net gain/(loss) recognised directly in Unitholders' funds	19,046	(11,993)	-	-
Unitholders' transactions				
Creation of units				
- private placement Units [(b)]	-	200,000	-	200,000
- asset management fees payable in units [(c)]	6,296	5,871	6,296	5,871
Units to be issued				
- asset management fees payable in units [(d)]	6,542	6,079	6,542	6,079
Unit issue expenses	-	(3,675)	-	(3,675)
Distributions paid to unitholders [(e)]	(115,544)	(156,104)	(115,544)	(156,104)
Net (decrease)/increase in net assets resulting from unitholders' transactions	**(102,706)**	**52,171**	**(102,706)**	**52,171**
Unitholders' funds as at end of period	**5,891,794**	**5,777,678**	**5,129,365**	**5,080,817**

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 6 May 2019.

(c) This represents the value of units issued to the Manager as partial satisfaction of the asset management fee incurred for the quarter ended 31 March 2020. The asset management base fee units for the quarter ended 31 March 2020 were issued on 22 April 2020.

(d) This represents the value of units to be issued to the Manager as partial satisfaction of the asset management fee incurred for the quarter ended 30 June 2020. The asset management base fee units for the quarter ended 30 June 2020 are to be issued within 30 days from quarter end.

(e) This includes tax withheld in relation to distribution paid during the quarter.

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

	Group and Trust	
	1/1/20 to 30/6/20	1/1/19 to 30/6/19
	Units	Units
Issued units at the beginning of the period	2,801,016,053	2,670,632,751
Creation of units:		
- as payment for asset management fee	15,309,740	12,909,046
- as units issue for private placement	-	111,111,000
Issued units at the end of the period	2,816,325,793	2,794,652,797
Units to be issued:		
- asset management fee payable in units [(a)]	4,497,098	3,161,734
Issuable units at the end of the period	4,497,098	3,161,734
Total issued and issuable units	**2,820,822,891**	**2,797,814,531**

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 June 2020 and 30 June 2019 respectively.

1 (g) Number of shares that may be issued on conversion of all outstanding convertibles

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"). To-date, $213.5 million in principal amount of CB 2021 had been converted or redeemed as the case may be and cancelled in accordance with the terms of CB 2021.

As at 30 June 2020, S$86.5 million (30 June 2019: S$87.5 million) of CB 2021 remained outstanding which are convertible by holders into units of Suntec REIT ("Unit") at any time on or after 16 October 2016 at an adjusted conversion price of S$1.98 per new Unit (30 June 2019: S$2.01 per new Unit). 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 43,686,868 (30 June 2019: 43,532,338), representing 1.55% (30 June 2019: 1.56%) of the total number of Units in issue as at 30 June 2020.

(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 at any time on or after 9 January 2018 at an adjusted conversion price of S$2.11 per new Unit (30 June 2019: $2.14 per new Unit).

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 142,180,095 (30 June 2019: 140,186,915), representing 5.05% (30 June 2019: 5.02%) of the total number of Units in issue as at 30 June 2020.

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 1H FY20 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

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 2019.

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

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

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

Earnings per unit

	Group	
	1/1/20 to 30/6/20	1/1/19 to 30/6/19
Weighted average number of issued/issuable units [(a)]	2,813,787,569	2,716,458,568
Earnings per unit for the period based on the weighted average number of units in issue (cents)	(0.057)	3.717
Weighted average number of units on the fully diluted basis	2,824,587,462	2,941,121,309
Earnings per unit for the period based on the fully diluted basis (cents) [(b)]	(0.057)	3.466

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 (30 June 2019: the weighted average number of units issued/issuable took into account the asset management fees – base fees paid/payable in units and private placement units).

(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, private placement 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	
	1/1/20 to 30/6/20	1/1/19 to 30/6/19
Number of issued and issuable units at end of period entitled to distribution [(a)]	2,820,822,891	2,797,814,531
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	3.293 [(1)(2)(3)]	4.795 [(1)]

(1) *The distribution per unit for 1H FY20 of **3.293** cents per unit (30 June 2019: **4.795** cents per unit) comprised a taxable income component of **2.898** cents per unit (30 June 2019: **3.786** cents per unit), a tax exempt income component of **0.395** cents per unit (30 June 2019: **0.535** cents per unit) and a capital distribution of NIL cents per unit (30 June 2019: **0.474** cents per unit).*
(2) *The distribution per unit for the quarter ended 31 March 2020 of 1.760 cents per unit was paid on 28 May 2020.*
(3) *The distribution per unit for the quarter ended 30 June 2020 of 1.533 cents per unit will be paid on/about 27 August 2020.*

Footnotes:

(a) The computation of actual DPU for the period from 1 April 2020 to 30 June 2020 is based on the number of units entitled to the distribution:

(i) The number of units in issue as at 30 June 2020 of 2,816,325,793; and

(ii) The units issuable to the Manager by 30 July 2020 as partial satisfaction of asset management base fees incurred for the period from 1 April 2020 to 30 June 2020 of 4,497,098.

7. Net asset value ("NAV") and Net Tangible Asset ("NTA") per unit as at 30 June 2020

	Group		Trust	
	30/6/20 [(a)]	31/12/19	30/6/20 [(a)]	31/12/19
NAV / NTA per unit (S$) [(b)]	2.089	2.126	1.818	1.841

Footnotes:

(a) The number of units used for computation of actual NAV per unit is 2,820,822,891. This comprised:

(i) The number of units in issue as at 30 June 2020 of 2,816,325,793; and

(ii) The units issuable to the Manager by 30 July 2020 as partial satisfaction of asset management base fees incurred for the period from 1 April 2020 to 30 June 2020 of 4,497,098.

8. Review of the performance for the First Half ended 30 June 2020

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

Properties	Group		
	1/1/20 to 30/6/20	1/1/19 to 30/6/19	Change
	S$'000	S$'000	%
Gross Revenue:			
Suntec City	104,886	119,790	-12.4%
Suntec Singapore	16,185	38,836	-58.3%
177 Pacific Highway	18,432	19,447	-5.2%
21 Harris Street	2,276	-	n.m.
55 Currie Street	7,669	-	n.m.
Total gross revenue	**149,448**	**178,073**	**-16.1%**
Net Property Income:			
Suntec City	66,718	85,609	-22.1%
Suntec Singapore	744	12,312	-94.0%
177 Pacific Highway	15,906	16,640	-4.4%
21 Harris	1,828	-	n.m.
55 Currie	5,709	-	n.m.
Total net property income	**90,905**	**114,561**	**-20.6%**

8(ii) Income contribution from joint ventures

	Group		
	1/1/20 to 30/6/20	1/1/19 to 30/6/19	Change
	S$'000	S$'000	%
Joint ventures:			
One-third interest in ORQ:			
- Interest income	866	1,127	-23.2%
- Dividend income	11,602	11,185	3.7%
	12,468	12,312	1.3%
One-third interest in MBFC Properties:			
- Interest income	9,267	11,720	-20.9%
- Distribution income	16,989	17,378	-2.2%
	26,256	29,098	-9.8%
50% interest in Southgate Complex:			
- Dividend/Distribution income	8,147	8,339	-2.3%
	8,147	8,339	-2.3%
Total income contribution	**46,871**	**49,749**	**-5.8%**

Review of performance 1H FY20 vs 1H FY19

For 1H FY20, the gross revenue was S$149.4 million, a decrease of S$28.6 million or 16.1% lower year-on-year.The decrease was mainly to due lower revenue from Suntec City and Suntec Singapore by S$14.9 million and S$22.7 million respectively as well as lower revenue from 177 Pacific Highway. This was partially offset by contribution from 21 Harris and 55 Currie which was acquired on 6 April 2020 and 10 September 2019 respectively.

Suntec City revenue declined S$14.9 million year-on-year, mainly due to the decrease in retail revenue arising from the rent assistance of approximately 1.5 months granted to retail tenants. While the operating performance of Suntec City Office improved with higher occupancy and rent achieved in 1H FY20, the revenue declined by S$0.4 million due to provision made for rent assistance to eligible SME tenants. As at 30 June 2020, the committed occupancy of Suntec City Office was 98.1%, a decline of 1.0 percentage point year-on-year while the committed occupancy of Suntec City Mall was 96.3%, a decline of 2.0 percentage points year-on-year.

Suntec Singapore's revenue contribution for the period of S$16.2 million comprises S$8.9 million from convention and S$7.3 million from retail as compared to S$28.6 million and S$10.2 million respectively in 1H FY19. The convention revenue declined 68.9% as a result of the postponement and cancellation of events due to the COVID-19 outbreak. Suntec Singapore's retail revenue decreased by 28.6% as compared to 1H FY19 due to rent assistance of approximately 1.5 months granted to retail tenants.

177 Pacific Highway revenue of S$18.4 million for 1H FY20 was 5.2% lower than 1H FY19 due to the weakened Australian dollar and rent assistance of approximately 2 months granted to retail tenants. The committed occupancy for 177 Pacific Highway was maintained at 100%. The committed occupancy for 21 Harris Street and 55 Currie Street was 68.2% and 91.7% respectively as at 30 June 2020. There are rent guarantees for the vacant spaces at 21 Harris Street and 55 Currie Street.

The net property income for 1H FY20 was S$90.9 million, S$23.7 million or 20.6% lower year-on-year, mainly attributable to the rent assistance granted to Suntec City retail tenants and provision made for rent assistance to eligible office tenants. This was partially offset by contribution from 21 Harris Street and 55 Currie Street.

The total income contribution from joint ventures comprising ORQ, MBFC Properties and Southgate Complex for the period was S$46.9 million, 5.8% lower mainly due to one-off compensation received in 1H FY19 and rent assistance granted to the retail tenants at MBFC Properties as well as lower income contribution from Southgate Complex due to rent assistance granted to retail tenants. This was partially offset by higher contribution from One Raffles Quay due to one-off compensation received in 1H FY20. The committed occupancy for ORQ improved by 1.0 percentage point year-on-year to 98.0%. The committed occupancy at MBFC Towers 1 & 2 maintained at 100.0% while the committed occupancy at Marina Bay Link Mall declined 1.5 percentage points year-on-year to 98.0%. Southgate Complex's office committed occupancy was 99.7%, an increase of 0.2 percentage points year-on-year.

Net financing costs for the period was S$37.7 million, a decrease of S$1.5 million year-on-year. Despite an increase in borrowings, the net financing costs was lower mainly due to lower interest rates in 1H FY20. The all-in financing cost for the group was 2.63% per annum for the period and the aggregate leverage ratio was 41.3% as at 30 June 2020.

The distributable income from operations for 1H FY20 was $103.1 million, 21.0% lower year-on-year. To maintain financial flexibility in view of the evolving COVID-19 situation, 10.0% of the distributable income for 1H FY20 has been retained. Consequently, the amount available for distribution for 1H FY20 was $92.8 million, 28.9% lower year on year.

The DPU for 1H FY20 was 3.293 cents, 31.3% lower year-on-year.

9. Variance between the forecast and actual results

The current results are broadly in line with the Trust's commentary made in the FY2019 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

Based on the report released by the Ministry of Trade and Industry ("MTI") on 14 July 2020, the Singapore economy in the second quarter of 2020 decline by 12.6% on a year-on-year basis and by 41.2% from the first quarter. According to MTI estimates issued on 26 May 2020, Singapore economy is expected to contract between 4% to 7% in 2020.

Singapore Office
According to property consultants, the Singapore office leasing market remained relatively subdued in the second quarter of 2020 as demand was slow amid the increased economic uncertainties and the circuit breaker measures which posted challenges to potential tenants in viewing alternative space options. Overall CBD occupancy declined by 1.7 percentage points to 93.3% contributed mainly by the increase in vacancies in the Shenton Way submarket and the completion of 79 Robinson Road in the second quarter of 2020[1]. Overall CBD rents declined by 3.0 percentage points to S$10.48 psf/mth as landlords face downward pressure on rents in order to retain tenants[1]. Looking ahead, leasing activity is likely to remain slow in the second half of 2020 as companies continue to focus on cost containment with relocation and expansion plans likely to be deferred or cancelled.

Suntec REIT's Singapore office portfolio rental revenue is expected to be stable supported by the completion of 61% of FY20 renewals and strong rent reversions achieved from the previous nine quarters. Rent reversions is anticipated to remain positive for FY20 and occupancy is expected to remain relatively healthy above the market range of 93.3%.

Singapore Retail
According to property consultants, the Singapore retail market was weak in the second quarter of 2020 due to the suspension of non-essential businesses by the government during the circuit breaker. Leasing activity was thin with few new leases signed and renewals committed at lower rents. Some retail operations which faced cashflow problems and were unsustainable ceased operations and this resulted in an increase in vacancy rates across all submarkets. As

a result of the circuit breaker measures, fit-out and reinstatement works of tenants were delayed. Looking ahead, sentiment amongst retailers will remain subdued as tourism demand is unlikely to recover in the short-term and the continued safe-distancing measures will reduce operational capacity[1].

Suntec City Mall rental revenue will be adversely impacted by the rent assistance measures for tenants. Rent reversions for the second half of 2020 is likely to be negative due to weaker market demand while occupancy will trend closer to the nation-wide average of low 90%[2] due to non-renewals.

Singapore Convention

Challenges faced by the Meetings, Incentives, Conventions and Exhibitions ("MICE") industry in Singapore are unprecedented with events not permitted to be held since 7 April 2020. Recovery of the MICE business at Suntec Singapore will likely be led by local corporate events, meetings and consumer shows when current measures on safe distancing are eased. However, demand for international conventions and events is expected to remain weak due to slower recovery in international travel. Income contribution from Suntec Singapore to Suntec REIT will be significantly affected for 2020.

On 1 July 2020, S$40 million was injected to Suntec Singapore to support its business needs. The immediate focus is on costs control to ride out the downturn.

Australia Office and Retail

According to the Australian Bureau of Statistics, the Australian economy on a year-on-year basis, grew by 1.4% in the first quarter of 2020. According to the International Monetary Fund, the Australia economy is expected to contract by 4.5% in 2020. On 7 July 2020, the Reserve Bank of Australia maintained the cash rate at 0.25%.

In Australia, the national office CBD occupancy declined by 0.1 percentage point to 91.6% in the first quarter of 2020. For the office markets in Sydney and Melbourne, prime office occupancy rates remained healthy at 94.5% and 98.2% respectively. Adelaide CBD prime office occupancy increased by 0.9 percentage point to 89.1%.[3]

According to property consultants, the slowdown in economic activity in Australia due to the COVID-19 outbreak had led to a reduction in leasing demand. With increased market uncertainty, businesses have deferred decision making to a later date and are reassessing space requirements. In Melbourne, retail tenants are unable to open for business due to a six-week lockdown since 8 July 2020.

Looking ahead, leasing demand is expected to be subdued and vacancy rates are also expected to trend up as businesses exercise caution.

Suntec REIT's Australia office portfolio is expected to remain resilient underpinned by strong occupancy, long weighted average lease expiries with minimum lease expiry in 2020. The overall income from Australia is expected to increase over 2019 with contributions from 21 Harris Street and 477 Collins Street. In addition, the Manager had submitted a development application to the relevant authorities to redevelop Southgate Complex retail podium and to construct a new office tower.

If the COVID-19 situation is protracted, resulting in a further deterioration of the economic downturn, the performance of the REIT's portfolio will be adversely impacted.

Looking ahead, the Manager will proactively manage risks to strengthen the resilience of the properties, and adopt a disciplined approach in reducing operating costs and discretionary capital expenditure, as well as continue to source for good quality assets that are accretive and further enhance the income stability of the REIT.

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[1] JLL, Singapore Office and Retail Market Reports 2Q 2020.
[2] URA Q1 20 data
[3] JLL, Australia Office Overview and Outlook, Sydney CBD Office, North Shore Office and Melbourne CBD Office Market Reports 1Q 2020.

11. Distributions

(a) Current financial period

Any distribution declared for the current period?	Yes
Name of distribution	Distribution for the period from 1 January 2020 to 30 June 2020

Distribution Rate

Distribution Type	Distribution Rate Per Unit (cents)
Taxable income	2.898
Tax-exempt income	0.395
Total	**3.293**

Distribution Type

i) Taxable income
ii) Tax-exempt income

Par value of units

Not meaningful

Tax Rate

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

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

Remark

Taxable income comprised 1.669 cents per unit for the period 1 January 2020 to 31 March 2020 and 1.229 cents per unit for the period 1 April 2020 to 30 June 2020.

Tax exempt income comprised 0.091 cents per unit for the period 1 January 2020 to 31 March 2020 and 0.304 cents per unit for the 1 April 2020 to 30 June 2020.

A distribution of 1.760 cents per unit for the period 1 January 2020 to 31 March 2020 was paid on 28 May 2020.

(b) Corresponding period of the immediately preceding financial period

Any distribution declared for the corresponding period of the immediately preceding financial year?	Yes
Name of distribution	Distribution for the period from 1 January 2019 to 30 June 2019
Distribution Rate	

Distribution Type	Distribution Rate Per Unit (cents)
Taxable income	3.784
Tax-exempt income	0.537
Capital distribution	0.474
Total	**4.795**

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	Taxable income comprised 1.917 cents per unit for the period 1 January 2019 to 31 March 2019, 0.651 cents per unit for the period 1 April 2019 to 5 May 2019 and 1.216 cents per unit for the period 6 May 2019 to 30 June 2019. Tax exempt income comprised 0.275 cents per unit for the period 1 January 2019 to 31 March 2019, 0.145 cents per unit for the period 1 April 2019 to 5 May 2019 and 0.117 cents per unit for the period 6 May 2019 to 30 June 2019. Capital distribution comprised 0.242 cents per unit for the period 1 January 2019 to 31 March and 0.232 for the period 1 April 2019 to 30 June 2019.

(c) Date paid/payable: A distribution of 1.533 cents per unit for the period 1 April 2020 to 30 June 2020 will be paid on/about 27 August 2020.

(d) Record Date: 3 August 2020

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 2020, statement of total return & distribution statement, cash flow statement and statement of changes in unitholders' funds for the half year 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	Chong Kee Hiong
Director	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.

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)

Chong Kee Hiong
Director
23 July 2020

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The Board of Directors
ARA Trust Management (Suntec) Limited
(in its capacity as Manager of Suntec Real Estate
Investment Trust)
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22 July 2020

Suntec Real Estate Investment Trust
Review of Interim Financial Information

Introduction

We have reviewed the accompanying Interim Financial Information of Suntec Real Estate Investment Trust (the "Trust") and its subsidiaries (collectively the "Group") for the six-month period ended 30 June 2020. The Interim Financial Information consists of the following:

- Statements of financial position of the Group and the Trust as at 30 June 2020;
- Portfolio statements of the Group and the Trust as at 30 June 2020;
- Statement of total return of the Group for the six-month period ended 30 June 2020;
- Distribution statement of the Group for the six-month period ended 30 June 2020;
- Statements of movements in unitholders' funds of the Group and the Trust for the six-month period ended 30 June 2020;
- Statement of cash flows of the Group for the six-month period ended 30 June 2020; and
- Certain explanatory notes to the above financial information.

The management of ARA Trust Management (Suntec) Limited (the "Manager" of the Trust) is responsible for the preparation and presentation of this Interim Financial Information in accordance with the provisions of the Statement of Recommended Practice ("RAP") 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

KPMG LLP (Registration No. T08LL1267L), an accounting limited liability partnership registered in Singapore under the Limited Liability Partnership Act (Chapter 163A), and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of the Interim Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with the provisions of RAP 7 issued by the Institute of Singapore Chartered Accountants.

Restriction of Use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting the Trust to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Trust's announcement of its Interim Financial Information for the information of its unitholders. We do not assume responsibility to anyone other than the Trust for our work, for our report, or for the conclusions we have reached in our report.

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore

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