



Suntec Real Estate Investment Trust 2019 First Half and Second Quarter Unaudited Financial Statements & Distribution Announcement

Suntec Real Estate Investment Trust ("Suntec REIT") is a real estate investment trust constituted by the Trust Deed entered into on 1 November 2004 (as amended) between ARA Trust Management (Suntec) Limited as the Manager of Suntec REIT and HSBC Institutional Trust Services (Singapore) Limited as the Trustee of Suntec REIT.

Suntec REIT 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, a 50.0 per cent interest in Southgate Complex, Melbourne, Australia and a 50.0 per cent interest in a commercial building to be developed located at Olderfleet, 477 Collins Street, Melbourne, Australia.

On 1 July 2019, Suntec REIT 21 Trust, an indirect wholly-owned sub trust, entered into a put and call option deed with 21 Harris Street Pty Ltd, as trustee for ATF 21 Harris Street Unit Trust, in relation to the acquisition of a freehold property currently under development located at 21 Harris Street, Pyrmont, Sydney, Australia (the "Harris Street Acquisition"). The total cost of the Harris Street Acquisition and development services is A\$297.0 million. The Harris Street Acquisition is expected to be completed in the first quarter 2020, after the property achieves its practical completion.

On 15 July 2019, Suntec REIT 55 Trust, an indirectly wholly-owned sub trust, entered into a contract for sale with AEP Currie Pty Ltd, as trustee of AEP 55 Currie Street Office Trust in relation to the acquisition of a freehold office building at 55 Currie Street, Adelaide, Australia for A\$148.3 million (the "Currie Street Acquisition"). The Currie Street Acquisition is expected to be completed by end August 2019.

The financial information for the period from 1 January 2019 to 30 June 2019 has not been audited but has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements 2410.

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SUMMARY OF SUNTEC REAL ESTATE INVESTMENT TRUST RESULTS

	Group					
	1/4/19 to 30/6/19	1/4/18 to 30/6/18	Change	1/1/19 to 30/6/19	1/1/18 to 30/6/18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	88,396	90,521	-2.3%	178,073	181,240	-1.7%
Net property income	56,363	60,719	-7.2%	114,561	123,707	-7.4%
Income contribution from joint ventures	25,729	22,616	13.8%	49,749	45,337	9.7%
Distributable income	65,155	66,009	-1.3%	130,508	130,823	-0.2%
- from operations	58,655	56,009	4.7%	117,508	114,323	2.8%
- from capital ^(a)	6,500	10,000	-35.0%	13,000	16,500	-21.2%
Distribution per unit (cents) ^(b)	2.361	2.474	-4.6%	4.795	4.907	-2.3%
- from operations	2.129	2.099	1.4%	4.321	4.288	0.8%
- from capital ^(a)	0.232	0.375	-38.1%	0.474	0.619	-23.4%
Annualised distribution per unit (cents)	9.470	9.923	-4.6%	9.669	9.895	-2.3%

Footnote:

(a) This relates to a portion of the sale proceeds from the disposal of Park Mall in December 2015 and is classified as capital distribution from a tax perspective. Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who hold the Units as trading assets, the amount of capital gain distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

(b) Please refer to Page 13-14 for the distribution per unit computation.

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1 (a)(i) Statements of Total Return and Statement of Distribution for the First Half and Second Quarter ended 30 June 2019

<u>Statement of total return</u>	Group					
	1/4/19 to 30/6/19	1/4/18 to 30/6/18	Change	1/1/19 to 30/6/19	1/1/18 to 30/6/18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue ^(a)	88,396	90,521	-2.3%	178,073	181,240	-1.7%
Maintenance charges ^(b)	(9,850)	(6,641)	-48.3%	(19,701)	(11,677)	-68.7%
Property management fees	(2,414)	(2,480)	2.7%	(4,860)	(4,940)	1.6%
Property tax	(5,996)	(5,773)	-3.9%	(11,786)	(11,739)	-0.4%
Other property expenses ^(c)	(13,773)	(14,908)	7.6%	(27,165)	(29,177)	6.9%
Property expenses	(32,033)	(29,802)	-7.5%	(63,512)	(57,533)	-10.4%
Net property income	56,363	60,719	-7.2%	114,561	123,707	-7.4%
Share of profit of joint ventures ^(d)	42,190	28,720	46.9%	60,673	46,610	30.2%
Finance income ^(e)	7,798	7,122	9.5%	15,103	11,767	28.4%
Finance expenses ^(e)	(27,920)	(22,514)	-24.0%	(54,256)	(44,033)	-23.2%
Asset management fees - base fee	(8,504)	(8,191)	-3.8%	(16,737)	(16,142)	-3.7%
Asset management fees - performance fee	(3,745)	(3,738)	-0.2%	(7,499)	(7,593)	1.2%
Trust expenses ^(f)	(952)	(1,041)	8.5%	(1,897)	(1,984)	4.4%
Net income	65,230	61,077	6.8%	109,948	112,332	-2.1%
Net change in fair value of financial derivatives ^(g)	(2,036)	137	-1586.1%	(6,967)	12,620	-155.2%
Total return before tax	63,194	61,214	3.2%	102,981	124,952	-17.6%
Income tax expense ^(h)	(885)	(1,785)	50.4%	(2,156)	(4,988)	56.8%
Total return for the period after tax	62,309	59,429	4.8%	100,825	119,964	-16.0%
Attributable to:						
Unitholders	62,840	57,409	9.5%	100,977	117,595	-14.1%
Non-controlling interests	(531)	2,020	-126.3%	(152)	3,856	-103.9%
Total return for the period	62,309	59,429	4.8%	100,825	121,451	-17.0%

<u>Statement of distribution</u>	Group					
	1/4/19 to 30/6/19	1/4/18 to 30/6/18	Change	1/1/19 to 30/6/19	1/1/18 to 30/6/18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period attributable to Unitholders before distribution	62,840	57,409	9.5%	100,977	117,595	-14.1%
Non-tax chargeable items ⁽ⁱ⁾	(33,325)	(27,746)	-20.1%	(40,149)	(57,327)	30.0%
Taxable income	29,515	29,663	-0.5%	60,828	60,268	0.9%
Dividend income ⁽ⁱ⁾	29,140	26,346	10.6%	56,680	54,055	4.9%
Income available for distribution to Unitholders	58,655	56,009	4.7%	117,508	114,323	2.8%
Unitholders' distribution:						
- from operations	58,655	56,009	4.7%	117,508	114,323	2.8%
- from capital ^(k)	6,500	10,000	-35.0%	13,000	16,500	-21.2%
Distributable amount to Unitholders	65,155	66,009	-1.3%	130,508	130,823	-0.2%

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Footnotes:

- (a) Gross revenue comprises mainly rental income from retail mall and offices, convention revenue and income from rental of atrium and media spaces. Please refer to Note 8(i) for breakdown in Gross revenue.
- (b) Maintenance charges for the current quarter and the half year ended 30 June 2019 was higher year-on-year due to sinking fund contribution for the upgrading works of the common area for all Suntec Office Towers with effect from 1 June 2018.
- (c) Other property expenses for the current quarter and the half year ended 30 June 2019 was lower compared to the corresponding period mainly due to writeback of bad debts provision in the current quarter.
- (d) This relates to the Group's one-third interest in One Raffles Quay Pte Ltd ("ORQPL"), one-third interest in BFC Development LLP ("BFGD LLP"), 30.0% interest in Park Mall Pte. Ltd ("PMPL") and 50.0% interest in Southgate Trust. The increase for the quarter was mainly due to higher share of profit from PMPL from revaluation gain of S\$22.0 million for 9 Penang Road. The increase was offset by lower share of profit from Southgate Trust by S\$9.2 million due to absence of revaluation gain recognised following the acquisition of an additional 25.0% effective interest in May 2018.
- (e) Included in the finance income and finance expenses are the following:

	Group					
	1/4/19 to 30/6/19	1/4/18 to 30/6/18	Change	1/1/19 to 30/6/19	1/1/18 to 30/6/18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Finance income:						
Interest income						
- fixed deposits and current account	666	87	665.5%	921	207	344.9%
- loans to joint ventures	6,427	5,768	11.4%	12,848	11,008	16.7%
- interest rate swaps	705	194	263.4%	1,334	194	587.6%
Net foreign currency exchange differences	-	1,073	-100.0%	-	358	-100.0%
	7,798	7,122	9.5%	15,103	11,767	28.4%
Finance expenses:						
Interest expense						
- bank loans, notes and convertible bonds ⁽¹⁾	(24,708)	(19,989)	-23.6%	(48,770)	(37,878)	-28.8%
- interest rate swaps ⁽²⁾	(259)	(401)	35.4%	(604)	(1,995)	69.7%
Amortisation and transaction costs	(2,256)	(2,124)	-6.2%	(4,457)	(4,160)	-7.1%
Net foreign currency exchange differences	(697)	-	n.m.	(425)	-	n.m.
	(27,920)	(22,514)	-24.0%	(54,256)	(44,033)	-23.2%
Net financing costs	(20,122)	(15,392)	-30.7%	(39,153)	(32,266)	-21.3%

(1) Interest expense on bank loans, notes and convertible bonds for the current quarter and the half year ended 30 June 2019 was higher year-on-year due to increase in interest rates.

(2) Interest rate swaps costs for the current quarter and the half year ended 30 June 2019 decreased year-on-year due to higher interest rates.

- (f) Trust expenses for the current quarter and half year ended 30 June 2019 was lower compared to the corresponding period mainly due to lower professional fees.
- (g) 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.
- (h) 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 deferred tax made by a subsidiary in the quarter and half year ended 30 June 2019.

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

Non-tax deductible/(chargeable) items	Group					
	1/4/19 to 30/6/19	1/4/18 to 30/6/18	Change	1/1/19 to 30/6/19	1/1/18 to 30/6/18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Amortisation of transaction costs	2,164	2,005	7.9%	4,274	3,923	8.9%
Asset management fees paid/payable in units	9,075	8,825	2.8%	17,949	17,569	2.2%
Net change in fair value of financial derivatives	2,037	(137)	-1586.9%	6,968	(12,759)	-154.6%
Net foreign currency exchange differences	640	(965)	-166.3%	407	(401)	-201.5%
Sinking fund contribution	4,815	1,605	200.0%	9,630	1,605	500.0%
Temporary differences and other adjustments ⁽¹⁾	754	350	115.4%	2,373	1,206	96.8%
Net profit from subsidiaries and/or joint ventures	(52,810)	(39,429)	33.9%	(81,750)	(68,470)	19.4%
Total	(33,325)	(27,746)	20.1%	(40,149)	(57,327)	-30.0%

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

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

	Group					
	1/4/19 to 30/6/19	1/4/18 to 30/6/18	Change	1/1/19 to 30/6/19	1/1/18 to 30/6/18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Wholly-owned subsidiaries:						
Comina Investment Limited ⁽¹⁾	5,611	6,020	-6.8%	11,185	12,430	-10.0%
Suntec Harmony Pte. Ltd. ⁽²⁾	2,736	2,736	0.0%	5,472	5,472	0.0%
Suntec REIT Capital Pte. Ltd. ⁽³⁾	5,000	5,350	-6.5%	9,700	10,350	-6.3%
Suntec REIT (Australia) Trust ⁽⁴⁾	6,665	4,112	62.1%	12,945	8,504	52.2%
	20,012	18,218	9.8%	39,302	36,756	6.9%
Joint venture:						
BFC Development LLP ⁽⁵⁾	9,128	8,128	12.3%	17,378	17,299	0.5%
	29,140	26,346	10.6%	56,680	54,055	4.9%

(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 and a 50.0% effective interest in Olderfleet, 477 Collins Street.

(5) BFC Development LLP has a one-third interest in MBFC Properties.

(k) This relates to a portion of the sales proceed from the disposal of Park Mall in December 2015 and is classified as capital distribution from a tax perspective.

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1 (b)(i) Statements of Financial Position as at 30 June 2019

	Group		Trust	
	30/6/19	31/12/18	30/6/19	31/12/18
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Plant and equipment	1,889	1,860	294	231
Investment properties ^(a)	6,525,281	6,493,964	5,110,606	5,110,000
Interest in joint ventures ^(b)	2,884,104	2,855,238	1,466,196	1,466,196
Investments in subsidiaries ^(c)	-	-	1,582,244	1,539,802
Derivative assets ^(d)	-	573	-	573
Total non-current assets	9,411,274	9,351,635	8,159,340	8,116,802
Current assets				
Derivative assets ^(d)	674	943	674	943
Trade and other receivables ^(e)	55,632	23,168	49,520	16,220
Cash and cash equivalents	301,166	136,657	263,378	96,432
Total current assets	357,472	160,768	313,572	113,595
Total assets	9,768,746	9,512,403	8,472,912	8,230,397
Current liabilities				
Interest-bearing borrowings ^(f)	429,375	513,770	429,375	513,770
Trade and other payables	112,378	112,749	57,315	54,844
Derivative liabilities ^(d)	3,601	3,408	3,601	3,408
Current portion of security deposits	17,690	19,744	15,489	17,107
Total current liabilities	563,044	649,671	505,780	589,129
Non-current liabilities				
Interest-bearing borrowings ^(f)	3,174,261	2,978,075	2,809,887	2,613,884
Non-current portion of security deposits	52,718	49,133	49,613	46,352
Derivative liabilities ^(d)	32,180	27,397	26,815	26,474
Deferred tax liabilities ^(g)	40,962	40,021	-	-
Total non-current liabilities	3,300,121	3,094,626	2,886,315	2,686,710
Total liabilities	3,863,165	3,744,297	3,392,095	3,275,839
Net assets	5,905,581	5,768,106	5,080,817	4,954,558
Represented by:				
Unitholders' funds ^(h)	5,777,678	5,636,523	5,080,817	4,954,558
Non-controlling interests	127,903	131,583	-	-
Total Equity	5,905,581	5,768,106	5,080,817	4,954,558

Footnotes:

- (a) The increase in investment properties for the Group was mainly due to the progress payments made in relation to Olderfleet, 477 Collins Street in Australia which is currently under development.
- (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. The increase is mainly from revaluation gain of S\$22.0 million for 9 Penang Road in the current quarter ended 30 June 2019. 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 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 2019.

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- (e) The increase for the Group was mainly due to dividend receivable from joint ventures and security deposit paid for the development of a freehold property located at 21 Harris Street, Pyrmont, Sydney, Australia. The increase for the Trust was mainly due to dividend receivable from joint ventures and advances made to a subsidiary.
- (f) The interest-bearing borrowings are stated at amortised cost. The current portion of the interest-bearing borrowings as at 30 June 2019 relates to a S\$35.0 million revolving credit facility (“RCF”), S\$310.0 million medium term notes due in the first quarter of 2020 and S\$87.5 million Convertible Bonds due in 2021 which is redeemable by bondholders on 5 September 2019.
- (g) The increase in deferred tax liabilities mainly relate to a subsidiary’s provision of deferred tax for the half year ended 30 June 2019.
- (h) 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	
	30/6/19	31/12/18	30/6/19	31/12/18
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand				
- Unsecured ^(b)				
(i) financial institutions	35,000	429,796	35,000	429,796
(ii) notes & convertible bonds	394,375	83,974	84,603	83,974
(iii) subsidiary	-	-	309,772	-
	429,375	513,770	429,375	513,770
Amount repayable after one year				
- Secured ^(a)	364,374	364,191	-	-
- Unsecured ^(b)				
(i) financial institutions	1,904,028	1,500,019	1,904,028	1,500,019
(ii) notes & convertible bonds	905,859	1,113,865	277,559	275,686
(iii) subsidiary	-	-	628,300	838,179
	3,174,261	2,978,075	2,809,887	2,613,884
	3,603,636	3,491,845	3,239,262	3,127,654

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 2019, the Group has drawn down S\$366.0 million of secured facilities.

The facility is secured on the following:

- A first legal mortgage on Suntec Singapore (the “Property”);
- A first fixed charge over the central rental collection account in relation to the Property;
- An assignment of the subsidiary’s rights, title and interest in the 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 has unsecured interest-bearing borrowings and revolving credit facilities amounting to S\$2,470.0 million from various institutional banks. As at 30 June 2019, the Group has drawn down S\$1,947.7 million of bank borrowings, S\$387.5 million of convertible bonds and S\$940.0 million medium term notes issued by SRMTN and on-lent to the Trust.

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1 (d) Statements of Cash Flow

	Group			
	1/4/19 to 30/6/19	1/4/18 to 30/6/18	1/1/19 to 30/6/19	1/1/18 to 30/6/18
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Net income	65,230	61,077	109,948	112,332
Adjustments for:				
Depreciation of plant and equipment	204	333	419	649
Loss on disposal of plant and equipment	-	-	4	10
Asset management fees paid/payable in units	9,075	8,825	17,949	17,569
Net financing costs ^(a)	20,122	15,392	39,153	32,266
(Writeback of)/Allowance for doubtful receivables	(134)	467	101	1,044
Share of profit of joint ventures	(42,190)	(28,720)	(60,673)	(46,610)
Operating income before working capital changes	52,307	57,374	106,901	117,260
Changes in working capital				
Trade and other receivables	(2,377)	7,903	(3,250)	1,893
Trade and other payables	2,029	(6,112)	(5,346)	(12,676)
Cash flows generated from operations	51,959	59,165	98,305	106,477
Income tax paid	-	-	-	-
Net cash flow from operating activities	51,959	59,165	98,305	106,477
Investing activities				
Interest received	7,022	5,843	13,717	11,204
Dividend received from joint ventures	17,123	16,689	22,437	18,676
Change in investment in joint ventures ^(b)	(5,877)	(160,055)	(9,537)	(164,236)
Capital expenditure on investment properties	(248)	(905)	(813)	(1,473)
Security deposit paid in relation to a development ^(c)	(14,079)	-	(14,079)	-
Purchase of plant and equipment	(130)	(383)	(452)	(565)
Proceeds from disposal of plant and equipment	-	-	-	1
Progress payments on construction ^(d)	(15,935)	(8,336)	(38,944)	(18,084)
Net cash flow used in investing activities	(12,124)	(147,147)	(27,671)	(154,477)
Financing activities				
Proceeds from interest-bearing loans	414,937	11,322	440,152	11,322
Proceeds from euro medium term notes	-	180,000	100,000	180,000
Proceeds from issuance of units	200,000	-	200,000	-
Unit issue costs paid	(3,675)	-	(3,675)	(30)
Proceeds from settlement of derivatives	681	-	1,193	-
Financing costs paid	(24,488)	(22,417)	(54,782)	(45,183)
Repayment of interest-bearing loans	(360,000)	-	(430,000)	-
Dividend paid to non-controlling interest	(1,764)	(1,764)	(3,528)	(3,528)
Distributions to unitholders	(85,618)	(64,655)	(155,076)	(134,019)
Net cash flow from financing activities	140,073	102,486	94,284	8,562
Net increase/(decrease) in cash and cash equivalents	179,908	14,504	164,918	(39,438)
Cash and cash equivalents at beginning of the period	121,920	117,935	136,657	172,655
Effect on exchange rate fluctuations on cash held	(662)	9	(409)	(769)
Cash and cash equivalents at end of the period	301,166	132,448	301,166	132,448

Footnotes:

- (a) Please refer to footnote (e) under note 1(a)(i) Statement of Total Return and Statement of Distribution for the quarter ended 30 June 2019 on page 4.
- (b) This relates to capital injections made to PMPL and Southgate Trust. In the corresponding period, it included capital injection in relation to the acquisition of an additional 25.0% effective interest in Southgate Complex, Australia in May 2018.
- (c) This relates to security deposit of A\$14.85 million in relation to the development of a freehold property located at 21 Harris Street, Pyrmont, Sydney.
- (d) This relates to progress payments made in relation to Olderfleet, 477 Collins Street in Australia which is currently under development.

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1 (e) Statements of Movements in Unitholders' Funds

	Group			
	1/4/19 to 30/6/19	1/4/18 to 30/6/18	1/1/19 to 30/6/19	1/1/18 to 30/6/18
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at the beginning of the period	5,613,005	5,605,993	5,636,523	5,639,074
Operations				
Total return for the period attributable to unitholders	62,840	57,409	100,977	117,595
Net increase in net assets resulting from operations	62,840	57,409	100,977	117,595
Effective portion of changes in fair value of cash flow hedges ^(a)	160	956	494	1,079
Translation differences from financial statements of foreign entities	(14,053)	(408)	(12,487)	(30,636)
Net (loss)/gain recognised directly in Unitholders' funds	(13,893)	548	(11,993)	(29,557)
Unitholders' transactions				
Creation of units				
- private placement Units ^(b)	200,000	-	200,000	-
- conversion of convertible bonds ^(c)	-	-	-	500
- asset management fees payable in units ^(d)	-	-	5,871	5,660
Units to be issued				
- asset management fees payable in units ^(d)	6,079	5,835	6,079	5,835
Unit issue expenses	(3,675)	-	(3,675)	(30)
Distributions paid to unitholders ^(e)	(86,678)	(64,817)	(156,104)	(134,109)
Net increase/(decrease) in net assets resulting from unitholders' transactions	115,726	(58,982)	52,171	(122,144)
Unitholders' funds as at end of period	5,777,678	5,604,968	5,777,678	5,604,968

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	Trust			
	1/4/19 to 30/6/19	1/4/18 to 30/6/18	1/1/19 to 30/6/19	1/1/18 to 30/6/18
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at the beginning of the period	4,929,687	4,935,257	4,954,558	4,954,212
Operations				
Total return for the period attributable to unitholders	35,404	43,402	74,088	87,609
Net increase in net assets resulting from operations	35,404	43,402	74,088	87,609
Unitholders' transactions				
Creation of units				
- private placement Units ^(b)	200,000	-	200,000	-
- conversion of convertible bonds ^(c)	-	-	-	500
- asset management fees payable in units ^(d)	-	-	5,871	5,660
Units to be issued				
- asset management fees payable in units ^(d)	6,079	5,835	6,079	5,835
Unit issue expenses	(3,675)	-	(3,675)	(30)
Distributions paid to unitholders ^(e)	(86,678)	(64,817)	(156,104)	(134,109)
Net increase/(decrease) in net assets resulting from unitholders' transactions	115,726	(58,982)	52,171	(122,144)
Unitholders' funds as at end of period	5,080,817	4,919,677	5,080,817	4,919,677

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 at closing market prices of 242,718 units issued on conversion of convertible bonds on 25 January 2018 and 28 February 2018.
- (d) This represents the value of units issued and to be issued to the Manager as partial satisfaction of the asset management fee incurred for the quarter. The asset management base fee units for the quarter ended 30 June 2019 are to be issued within 30 days from quarter end.
- (e) This includes tax withheld in relation to distribution paid during the quarter.

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

	Group and Trust			
	1/4/19 to 30/6/19	1/4/18 to 30/6/18	1/1/19 to 30/6/19	1/1/18 to 30/6/18
	Units	Units	Units	Units
Issued units at the beginning of the period	2,680,536,828	2,661,093,699	2,670,632,751	2,652,435,452
Creation of units:				
- as payment for asset management fee	3,004,969	2,970,092	12,909,046	11,385,621
- as units issue for private placement	111,111,000	-	111,111,000	-
- conversion of convertible bonds in units	-	-	-	242,718
Issued units at the end of the period	2,794,652,797	2,664,063,791	2,794,652,797	2,664,063,791
Units to be issued:				
- asset management fee payable in units ^(a)	3,161,734	3,417,014	3,161,734	3,417,014
Issuable units at the end of the period	3,161,734	3,417,014	3,161,734	3,417,014
Total issued and issuable units	2,797,814,531	2,667,480,805	2,797,814,531	2,667,480,805

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 2019 and 30 June 2018 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, \$212.5 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 2019, S\$87.5 million (30 June 2018: 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\$2.01 per new Unit (30 June 2018: S\$2.06 per new Unit).

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

Assuming CB 2021 are fully converted based on the adjusted conversion price, the number of new Units to be issued would be 43,532,338 (30 June 2018: 42,475,728), representing 1.56% (30 June 2018: 1.59%) of the total number of Units in issue as at 30 June 2019.

(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\$2.14 per new Unit (30 June 2018: \$2.189 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 140,186,915 (30 June 2018: 137,048,880), representing 5.02% (30 June 2018: 5.14%) of the total number of Units in issue as at 30 June 2019.

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- 2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures for the half year and quarter ended 30 June 2019 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 2018.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted new Financial Reporting Standards in Singapore ("FRSs") and interpretations effective for the financial period beginning 1 January 2019 as follows:

FRS 116 Leases

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.

There was no significant impact to the financial statements of the Group arising from the adoption of FRS 116.

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

Earnings per unit

	Group			
	1/4/19 to 30/6/19	1/4/18 to 30/6/18	1/1/19 to 30/6/19	1/1/18 to 30/6/18
Weighted average number of issued/issuable units ^(a)	2,794,687,541	2,664,101,341	2,716,458,568	2,662,567,257
Earnings per unit for the period based on the weighted average number of units in issue (cents)	2.249	2.155	3.717	4.417
Weighted average number of units on the fully diluted basis	2,984,653,647	2,667,480,805	2,941,121,309	2,667,425,824
Earnings per unit for the period based on the fully diluted basis (cents) ^(b)	1.955	2.105	3.466	3.862

Footnotes:

- (a) For the purpose of calculating the basic EPU, the weighted average number of units issued/issuable took into account the asset management fees – base fees paid/payable in units and private placement units (30 June 2018: the weighted average number of units issued/issuable took into account the asset management fees – base fees paid/payable in units and new units issued from the conversion of \$500,000 of the convertible bonds).
- (b) For the purpose of calculating the diluted EPU, the weighted average number of units in issue is adjusted to take into account the asset management fees – base and performance fees payable in units, 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				
	1/4/19 to 5/5/19	6/5/19 to 30/6/19	1/4/18 to 30/6/18	1/1/19 to 30/6/19	1/1/18 to 30/6/18
Number of issued and issuable units at end of period entitled to distribution ^(a)	2,683,541,797	2,797,814,531	2,667,480,805	2,797,814,531	2,667,480,805
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	0.796 ⁽¹⁾⁽²⁾	1.565 ⁽¹⁾	2.474 ⁽¹⁾	4.795 ⁽³⁾	4.907 ⁽³⁾

- (1) The distribution per unit for the quarter ended 30 June 2019 of **2.361** cents per unit (30 June 2018: **2.474** cents per unit) comprised a taxable income component of **1.867** cents per unit (30 June 2018: **1.773** cents per unit), a tax exempt income component of **0.262** cents per unit (30 June 2018: **0.326** cents per unit) and a capital distribution of **0.232** cents per unit (30 June 2018: **0.375** cents per unit).
- (2) The advanced distribution of **0.796** cents per unit for the period 1 April 2019 to 5 May 2019 was paid on 30 May 2019.
- (3) The distribution per unit for the half year ended 30 June 2019 of **4.795** cents per unit (30 June 2018: **4.907** cents per unit) comprised a taxable income component of **3.786** cents per unit (30 June 2018: **3.632** cents per unit), a tax exempt income component of **0.535** cents per unit (30 June 2018: **0.656** cents per unit) and a capital distribution of **0.474** cents per unit (30 June 2018: **0.619** cents per unit).

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Footnotes:

- (a) The computation of actual DPU for the period from 1 April 2019 to 5 May 2019 is based on the number of units as at 5 May 2019 of 2,683,541,797.
- (b) The computation of actual DPU for the period from 6 May 2019 to 30 June 2019 is based on the number of units entitled to the distribution:
- (i) The number of units in issue as at 30 June 2019 of 2,794,652,797; and
- (ii) The units issuable to the Manager by 30 July 2019 as partial satisfaction of asset management base fees incurred for the period from 1 April 2019 to 30 June 2019 of 3,161,734.

7. Net asset value (“NAV”) and Net Tangible Asset (“NTA”) per unit as at 30 June 2019

	Group		Trust	
	30/6/19 ^(a)	31/12/18	30/6/19 ^(a)	31/12/18
NAV / NTA per unit (S\$) ^(b)	2.065	2.103	1.816	1.848

Footnotes:

- (a) The number of units used for computation of actual NAV per unit is 2,797,814,531. This comprised of:
- (i) The number of units in issue as at 30 June 2019 of 2,794,652,797; and
- (ii) The units issuable to the Manager by 30 July 2019 as partial satisfaction of asset management base fees incurred for the period from 1 April 2019 to 30 June 2019 of 3,161,734.
- (b) The NAV per unit as at 30 June 2019 was lower than 31 December 2018 mainly due to payment of distributions and enlarged unit base due to placement units issued on 6 May 2019.

8. Review of the performance for the First Half and Second Quarter ended 30 June 2019

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

Properties	Group					
	1/4/19 to 30/6/19	1/4/18 to 30/6/18	Change	1/1/19 to 30/6/19	1/1/18 to 30/6/18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross Revenue:						
Suntec City	59,780	58,051	3.0%	119,790	116,403	2.9%
177 Pacific Highway	9,588	9,574	0.1%	19,447	20,074	-3.1%
Suntec Singapore	19,028	22,896	-16.9%	38,836	44,763	-13.2%
Total gross revenue	88,396	90,521	-2.3%	178,073	181,240	-1.7%
Net Property Income:						
Suntec City	42,201	42,961	-1.8%	85,609	87,729	-2.4%
177 Pacific Highway	8,151	8,159	-0.1%	16,640	17,232	-3.4%
Suntec Singapore	6,011	9,599	-37.4%	12,312	18,746	-34.3%
Total net property income	56,363	60,719	-7.2%	114,561	123,707	-7.4%

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8(ii) Income contribution from joint ventures

	Group					
	1/4/19 to 30/6/19	1/4/18 to 30/6/18	Change	1/1/19 to 30/6/19	1/1/18 to 30/6/18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Joint ventures:						
One-third interest in ORQ:						
- Interest income	528	557	-5.2%	1,127	1,075	4.8%
- Dividend income	5,611	6,020	-6.8%	11,185	12,430	-10.0%
	6,139	6,577	-6.7%	12,312	13,505	-8.8%
One-third interest in MBFC Properties:						
- Interest income	5,899	5,210	13.2%	11,720	9,932	18.0%
- Distribution income	9,128	8,128	12.3%	17,378	17,299	0.5%
	15,027	13,338	12.7%	29,098	27,231	6.9%
50% interest in Southgate Complex ^(a) :						
- Dividend/Distribution income	4,563	2,701	68.9%	8,339	4,601	81.2%
	4,563	2,701	68.9%	8,339	4,601	81.2%
Total income contribution	25,729	22,616	13.8%	49,749	45,337	9.7%

Footnotes:

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

Review of performance 2Q FY19 vs 2Q FY18

For 2Q FY19, the gross revenue was S\$88.4 million, a decrease of S\$2.1 million or 2.3% lower year-on-year. The decrease was mainly due to lower revenue from Suntec Singapore by S\$3.9 million. This was partially offset by an increase in revenue from Suntec City by S\$1.8 million.

Suntec Singapore's revenue contribution for the quarter of S\$19.0 million comprise S\$14.0 million from convention and S\$5.0 million from retail. The convention revenue declined 22.7% due to fewer major convention events partially offset by more corporate events held in 2Q FY19. Suntec Singapore's retail revenue increased 5.4% as compared to 2Q FY18 due to higher occupancy and rental rates.

Suntec City revenue improved S\$1.7 million year-on-year, due to increase in both retail revenue and office revenue. Retail revenue grew by S\$1.0 million due to positive rental reversions while office revenue increased by S\$0.7 million as replacement leases secured in prior quarters commenced. As at 30 June 2019, Suntec City Office occupancy declined by 0.6 percentage point year-on-year to 99.1% while the committed occupancy of Suntec City Mall declined by 0.3 percentage point year-on-year to 98.3% due to the on-going asset enhancement works.

177 Pacific Highway revenue of S\$9.6 million for 2Q FY19 was in line with 2Q FY18, with committed occupancy maintained at 100%.

The net property income for 2Q FY19 was S\$56.4 million, S\$4.4 million or 7.2% lower year-on-year, mainly attributable to the sinking fund contribution for Suntec City Office upgrading works amounting to S\$3.2 million. This has no impact on distributable income. Excluding the sinking fund contribution, Suntec City net property income increased by S\$1.9 million, offset by lower net property income from Suntec Singapore which amounted to S\$3.1 million.

The total income contribution from joint ventures comprising ORQ, MBFC Properties and Southgate Complex for the quarter was S\$25.7 million which was 13.8% higher mainly due to the stronger performance of and additional 25.0% interest in Southgate Complex and better performance of MBFC Properties. This was partially offset by lower contribution from ORQ due to lower occupancy of 97.0%, a decline of 3 percentage points year-on-year. The committed occupancy at MBFC Towers 1 & 2 was maintained at 100% while the Marina Bay Link Mall committed occupancy

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improved by 0.1 percentage point to 99.5%. Southgate Complex's office occupancy improved from 92.7% to 99.5%.

The overall committed occupancy for the office and retail portfolios stood at 99.1% and 97.9% respectively as at 30 June 2019.

Net financing costs for the quarter was S\$20.1 million, an increase of S\$4.7 million mainly due to additional borrowings, higher interest rates and additional interest rate hedges. The all-in financing cost for the group was 3.06% per annum for the quarter and the aggregate leverage ratio was 38.3% as at 30 June 2019.

The distributable income from operations for the quarter of S\$58.7 million was 4.7% higher year-on-year due to the higher net property income, stronger performance of and additional 25.0% interest in Southgate Complex which was offset by higher financing costs. The total distributable income of S\$65.2 million was 1.3% lower year-on-year as the capital distribution was S\$3.5 million lower.

The distribution per unit ("DPU") from operations for the quarter was 2.129 cents, an increase of 1.4% year-on-year. Including the lower capital distribution, the DPU of 2.361 cents was 4.6% lower year-in-year.

Review of performance 1H FY19 vs 1H FY18

For 1H FY19, the gross revenue was S\$178.1 million, a decrease of S\$3.2 million or 1.7% lower year-on-year. The decrease was mainly due to lower revenue from Suntec Singapore by S\$5.9 million and 177 Pacific Highway by S\$0.6 million due to the weakened Australia dollar. This was partially offset by an increase in revenue from Suntec City by S\$3.4 million.

Suntec Singapore's revenue contribution for the period of S\$38.8 million comprise S\$28.6 million from convention and S\$10.2 million from retail. The Convention revenue declined 18.0%, similarly due to fewer major convention events partially offset by more corporate events held in 1H FY19. Suntec Singapore's retail revenue increased by 3.5% as compared to 1H FY18 due to higher occupancy and rental rates.

Suntec City revenue improved by S\$3.4 million year-on-year, due to increase in both retail revenue and office revenue. Retail revenue grew by S\$2.6 million due to positive rental reversions while office revenue increased by S\$0.8 million as replacement leases secured in prior quarters commenced.

The net property income for 1H FY19 was S\$114.6 million, S\$9.1 million or 7.4% lower year-on-year, mainly attributable to the sinking fund contribution for Suntec City Office upgrading works amounting to S\$8.0 million. This has no impact on distributable income. Excluding the sinking fund contribution, Suntec City net property income increased by S\$4.6 million, offset by lower net property income from Suntec Singapore which amounted to S\$5.1 million.

The total income contribution from joint ventures comprising ORQ, MBFC Properties and Southgate Complex for the period was S\$49.7 million which was 9.7% higher mainly due to the stronger performance of and additional 25.0% interest in Southgate Complex and better performance of MBFC Properties. This was partially offset by lower contribution from ORQ due to the lower occupancy.

Net financing costs for the period was S\$39.2 million, an increase of S\$6.9 million mainly due to additional borrowings, higher interest rates and additional interest rate hedges. The all-in financing cost for the group was 3.05% per annum for the period.

The distributable income from operations for 1H FY19 of S\$117.5 million was 2.8% higher year-on-year due to the higher net property income, stronger performance of and additional 25.0% interest in Southgate Complex which was offset by higher financing costs. The total distributable income of S\$130.5 million was 0.2% lower year-on-year as the capital distribution was S\$3.5 million lower.

The DPU from operations for 1H FY19 was 4.321 cents, an increase of 0.8% year-on-year. Including the lower capital distribution, the DPU of 4.795 cents was 2.3% lower year-on-year.

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9. Variance between the forecast and actual results

The current results are broadly in line with the Trust's commentary made in the FY2018 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 12 July 2019, the Singapore economy in the second quarter of 2019, grew by a marginal 0.1% on a year-on-year basis.

The Singapore office market improved marginally in the second quarter of 2019, against the backdrop of economic uncertainty which moderated business sentiment. Overall CBD occupancy increased by 0.9 percentage point to 94.9%, underpinned by a stable leasing market and tight supply while overall CBD rents grew 1.5% to S\$10.79 psf/mth, a slower pace as compared to Q1 2019.¹

Looking ahead, Suntec REIT's Singapore office portfolio will continue to perform well due to positive rent reversions in the recent quarters. The Manager will continue its proactive asset management to strengthen the office portfolio.

The Singapore retail market was stable in the second quarter of 2019. Demand for retail space were driven by new-to-market and expansions of existing brands.¹ Looking ahead, the mall is expected to continue to perform well, notwithstanding the continuing challenges in the retail sector.

According to the Australian Bureau of Statistics, the Australian economy on a year-on-year basis, grew by 1.8% in the first quarter of 2019. On 2 July 2019, the Reserve Bank of Australia lowered the cash rate from 1.25% to 1.00%.

In Australia, the national office CBD occupancy increased by 0.3% to 91.7% in the first quarter of 2019. For the Sydney and Melbourne office markets, prime office occupancy rates were 96.4% and 97.6% respectively in the first quarter of 2019 as leasing activity continued to be strong, driven mainly by flight to quality and expansionary activities. In Adelaide, demand had been improving driven by increased infrastructure investments and a tight supply in Grade A office availability. Adelaide CBD prime office occupancy was 90.3% in the first quarter of 2019.²

Underpinned by the strong performance of the Sydney and Melbourne office markets and an improving Adelaide market, the occupancy and rental levels are expected to remain high for Suntec REIT's Australia office portfolio given the strong demand and limited new supply.

To enhance unitholders' value, the Manager will continue to improve the underlying performance of its assets, source for accretive acquisitions and continue its prudent capital management strategy.

¹ JLL, Office and Retail Market Reports 2Q 2019.

² JLL, Australia National Office Overview and Outlook, Sydney CBD Office, North Shore Office, Melbourne and Adelaide CBD Office Market Reports 1Q 2019.

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11. Distributions

(a) Current financial period

Any distribution declared for the current period? Yes

Name of distribution Distribution for the period from 1 April 2019 to 30 June 2019

Distribution Type	Distribution Rate Per Unit (cents)
Taxable income	1.867
Tax-exempt income	0.262
Capital distribution	0.232
Total	2.361

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 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 0.145 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.

An advanced distribution of 0.796 cents per unit for the period 1 April 2019 to 5 May 2019 was paid on 30 May 2019.

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(b) Corresponding period of the immediately preceding financial period

Any distribution declared for the corresponding period of the immediately preceding financial year? Yes

Name of distribution Distribution for the period from 1 April 2018 to 30 June 2018

Distribution Rate	Distribution Type	Distribution Rate Per Unit (cents)
	Taxable income	1.773
	Tax-exempt income	0.326
	Capital distribution	0.375
	Total	2.474

Distribution Type
i) Taxable income
ii) Tax-exempt income
iii) Capital distribution

Par value of units Not meaningful

Tax Rate
Taxable income
These distributions are made out of Suntec REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through partnership or as trading assets).

Tax-exempt income
Tax-exempt income distribution is exempt from tax in the hands of all Unitholders.

Capital distribution
Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who hold the Units as trading assets, the amount of capital gain distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units.

Remark Nil

(c) Date paid/payable: 29 August 2019

(d) Books Closure Date: 5 August 2019

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For First Half and Second Quarter ended 30 June 2019**

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 2019, statement of total return & distribution statement, cash flow statement and statement of changes in unitholders' funds for the quarter ended on that date), together with their accompanying notes, to be false or misleading, in any material aspect.

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

Lim Hwee Chiang, John
Director

Chong Kee Hiong
Director and Chief Executive Officer

15. Confirmation pursuant to Appendix 7.7 under Rule 720(1) of the Listing Manual

The Board of Directors of ARA Trust Management (Suntec) Limited (as Manager for Suntec REIT) hereby confirms that the undertakings from all its directors and executive officers as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual were procured.

16. Certificate pursuant to Paragraph 7.3 of the Property Funds Appendix

The Manager hereby certifies that in relation to the distribution to the Unitholders of Suntec REIT for the quarter ended 30 June 2019:

- a. Suntec REIT will declare a distribution which is classified as capital distribution from a tax perspective, being derived from a portion of the sales proceeds from the sale of Park Mall in December 2015, in addition to the income available for distribution for the quarter ended 30 June 2019,
- b. The Manager is satisfied on reasonable grounds that, immediately after making the distributions, Suntec REIT will be able to fulfill, from its deposited properties, its liabilities as they fall due.

The distribution is computed based on the accounts of Suntec REIT for the quarter ended 30 June 2019 and is verified by our external tax consultant.

Suntec REIT's current distribution policy is to distribute at least 90.0% of its taxable income to Unitholders.

**Financial Statements Announcement
For First Half and Second Quarter ended 30 June 2019**

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
26 July 2019