IMPORTANT NOTICE

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

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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 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(1) of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), a relevant person as defined under Section 275(2) of the SFA or persons to whom an offer is being made, as referred to in Section 275(1A) of the SFA; and (B) agree to be bound by the limitations and restrictions described herein.

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 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 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.

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)

U.S.$1,500,000,000
Euro Medium Term Note Programme

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.$1,500,000,000 Euro Medium Term Notes Programme (the **Programme**), each of Suntec REIT MTN Pte. Ltd. (**SRMTN**) 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 notes (the **Notes**) 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 Real Estate Investment Trust (**Suntec REIT**)) (the **Suntec REIT Trustee** and 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 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" should be taken as references to SRMTN only.

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.$1,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement), subject to increase as described herein.

The Notes 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 SRMTN, as issuer of the Notes under the Programme as specified in the applicable Pricing Supplement (as defined herein), and references to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

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

Approval in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the **SGX-ST**) for the establishment of the Programme and application will be made for permission to deal in, and for a quotation of, any Notes 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 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. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the relevant Issuer, the Guarantor, Suntec REIT, the Programme or the Notes.

The Programme provides that Notes may be listed 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. The relevant Issuer may also issue Notes which are unlisted and/or not admitted to trading on any market.

Each Tranche of Notes of each Series (as defined in "*Form of the Notes*") of Notes in bearer form will be represented on issue by 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 Note, each a **Bearer Global Note**). 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**). Global Notes may be deposited on the issue date with a common depositary for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**). Global Notes may also be deposited with The Central Depository (Pte) Limited (**CDP**).

The Notes 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. State 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) 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*" for descriptions of the manner in which the Notes will be issued.

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (**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 may not be circulated or distributed, nor may the Notes 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 under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

The relevant Issuer and the Guarantor may agree with any Dealer and the Trustee (as defined herein) that Notes 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.

The Programme has been assigned a rating of "Baa2" by Moody's Investors Service. Notes issued under the Programme may be rated or unrated. Where an issue of a certain series of Notes 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.

No prospectus is required in accordance with Directive 2003/71/EC in relation to offers of Notes under the Programme.

Arrangers and Dealers

Australia and New Zealand Banking Group Limited | **Citigroup** | **DBS Bank Ltd.** | **Standard Chartered Bank**

The date of this Offering Circular is 15 August 2013.

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 (as defined below) 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 will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" 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, must be read and construed together with the applicable Pricing Supplement.

References in this Offering Circular to "Conditions" of Notes shall mean the Conditions set out in the "*Terms and Conditions of the Notes*".

Subject as provided in the applicable Pricing Supplement, the only persons authorised to use this Offering Circular in connection with an offer of Notes 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 from the specified office set out below of the Principal Paying Agent (as defined below) (save that a Pricing Supplement relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer or the Principal Paying Agent as to its holding of Notes and its identity).

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such 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. 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 or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by 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: (a) is intended to provide the basis of any credit or other evaluation; or (b) should be considered as a recommendation by 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. Each investor contemplating purchasing any Notes 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 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.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuers and/or the Guarantor and/or Suntec REIT is correct at any time subsequent to the date hereof 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 the Notes of any information coming to their attention.

The Notes 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 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 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 the accuracy or the adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes 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 and the offer or sale of Notes 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 may be lawfully distributed, or that any Notes 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 distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any 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 or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes 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).

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 establishing the European Community, 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.

Any discrepancies in any table between totals and sums of the amounts listed are due to rounding.

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 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 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 and 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.

FORWARD LOOKING STATEMENTS

The Issuers and the Guarantor have included statements in this Offering Circular which contain words or phrases such as **will**, **would**, **aim**, **aimed**, **is likely**, **are likely**, **believe**, **expect**, **expected to**, **will continue**, **anticipated**, **estimate**, **estimating**, **intend**, **plan**, **seeking to**, **future**, **objective**, **should**, **can**, **could**, **may**, and similar expressions or variations of such expressions, that are "forward-looking statements". Actual results may differ materially from those suggested by the forward-looking statements due to certain risks or uncertainties associated with each Issuer's and the Guarantor's expectations with respect to, but not limited to, their ability to successfully implement their strategy, their ability to integrate recent or future mergers or acquisitions into their operations, their growth and expansion, the outcome of any legal or regulatory proceedings they are or become a party to, the future impact of new accounting standards and the environment in which they operate.

CIRCULAR 230 DISCLOSURE

To ensure compliance with Treasury Department Circular 230, investors are hereby notified that: (a) any discussion of United States federal tax issues in this Offering Circular is not intended or written to be relied upon, and cannot be relied upon, by any person for the purpose of avoiding penalties that may be imposed under the U.S. Internal Revenue Code of 1986; (b) such discussion is included herein by the Issuers and the Guarantor in connection with the promotion or marketing (within the meaning of Treasury Department Circular 230) of the transactions addressed herein; and (c) investors should seek advice based on their particular circumstances from an independent tax adviser.

CONTENTS

In connection with the issue of any Tranche of Notes the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. 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 is made and, if begun, may be ended 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 and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising 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, the applicable Pricing Supplement. The relevant Issuer and any relevant Dealer may agree that Notes 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", and "Terms and Conditions of the Notes" shall have the same meanings in this Overview. In addition, the term ***Conditions*** *when used in this overview shall mean the Terms and Conditions of the Notes.*

Issuers:	Suntec REIT MTN Pte. Ltd. Any New Issuer that may accede as an Issuer to the Programme
Accession of New Issuers:	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" should be taken as references to SRMTN only.
Guarantor:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec Real Estate Investment Trust)
Description:	Euro Medium Term Note Programme
Arrangers:	Australia and New Zealand Banking Group Limited Citigroup Global Markets Singapore Pte. Ltd. DBS Bank Ltd. Standard Chartered Bank
Dealers:	Australia and New Zealand Banking Group Limited Citigroup Global Markets Singapore Pte. Ltd. DBS Bank Ltd. Standard Chartered Bank and any other Dealers appointed in accordance with the Programme Agreement.

Certain Restrictions:	Each issue of Notes 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 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*". The minimum specified denomination of each Note to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under Directive 2003/71/EC (the **Prospectus Directive**) shall be €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).
Trustee:	The Bank of New York Mellon, London Branch
Principal Paying Agent:	The Bank of New York Mellon, London Branch
Registrar and Transfer Agent in respect of Registered Notes:	The Bank of New York Mellon (Luxembourg) S.A.
CDP Paying Agent:	The Bank of New York Mellon, Singapore Branch
Programme Size:	Up to U.S.$1,500,000,000 (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 may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

	The Notes 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, if any), the Notes of each Series being intended to be interchangeable with all other Notes 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 (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 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:	The Notes 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.
Issue Price:	The Notes 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:	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*.
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 each 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 appearing on the agreed screen page of a commercial quotation service; 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 Notes.
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.
Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:	Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period 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).
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.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Interest Periods and Interest Rates:	The length of the interest periods and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the applicable Pricing Supplement.

Denomination of Notes:	The Notes 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 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.
Taxation:	All payments in respect of any Notes will be made without any withholding or deduction for or on account of any present or future taxes, duties, assessments or government charges 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, as the case may be, the Guarantor will, save in certain limited circumstances provided in Condition 8 of the Notes, be required to pay additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of any Notes in the absence of the 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 of the Notes.
Status of the Notes and the Guarantee:	The Notes and any related Receipts and Coupons will constitute 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 (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.
Rating:	The Programme has been assigned a rating of "Baa2" by Moody's. The rating of certain Series of Notes to be issued under the Programme may 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 and admission to trading:	Application has been made for permission to deal in, and for quotation of, any Notes 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 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. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the relevant Issuer, the Guarantor, Suntec REIT, the Programme or the Notes. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the relevant Issuer and the relevant Dealer(s) in relation to each Series. If the application to the SGX-ST to list a particular Series of Notes is approved, such Notes 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 equivalent in any other currency). Unlisted Notes may also be issued. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).
Clearing Systems:	Euroclear, Clearstream, Luxembourg, CDP and/or any other clearing system as specified in the applicable Pricing Supplement, see "*Form of the Notes*".
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes 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, see "*Subscription and Sale*".
United States Selling Restrictions:	Regulation S, Category 1/2. TEFRA C or D (or in respect of TEFRA C or TEFRA D, any successor U.S. Treasury regulation section, including without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010)/TEFRA not applicable, as specified in the applicable Pricing Supplement.

RISK FACTORS

Each 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 Notes 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 Notes issued under the Programme are also described below.

Each Issuer and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes 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 Notes 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 Associated with Suntec REIT's Business

Suntec REIT's properties are located in Singapore, which exposes Suntec REIT to economic and real estate market conditions in Singapore (including increased competition in the real estate market)

Currently, all of the properties in the Suntec REIT Portfolio are located in Singapore. As a result, Suntec REIT's income derived from the properties in the Suntec REIT Portfolio depends, to a large extent, on the performance of the Singapore economy. An economic decline in Singapore 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 Singapore, including those in the central business district (**CBD**) and other areas in Singapore, where the properties in the Suntec REIT Portfolio are located, that compete with properties in the Suntec REIT Portfolio in attracting tenants. Further, whenever competing properties of a similar type in their vicinities are substantially new, upgraded or refurbished, the income derived from the Suntec REIT Portfolio could be reduced.

The income from, and market value of, the Suntec REIT Portfolio will be largely dependent on the ability of the properties in the Suntec REIT Portfolio to compete with other commercial properties in the CBD in attracting and retaining tenants. Historical operating results of the Suntec REIT Portfolio may not be indicative of future operating results and historical market values of the Properties may not be indicative of future market values of the Suntec REIT Portfolio. Important factors affecting the ability of Suntec REIT 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 as well as the performance of the relevant building's property manager.

Suntec REIT's property investments are relatively illiquid

Suntec REIT invests in office and retail properties which entail a higher level of risk than a portfolio which has a diverse range of investments. Suntec REIT's real estate investments are relatively illiquid. Such illiquidity limits the ability of an owner or a developer to liquidate part of its real estate assets into cash on short notice or may require a substantial reduction in the price that may otherwise be sought for such asset to ensure a quick sale. Such illiquidity also limits the ability of Suntec REIT to vary its investment portfolio in response to changes in economic, real estate, market or other conditions. This could have an adverse effect on Suntec REIT's financial condition and results of operations, with a consequential adverse effect on Suntec REIT's ability to make expected returns. Moreover, Suntec REIT may face difficulties in securing timely and commercially favourable financing in asset-based lending transactions secured by real estate, due to its illiquidity.

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 re-let space as existing leases expire, inability to collect rent from tenants due to 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, 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 related 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 government appropriation, condemnation and redevelopment.

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 its business, which may weaken its financial condition and result in its failure to make timely rental payments or it may default on its tenancy 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. Suntec REIT may be unable to re-let the space in the event of an eviction.

Further, if Suntec REIT's key tenants decide not to renew their tenancies or 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 decrease and it may not be able to pay amounts due on its indebtedness, including on any Notes.

The location of the properties in the Suntec REIT Portfolio in the same development may entail a higher level of risk compared to some other real estate investment trusts that have properties spread over diverse locations

The properties in the Suntec REIT Portfolio are located in the CBD of Singapore. This concentration may entail a higher level of risk as compared to some other real estate investment trusts 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 in the Suntec REIT Portfolio or their attractiveness to tenants, may affect all of the properties in the Suntec REIT Portfolio, and Suntec REIT will not have income from other properties to mitigate any ensuing loss of income arising from such circumstance.

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 in which the development is comprised, 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 the rental rates may have an adverse impact on the results of operations and financial condition of Suntec REIT.

Physical damage to Suntec City alone, resulting from fire or other causes, may lead to a significant disruption to the business and operation of each of the Suntec Properties, the ORQ Interest and the MBFC Interest which accounted for 45.1, 14.0 and 32.9 per cent. of Suntec REIT's net property income and income contribution from jointly-controlled entities respectively for 1HFY2013. Such physical damage to a development would have a greater effect on the financial condition and results of operations of Suntec REIT as compared to other real estate investment trusts that have properties spread over more than one development.

A number of the properties in the Suntec REIT Portfolio's leases are for periods of up to three years, which exposes the properties in the Suntec REIT Portfolio to high rates of lease expiries each year

A substantial number of the tenancies for the properties in the Suntec REIT Portfolio are for periods of up to three years, which reflects the general practice in the Singapore commercial property market. As a result, the properties in the Suntec REIT Portfolio 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, it could have a material adverse effect on Suntec REIT's gross revenues, and could affect its ability to meet its payment obligations in respect of its indebtedness.

If the rental rates for the properties in the Suntec REIT Portfolio 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.

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

Suntec REIT's performance and success depends, in part, upon the continued service and performance of members of the Suntec REIT Manager's senior management team and certain key senior personnel. These key personnel may leave the Suntec REIT Manager in the future or compete with the Suntec REIT Manager and Suntec REIT. The loss of any of these individuals, or of one or more of the Suntec REIT Manager's other key employees, could have a material adverse effect on Suntec REIT's financial condition and results of operations. Future performance of Suntec REIT depends largely on its ability to attract, train, retain and motivate high quality personnel, especially for its management and technical teams.

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, which is listed on the Main Board of the SGX-ST. ARA Asset Management Limited is an affiliate of the Cheung Kong group of companies.

ARA Asset Management Limited is a real estate fund management company, which manages other property funds, including five listed real estate investment trusts and a number of private property funds in Singapore and the Asia-Pacific. ARA Asset Management Limited may in the future, sponsor, manage or invest in other REITs or other vehicles which may also compete directly with Suntec REIT.

Suntec REIT may be involved in legal and other proceedings from time to time

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.

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 in Europe, the United States and elsewhere. These and other related events have had a significant impact on the global capital markets associated not only with asset-backed securities but also with the global credit and financial markets as a whole. Global credit markets have experienced substantial dislocations, liquidity disruptions and market corrections of which the scope, duration, severity and economic effect remain uncertain. These events could adversely affect Suntec REIT, including:

- a negative impact on the ability of the tenants of Suntec REIT to pay their rents in a timely manner or continuing their leases, thus reducing Suntec REIT's cash flow;

- an adverse effect on the cost of funding Suntec REIT's business thus limiting Suntec REIT's growth opportunities; and

- an adverse impact on the ability of Suntec REIT to obtain funds for expansion or refinance its existing debt obligations on the same or more favourable terms than its existing debt obligations, if at all.

Although Suntec REIT has relied primarily on local sources of funding, reduced liquidity in the global capital markets could have an adverse impact on the Singapore market and limit Suntec REIT's ability to diversify its funding sources. Increased funding costs or greater difficulty in diversifying funding sources would have an adverse effect on its business, financial conditions and results of 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 or H1N1 swine flu may adversely affect the economy, infrastructure and livelihood of the people in the countries in which Suntec REIT has properties and operates. An outbreak of SARS, MERS, H5N1 or H7N9 avian flu, H1N1 swine flu or a similar epidemic, or the measures taken by the governments of affected countries, including Singapore, against such an outbreak, could severely disrupt Suntec REIT's business operations and undermine investor confidence, thereby materially and adversely affecting its financial condition or results of operations.

Risks Associated with The Operation of The Suntec REIT Portfolio

The properties held by Suntec REIT may face competition from other properties

There are many commercial properties in Singapore 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 market value of, the properties held by Suntec REIT will be largely dependent on their competitiveness as compared to other commercial properties in the CBD and the Marina Bay area 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 future market values of the properties. Important factors affecting the ability of Suntec REIT to attract or retain tenants include the attractiveness of the relevant building and the surrounding area to prospective tenants and their customers or clients, the quality of the building's existing tenants as well as the performance of the relevant building's property manager.

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. An inability to compete effectively could affect Suntec REIT's ability to grow.

There is no assurance that the income contribution from Suntec REIT's interests in the MBFC Properties will not decrease following the end of the income support

There is no assurance that, following the expiry of the income support provided by Choicewide Group Limited [1] to Suntec REIT, the income contribution from Suntec REIT's interests in the MBFC Properties will not be adversely affected in the event of downturn in the rental market.

There can be no assurance that the properties in the Suntec REIT Portfolio will continue to maintain or exceed their valuations

As at 30 June 2013, the aggregate gross value of the properties in the Suntec REIT Portfolio was S$7,936.3 million. There can be no assurance that the market value of any or all of the properties in the Suntec REIT Portfolio, or any other property which Suntec REIT may acquire in the future will continue to maintain or exceed their valuations as at 30 June 2013. If the actual valuations of any of the Suntec REIT Portfolio, or of any other property which Suntec REIT may acquire in the future, are materially less favourable than those projected or if the assumptions used in formulating the projections prove to be incorrect, Suntec REIT's ability to refinance its indebtedness may be adversely affected.

The properties in the Suntec REIT portfolio may be subject to compulsory acquisition

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

- for any public purpose;
- where the acquisition is of public benefit or of public utility or in the public interest; or
- for any residential, commercial or industrial purpose.

In the event of such acquisition, the amount of compensation to be awarded shall take into account, *inter alia*, the market value of the acquired land as provided in the Land Acquisition Act. Nevertheless, the market value of the land (or part thereof) to be compulsorily acquired may be greater than the compensation paid to Suntec REIT in respect of the acquired land, and this may adversely affect the gross revenues and value of the assets of Suntec REIT.

Suntec REIT may suffer material losses in excess of insurance proceeds or an insured loss

The properties in the Suntec REIT Portfolio could suffer physical damage caused by fire or other causes or Suntec REIT may suffer public liability claims, all of which may result in losses (including loss of rent) that may not be fully compensated by insurance proceeds. Although Suntec REIT maintains insurance arranged through reputable insurance brokers and with reputable independent insurance companies that it believes is consistent with industry standards to protect against its operational risks, there are certain types of risk (such as from wars, acts of terrorism or acts of God) that generally are not insured because they are either uninsurable or the cost of insurance may be prohibitive when compared to the risk. Currently, Suntec REIT's insurance policies for the properties in the Suntec REIT Portfolio do not cover acts of war, acts of terrorism or outbreaks of contagious diseases. Should an uninsured loss or a loss in excess of insured limits occur, Suntec REIT could be required to suffer a loss and/or lose capital invested in the affected property as well as anticipated future revenue from that property. Any such loss could adversely affect the results of operations and financial condition of Suntec REIT. Suntec REIT would also remain liable for any debt or other financial obligation related to that property. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future or that adequate insurance coverage for Suntec REIT will be available in the future on commercially reasonable terms or at commercially reasonable rates.

The amount Suntec REIT may borrow is limited, which may affect the operations of Suntec REIT. The borrowing limit may be exceeded if there is a downward revaluation of assets.

Appendix 6 to the Code on Collective Investment Schemes issued by the MAS (the **Property Funds Appendix**) provides that the aggregate leverage (as defined in the Property Funds Appendix, **Aggregate Leverage**) of a real estate investment trust may reach a maximum of 60.0 per cent. of the value of all the

[1] For an aggregate amount of S$113.9 million (inclusive of goods and services tax), payable in quarterly instalments for 60 months from 9 December 2010 in relation to the one-third interest in MBFC Properties pursuant to a deed of income support.

gross assets of Suntec REIT, including all its authorised investments held or deemed to be held upon the trusts under the Suntec REIT Trust Deed (the **Deposited Property**), provided that a credit rating of the real estate investment trust from Fitch Ratings (**Fitch**), Moody's or Standard and Poor's, part of McGraw-Hill Companies (**S&P**) is obtained and disclosed to the public. In addition, such credit rating should be maintained and disclosed so long as the Aggregate Leverage of the real estate investment trust exceeds 35.0 per cent. of the value of its Deposited Property. Suntec REIT has been assigned an issuer rating of "Baa2" by Moody's since 15 December 2010 and is currently permitted to borrow up to a maximum of 60.0 per cent. of the value of its Deposited Property. However, a decline in the value of Suntec REIT's Deposited Property may affect Suntec REIT's ability to borrow further.

Adverse business consequences of this limitation on borrowings may include:

- an inability to fund capital expenditure requirements in relation to the Suntec REIT Portfolio or in relation to the acquisition by Suntec REIT of further properties to expand its portfolio; and

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

Suntec REIT is also expected to use leverage in connection with its investments. A downward revaluation of any of the properties in the Suntec REIT Portfolio or other circumstances may result in a breach of the borrowing limit under the Property Funds Appendix. In the event of such a breach, Suntec REIT would not be able to incur further indebtedness. In such circumstances, while Suntec REIT may not be required to dispose of its assets to reduce its indebtedness where such disposal is prejudicial to the interest of the Unitholders, the Suntec REIT Manager must use its best endeavours to reduce excess borrowings, which may constrain its operational flexibility.

In addition, a severe downward revaluation of any of the properties in the Suntec REIT Portfolio may result in a breach of certain financial covenants under any of Suntec REIT's debt financing arrangements.

There is no assurance that the rating assigned to Suntec REIT will be maintained or that the rating would not be reviewed, downgraded, suspended or withdrawn in the future

Suntec REIT has been assigned an issuer rating of "Baa2" by Moody's since 15 December 2010. The rating assigned by Moody's is based on the views of Moody's only. Future events could have a negative impact on the rating of Suntec REIT and prospective investors should be aware that there is no assurance that ratings given will continue or that the ratings would not be reviewed, downgraded, suspended or withdrawn as a result of future events or judgment on the part of Moody's. Any rating changes that could occur may have a negative impact on the market value of the Notes.

Suntec REIT may have a higher level of gearing than certain other types of unit trusts

As at 30 June 2013, Suntec REIT had total borrowings at amortised cost of S$2,865.8 million.

Suntec REIT may, from time to time, require additional debt financing to achieve the Suntec REIT Manager's investment strategies. Suntec REIT may be required to meet its funding needs by procuring financing on terms which restrict it in certain ways and may limit its ability to pay distributions or require it to obtain consents before it can pay distributions to Unitholders. In addition, Suntec REIT's indebtedness means that a material portion of its expected cash flow may be required to be dedicated to the payment of interest on its indebtedness, thereby reducing the funds available to Suntec REIT for use in its general business operations. Suntec REIT's indebtedness may also restrict its ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause it to be particularly vulnerable in the event of a general economic downturn. Suntec REIT's level of borrowings represents 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.

Suntec REIT faces risks associated with debt financing

Suntec REIT will be subject to risks associated with debt financing, including the risk that its cash flow will be insufficient to meet required payments of principal and interest under such financing and to make distributions. The rights of Noteholders to receive payments under the Notes or the Guarantee are effectively subordinated to the rights of the existing and future secured creditors.

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 Notes or under any other indebtedness or upon Suntec REIT's bankruptcy, liquidation or reorganisation, any secured indebtedness of third party creditors to the Suntec REIT Portfolio would effectively be senior to the Notes to the extent of the value of the Suntec REIT Portfolio securing their indebtedness. The holders of the Notes 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 will also be subject to the risk that it may not be able to refinance its existing borrowings or that the terms of such refinancing will not be as favourable as the terms of its existing borrowings, particularly in light of current uncertainty and instability in global market conditions. In addition, Suntec REIT may be subject to certain covenants in connection with any future borrowings that may limit or otherwise adversely affect its operations and its ability to make distributions to Unitholders. Such covenants may also restrict Suntec REIT's ability to acquire properties or undertake other capital expenditure or may require it to set aside funds for maintenance or repayment of security deposits. Furthermore, if prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make commercial real estate loans) result in higher interest rates upon refinancing, the interest expense relating to such refinanced indebtedness would increase, which would adversely affect Suntec REIT's cash flow and the amount of distributions it could make to Unitholders.

Suntec REIT may experience limited availability of funds

If Suntec REIT defaults in its payment obligations, lenders to any of the affected properties in the Suntec REIT Portfolio 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 Notes or the Guarantee upon a foreclosure or other enforcement action may not be sufficient to satisfy the payment obligations under the Notes or the Guarantee. The amount to be received upon a foreclosure sale of a property from the Suntec REIT Portfolio 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 in the Suntec REIT Portfolio is illiquid and there can be no assurance that any of the properties in the Suntec REIT Portfolio 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 will be sufficient for Suntec REIT to meet its obligations under the Notes or the Guarantee.

Suntec REIT may require additional financing to fund working capital requirements, to support the future growth of its business and/or to refinance existing debt obligations. 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 or that any additional financing will not be dilutive to its Unitholders. 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 is subject to interest rate fluctuations

As at 30 June 2013, approximately 40.0 per cent. of Suntec REIT's borrowings are subject to interest rate fluctuations. There is no certainty that the interest rates will not move against Suntec REIT. Consequently, the interest cost to Suntec REIT for such borrowings will be subject to the risks of interest rate fluctuations.

As part of its active capital management strategies, Suntec REIT has entered into some hedging transactions to partially mitigate the risk of such interest rate fluctuations. However, its hedging policy and strategy may not cover all of Suntec REIT's exposure to interest rate fluctuations. As a result, its operations and/or financial condition could potentially be adversely affected by interest rate fluctuations.

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

The Suntec REIT Manager's investment strategy includes growing Suntec REIT's portfolio of commercial properties and providing regular and stable distributions to Unitholders. 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 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, particularly in light of the current global market conditions mentioned above. 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, which may result in a dilution of Unitholders' holdings. Potential vendors may also view the prolonged time frame 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.

The Suntec REIT Manager may not be able to implement its asset enhancement initiative

One of the Suntec REIT Manager's strategies for growth is to increase yields and total returns through a combination of the addition and/or optimisation of office space and retail space at the relevant property. Any plans for asset enhancement initiatives are subject to known and unknown risks, uncertainties and other factors which may lead to any of such asset enhancement initiatives and/or their outcomes being materially different from the original projections or plans. There can be no assurance that the Suntec REIT Manager will be able to implement any of its proposed asset enhancement initiatives successfully or that the carrying out of any asset enhancement initiative will enhance the value of the relevant property. The proposed asset enhancement initiatives are subject to Suntec REIT obtaining the approvals of the relevant authorities. Furthermore, the Suntec REIT Manager may not be able to carry out the proposed asset enhancement initiative within a desired timeframe, and any benefit or return which may arise from such asset enhancement initiative may be reduced or lost. Even if the asset enhancement initiative is successfully carried out, there can be no assurance that Suntec REIT will achieve its intended return or benefit on such asset enhancement initiative.

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, major 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 the 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.

Risks Relating to Investing in Real Estate

Gross revenues earned from, and the value of, the Suntec REIT Portfolio may be adversely affected by a number of factors

Gross revenues earned from, and the value of, the Suntec REIT Portfolio 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 charge;

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

- the amount of, and 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, inability to collect rental income, or delays in the termination of such tenant's lease, or hindrance or delay in the re-letting of the space in question or the sale of the relevant property;

- the amount of rent payable by tenants and the terms on which lease renewals and new leases are agreed being less favourable than 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 Suntec REIT Portfolio);

- 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 in the Suntec REIT Portfolio;

- increases in the rate of inflation;

- defects affecting any of the properties in the Suntec REIT Portfolio which need to be rectified, or other required repair and maintenance of the properties in the Suntec REIT Portfolio, leading to unforeseen capital expenditure;

- unapproved uses of any of the properties in the Suntec REIT Portfolio which may give rise to the right on the part of the Singapore Government to re-enter the affected properties in the Suntec REIT Portfolio; and

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

Properties held by Suntec REIT may be subject to increases in property expenses and other operating expenses

Suntec REIT's ability to make distributions to Unitholders could be adversely affected if property expenses, such as maintenance and sinking fund charges, property management fees, property taxes and other operating expenses increase without a corresponding increase in revenue.

Factors which could increase property expenses and other operating expenses include any:

- increase in the amount of maintenance and sinking fund charges payable to the property manager for the affected Suntec REIT Portfolio property;
- increase in property taxes and other statutory charges;
- change in statutory laws, regulations or government policies which increase the cost of compliance with such laws, regulations or policies;
- increase in utility charges;
- increase in sub-contracted service costs;
- increase in the rate of inflation;
- increase in insurance premiums; and
- damage or defect affecting Suntec REIT's properties which needs to be rectified, leading to unforeseen capital expenditure.

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, and the Suntec REIT Trust Deed gives the Suntec REIT Manager wide powers to invest in other types of assets, including any real estate, 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.

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.

Laws and governmental regulations in relation to real estate are subject to changes in the future

Gross revenues earned from, and the value of, the Suntec REIT portfolio may be adversely affected by changes in laws and governmental regulations in relation to real estate. The real estate market in Singapore is subject to government regulations. Such regulations include land and title acquisition, development planning, design and construction, usage, zoning, taxes, government charges as well as mortgage financing and refinancing. 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 acquisition would not impose similar restrictions on the supply of real estate.

Risks Relating to the Notes

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

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

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

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

(d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common of such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of any Notes is likely to limit their market value. During any period when the relevant Issuer may elect to redeem such Notes, the market value of those Notes 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 when its cost of borrowing is lower than the interest rate on the Notes. 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 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.

Index Linked and Dual Currency Notes

The relevant Issuer may issue Notes with principal or interest 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 with principal or interest payable in one or more currencies which may be different from the currency in which the relevant Notes are denominated. Potential investors should be aware that:

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

(b) they may receive no interest;

(c) payment of principal or interest 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 in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest 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 should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

Partly-paid Notes

The relevant Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Variable Rate Notes with a multiplier or other leverage factor

Notes 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

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes 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 are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than the then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than the then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

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

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

The Conditions of the Notes contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders of a particular Series including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

In respect of each particular Series of Notes, the Conditions of the Notes provide that the Trustee may agree, without the consent of the Noteholders, the Receiptholders or the Couponholders, to any modification of any of the provisions of Notes, 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 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 the law or is required by Euroclear, Clearstream, Luxembourg, CDP and/or any other clearing system in which the Notes may be held.

In respect of each particular Series of Notes, the Conditions of the Notes provide that the Trustee may, without the consent of the Noteholders, the Receiptholders or the Couponholders (but only if and in so far as in its opinion the interests of the Noteholders shall not be materially prejudiced), waive or authorise any breach or proposed breach by the relevant Issuer or the Guarantor of any of the covenants or provisions contained in the Trust Deed or the Agency Agreement or determine that any Event of Default shall not be treated as such.

In respect of each particular Series of Notes, the Conditions of the Notes provide that the Trustee may, without the consent of the Noteholders, agree with the relevant Issuer and the Guarantor to the substitution in place of the relevant Issuer as the principal debtor under the Notes, the Receipts, the Coupons and the Trust Deed of another company being the Guarantor or a Subsidiary (as defined in the Conditions of the Notes) of Suntec REIT, in the circumstances described in Condition 15 of the Notes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 15 September 2008, the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008, the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of those proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. In the event the Global Note representing any Series of Notes is exchanged for Notes in definitive form, the relevant Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

*U.S. Foreign Account Tax Compliance Act (**FATCA**) withholding may affect payments on the Notes*

Whilst the Notes are in global form and held within the clearing systems, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the clearing systems. Prospective investors should refer to the section "*Taxation – Foreign Account Tax Compliance Act*". However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depositary for the clearing systems (as bearer or registered holder of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the clearing systems and custodians or intermediaries.

Change of law

The conditions of the Notes 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.

The Notes and the Guarantee are not secured

The Notes and Coupons of all Series constitute direct, unconditional 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. 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 *pari passu* 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 Guarantor, from time to time outstanding.

Accordingly, on a winding-up of SRMTN and/or Suntec REIT and/or the New Issuer at any time prior to maturity of any Notes, the Noteholders will not have recourse to any specific assets of SRMTN (where the relevant Issuer is SRMTN), 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 and/or Coupons owed to the Noteholders and there can be no assurance that there would be sufficient value in the assets of SRMTN and/or Suntec REIT and/or the New Issuer, after meeting all claims ranking ahead of the Notes, to discharge all outstanding payment and other obligations under the Notes and/or Coupons owed to the Noteholders.

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

Noteholders should note that the Guarantee is 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 should note that under the terms of the Guarantee, Suntec REIT shall only have recourse in respect of the Suntec REIT Deposited Property and not the Suntec REIT Trustee personally nor any other properties held by the Suntec REIT Trustee as trustee of any trust other than Suntec REIT. Further, Noteholders do not have direct access to the Suntec REIT Deposited Property and can only gain access 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 Suntec REIT Deposited Property. Accordingly, any claim of the Noteholders to the

Suntec REIT Deposited Property is derivative in nature. A Noteholder's right of subrogation could be limited by the Suntec REIT Trustee's right of indemnity. Noteholders 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.

Bearer Notes where denominations involve integral multiples: definitive Bearer Notes

In relation to any issue of Bearer Notes 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 may be traded in amounts 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 at the relevant time may not receive a definitive Bearer Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes, such that its holding amounts to a Specified Denomination.

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

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 Suntec REIT 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 (*action 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 Suntec REIT 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.

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

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

While the Notes are represented by one or more Global Notes, the relevant Issuer, failing which the Guarantor, will discharge its payment obligations under the Notes 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 must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. Neither the relevant Issuer nor the Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. 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 will not have a direct right under the respective Global Notes to take enforcement action against the relevant Issuer or the Guarantor in the event of a default under the relevant Notes but will have to rely upon their rights under the Trust Deed.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes 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 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 generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The relevant Issuer will pay principal and interest on the Notes, and the Guarantor will make any payments under the Guarantee, 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, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

The ratings assigned by Moody's to the programme are based on the views of Moody's only. One or more independent credit rating agencies may assign credit ratings to the Notes. 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. Future events may have a negative impact on the rating of the Programme and/or such Notes 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 or withdrawn by the rating agency at any time.

Legal risk factors may restrict certain investments

The investment activities of certain investors are subject to legal 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 are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Investors should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

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 2013 and, pursuant to the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" issued by MAS on 28 June 2013, during the period from 1 January 2014 to 31 December 2018, are intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfilment of certain conditions more particularly described in the section entitled "*Taxation – Singapore Taxation*".

However, there is no assurance that such Notes will continue to enjoy the tax concessions for qualifying debt securities should the relevant tax laws or MAS circulars be amended or revoked at any time.

Risks Relating to Notes Denominated in Renminbi

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 and Taiwan have been permitted to engage in the settlement of Renminbi trade transactions. This represents a current account activity.

On 12 October 2011, the Ministry of Commerce of the PRC (**MOFCOM**) promulgated the Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment (the **MOFCOM RMB FDI Circular**). Pursuant to the MOFCOM RMB FDI Circular, prior written consent from the appropriate office of MOFCOM and/or its local counterparts (depending on the size and the relevant industry of the investment) is required for Renminbi foreign direct investments (**RMB FDI**). The MOFCOM RMB FDI Circular also requires that the proceeds of RMB FDI may not be used for investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in PRC domestic listed companies through private placements or share transfers by agreement.

On 13 October 2011, Measures on Administration of Renminbi Settlement in relation to Foreign Direct Investment (the **PBOC RMB FDI Measures**) issued by the People's Bank of China (the **PBOC**) set out operating procedures for PRC banks to handle Renminbi settlement relating to RMB FDI and borrowing by foreign invested enterprises of offshore Renminbi loans. Prior to the PBOC RMB FDI Measures, crossborder Renminbi settlement for RMB FDI required approvals from the PBOC on a case-by-case basis. The new rules replace the PBOC approval requirement with a less onerous post-event registration and filing requirement. Under the new rules, foreign invested enterprises (whether established or acquired by foreign investors) need to (i) register their corporate information after the completion of a RMB FDI transaction, and (ii) make post-event registration or filing with the PBOC of any changes in registration information or in the event of increase or decrease of registered capital, equity transfer or replacement, merger, division or other material changes.

As the above measures and circulars are still relatively new, how they will be applied in practice still remain subject to the interpretation by the relevant PRC authorities.

There is no assurance that the PRC Government will continue to gradually liberalise control over crossborder 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.

All Renminbi payments under the RMB Notes 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 Notes and the relevant Issuer's or the Guarantor's ability to source Renminbi outside the PRC to service such RMB Notes 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 the PRC is limited. Currently, licensed banks in Singapore and Hong Kong may offer limited Renminbi-denominated banking services to Singapore residents, Hong Kong residents and specified business customers. The PBOC, the central bank of the PRC, has also established a Renminbi clearing and settlement system for participating banks in Singapore, Hong Kong and Taiwan. Each of Industrial and Commercial Bank of China, Singapore Branch, Bank of China (Hong Kong) Limited and Bank of China, Taipei Branch (each the **RMB Clearing Bank**) has entered into settlement agreements with the PBOC to act as the RMB clearing bank in Singapore, Hong Kong and Taiwan respectively.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. They are only allowed to square their open positions with the relevant RMB Clearing Bank after consolidating the Renminbi trade position of banks outside Singapore, Hong Kong and Taiwan that are in the same bank group of the participating banks concerned with their own trade position, and the relevant RMB Clearing Bank only has access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions.

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 agreements 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 Notes. To the extent the relevant Issuer or the Guarantor is required to source Renminbi in the offshore market to service the RMB Notes, there is no assurance that the relevant Issuer or the Guarantor will be able to source such Renminbi on satisfactory terms, if at all.

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

All payments to investors in respect of the RMB Notes will be made solely by (a) when the RMB Notes are represented by a Global Note, and held with CDP or the common depositary for Euroclear and Clearstream, Luxembourg 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, Luxembourg rules and procedures, and (ii) when the RMB Notes 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).

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) the most recently published audited financial statements of SRMTN and any New Issuer (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;

(b) the most recently published audited consolidated financial statements of Suntec REIT since the date of this Offering Circular and, if published later, the most recently published consolidated interim financial statements of Suntec REIT, if any; and

(c) 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.

The full version of Suntec REIT's annual reports 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 purchase or deal in the Notes.

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 available free of charge during usual business hours on any weekday (Saturdays, Sundays and public holiday excepted) from the specified offices of the Principal Paying Agent and the CDP Paying Agent which is set out at the end of this Offering Circular. A Pricing Supplement relating to unlisted Notes will only be available for inspection by a holder of such Notes, and such holder must produce evidence satisfactory to the Principal Paying Agent as to its holding of Notes 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 or, if so specified in the applicable Pricing Supplement, a Permanent 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, Luxembourg 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, Luxembourg and/or CDP and (in the case of a Temporary Global Note delivered to a common depositary for Euroclear and Clearstream, Luxembourg) Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal 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, Luxembourg 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, Luxembourg 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, Luxembourg, 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, Luxembourg, both Euroclear and Clearstream, Luxembourg 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, Luxembourg (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, Luxembourg, may give notice to the Principal 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 Principal 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 Principal Paying Agent or the CDP 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, Luxembourg 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 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 Paying Agent and presentation of the Bearer Global Note to or to the order of the CDP 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, Luxembourg 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 6.4 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 6.4 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, Luxembourg, 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, Luxembourg, both Euroclear and Clearstream, Luxembourg 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) or the relevant clearing system 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, Luxembourg (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, Luxembourg 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, Luxembourg 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 shall state in a default notice given to the CDP 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 Paying Agent and presentation of the Registered Global Note to or to the order of the CDP 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 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 Principal Paying Agent or the CDP 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, Luxembourg or CDP, each person (other than Euroclear and/or Clearstream, Luxembourg or CDP or its nominee) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg 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, Luxembourg 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, Luxembourg 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.

APPLICABLE PRICING SUPPLEMENT

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

[*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.$1,500,000,000
Euro Medium Term Note 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 [*date*]. 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)	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:	[●] (*If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible*)
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*) *(Note – in the case of Bearer Notes, where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:* *"[€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*]] [2]
9.	Interest Basis:	[[●] per cent. Fixed Rate] [[LIBOR/EURIBOR/SIBOR/SOR]+/-[●] 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*]
12.	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13.	(a) Status of the Notes:	Senior
	(b) Status of the Guarantee:	Senior

[2] 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.

	(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*)
14.	Listing:	[SGX-ST/(specify)/None]
15.	Method of distribution:	[Syndicated/Non-syndicated]

Provisions Relating to Interest (if any) Payable

16.	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*][3] (*N.B. This will need to be amended in the case of long or short coupons*)
	(c) Fixed Coupon Amount(s): (*Applicable to Notes in definitive form.*)	[●] per Calculation Amount [4]
	(d) Broken Amount(s): (*Applicable to Notes in definitive form.*)	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(e) Day Count Fraction:	[30/360 or Actual/Actual (ICMA) or Actual/365 (Fixed) or [*specify other*]]

3 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 [●]"

4 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 actual number of days in the Fixed Interest Period divided by 365 and rounding the resultant figure to the nearest [HK$/CNY]0.01, [HK$/CNY] being rounded upwards."

(f)	Determination Date(s):	[●] in each year *(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon* *N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration* *N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
(g)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]

17.	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:	[●]
(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*specify other*]]
(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 Principal Paying Agent):	[●]
(f)	Screen Rate Determination:	
	• Reference Rate:	[●] *(Either LIBOR, EURIBOR, SIBOR, SOR 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)*
• 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:	[●]
(g) ISDA Determination:	
• Floating Rate Option:	[●]
• Designated Maturity:	[●]
• Reset Date:	[●]
(h) Margin(s):	[+/-] [●] per cent. per annum
(i) Minimum Rate of Interest:	[●] per cent. per annum
(j) Maximum Rate of Interest:	[●] per cent. per annum
(k) Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA) *Other*] *(See Condition 5.2 of the Notes for alternatives)*
(l) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]

18.	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)	Any other formula/basis of determining amount payable:	[●]
(d)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 7.7(c) and 7.12 of the Notes apply/*specify other*] (*Consider applicable day count fraction if not U.S. dollar denominated*)
19.	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:	[●]

20.	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

21.	Issuer Call:	[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. If 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 and custodians, as well as any other notice requirements which may apply, for example, as between the relevant Issuer and the Principal Paying Agent or Trustee*)
22.	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. If 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 and custodians, as well as any other notice requirements which may apply, for example, as between the relevant Issuer and the Principal Paying Agent or Trustee*)
23. Final Redemption Amount:	[[●] per Calculation Amount/*specify other*/see Appendix]
24. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7.7 of the Notes):	[[●] per Calculation Amount/*specify other*/see Appendix]

General Provisions Applicable to the Notes

25. 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) registered in the name of a nominee for a common depositary for Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme] (*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.*)
26. Governing Law of the Notes:	English Law

27. 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 Interest Period end dates to which sub-paragraphs 17(c) and 19(g) relate)*
28. 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 6.6(b) of the Notes,] a reference to [any] of them] *(Note that this paragraph relates to Conditions 6.1(a), 6.4 and 6.6(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)*
29. 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]
30. 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*]
31. Details relating to Instalment Notes:	
(a) Instalment Amount(s):	[Not Applicable/*give details*]
(b) Instalment Date(s):	[Not Applicable/*give details*]
32. Redenomination applicable, renominalisation and reconventioning provisions:	[Not Applicable/The provisions [annexed to this Pricing Supplement] apply] [*(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))*]
33. Consolidation provisions:	Consolidation [not] applicable [*(If Consolidation is applicable, specify the applicable provisions)*]
34. Other terms:	[Not Applicable/*give details*]

Distribution

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 (or in respect of TEFRA C or TEFRA D, any successor U.S. Treasury regulation section, including without limitation, regulations issued in accordance with Internal Revenue Service Notice 2012-20 or otherwise in connection with the United States Hiring Incentives to Restore Employment Act of 2010)/TEFRA not applicable]
38. Additional selling restrictions:	[Not Applicable/give details]

Operational Information

39. ISIN Code:	[●]
40. Common Code:	[●] *(Insert here any other relevant codes)*
41. Any clearing system(s) other than Euroclear Bank S.A./N.V., and Clearstream Banking, société anonyme:	[CDP/*Give name(s) and number(s)*]
42. Delivery:	Delivery [against/free of] payment
43. Names and addresses of additional Paying Agent(s) (if any):	[●]
44. Registrar:	[●] (*include in respect of Registered Notes only*)
45. Ratings:	[The Notes to be issued will not be rated/The Notes to be issued have been rated:] [Moody's: [●]] [[Other: [●]] *(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.)*
[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.$1,500,000,000 Euro Medium Term Securities Programme of Suntec REIT MTN Pte. Ltd.[and name of New Issuer].

Responsibility

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

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

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 "Form of the 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 August 2013 (as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) made between SRMTN and HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec Real Estate Investment Trust (**Suntec REIT**)) (**Suntec REIT Trustee**) (in its capacity as guarantor of the Notes, the **Guarantor**) and 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 agency agreement dated 15 August 2013 (as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) made between SRMTN, the Guarantor, the Trustee, The Bank of New York Mellon, London Branch as principal paying agent (the **Principal Paying Agent**, which expression shall include any successor principal paying agent) and the other paying agents named therein (together with the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), The Bank of New York Mellon (Luxembourg) S.A. as registrar (the **Registrar**, which expression shall include any successor registrar) and transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents) and The Bank of New York Mellon, Singapore Branch as 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 Paying Agent**, which expression shall include any successor agent in Singapore). The Agency Agreement contains provisions for New Issuers to accede to the Agency Agreement in order to become an Issuer. The Principal Paying Agent, Paying Agents, Registrar, Transfer Agents, CDP Paying Agent and calculation agent(s) for the time being (if any) are being together referred to as the **Agents**.

For the purposes of these Terms and Conditions (the **Conditions**), all references:

(i) to the "Principal Paying Agent" shall with respect to a Series of Notes to be held in the computerised system operated by CDP, be deemed to be a reference to the CDP Paying Agent; and

(ii) 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, if indicated in the applicable Pricing Supplement, 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 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 the Conditions, replace or modify the 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 for the time being 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) in accordance with the provisions of the Trust Deed. Any reference herein to **Receiptholders** shall mean the holders of the Receipts and any reference herein to **Couponholders** shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

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 are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, (unless this is a Zero Coupon Note) Interest Commencement Dates and/or Issue Prices.

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 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 available for inspection during normal business hours at the specified office of the Trustee being at One Canada Square, London E14 5AL, United Kingdom and at the specified office of each of the Paying Agents and the Registrar. Copies of the applicable Pricing Supplement are available for viewing at the registered office of the Issuer and each of the Paying Agents provided that Noteholders must produce evidence satisfactory to the Issuer, the Trustee and the relevant 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 the 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 issued 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 Specified Currency and the Specified Denomination(s). 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 the 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 accordance with the Agency Agreement. The Issuer, the Guarantor, the Paying Agents, the Transfer Agents (in the case of Registered Notes), the CDP Paying Agent (if applicable), the Registrar (in the case of Registered Notes) and the Trustee 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, société anonyme (**Clearstream, Luxembourg**), and/or CDP, each person (other than Euroclear, Clearstream, Luxembourg or CDP) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg 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, Luxembourg 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 Paying Agents, the Transfer Agents (in the case of Registered Notes), the CDP Paying Agent (if applicable), the Registrar (in the case of Registered Notes) and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest 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 Paying Agent, the Transfer Agents (in the case of Registered Notes), the CDP Paying Agent (if applicable), the Registrar (in the case of Registered Notes) and the Trustee 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. 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, Luxembourg and/or CDP, as the case may be. References to Euroclear, Clearstream, Luxembourg 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 Principal Paying Agent and the Trustee.

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, Luxembourg 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 beneficial 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 Notes in definitive form or for a beneficial interest in another Registered Global Note 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, Luxembourg or CDP, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee of a common depository for Euroclear, Clearstream, Luxembourg or CDP shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of Euroclear, Clearstream, Luxembourg or CDP (as the case may be) or to a successor of Euroclear, Clearstream, Luxembourg or CDP (as the case may be) or such successor's nominee.

2.2 Transfers of Registered Notes in definitive form

Subject as provided in Condition 2.5 (*Closed periods*) below, upon the terms and subject to the conditions set forth in 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:

(i) the holder or holders must:

  (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the 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

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

(ii) 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 Registrar and 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), deliver, 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 Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so 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 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 shall 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) 15 days ending on (and including) any Interest Payment Date.

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 (save for certain obligations required to be preferred by law) rank 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, 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 the 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 the 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 represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Fixed Rate 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 Fixed Rate 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; and

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 the 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 and Index Linked Interest Notes

(a) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest 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 (which expression shall, in the Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) 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 the Conditions, **Business Day** means a day which is both:

(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 specified in the applicable Pricing Supplement; and

(b) either (i) 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 (ii) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest 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 subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying 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 either (a) if the applicable Floating Rate Option is based on the London interbank offered rate (**LIBOR**), or on the Euro-zone interbank offered rate (**EURIBOR**), the first day of that Interest Period or (b) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this subparagraph (i), **Floating Rate**, **Calculation Agent**, **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 or EURIBOR

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 or that service which displays this information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) 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 Principal Paying 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 Principal Paying 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.

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 or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(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 Principal Paying Agent on the basis of the following provisions:

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

(aa) the Principal Paying Agent will, at or about the Relevant 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 ABSIRFIX01 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 the Reuters Screen ABSIRFIX01 page (or such other replacement page thereof), the Principal Paying Agent will, at or about the Relevant Time on such Interest Determination Date, determine the Rate of Interest for such Interest Period which shall be the rate which appears on Page ABSI on the monitor of the Bloomberg agency under the caption "ASSOCIATION OF BANKS IN SG – SWAP OFFER AND SIBOR FIXING RATES – RATES AT 11:00AM SINGAPORE TIME" and the column headed "SGD SIBOR" (or such other replacement page thereof), being the offered rate for deposits in Singapore dollars 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);

(cc) if no such rate appears on Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof or, if no rate appears, on such other Relevant Screen Page) or if Page ABSI on the monitor of the Bloomberg agency (or such other replacement page thereof or such other Relevant Screen Page) is unavailable for any reason, the Principal Paying Agent will request the Reference Banks to provide the Principal Paying Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant 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 1/16 per cent.) of such offered quotations, plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any) as determined by the Principal Paying Agent;

(dd) if on any Interest Determination Date two but not all the Reference Banks provide the Principal Paying Agent 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 Principal Paying Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines to be the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Principal Paying Agent at or about the Relevant 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 Principal Paying Agent with such quotation, the rate per annum which the Principal Paying Agent determines to be arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any).

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

(aa) the Principal Paying Agent will, at or about the Relevant 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 Average Swap Rate for such Interest Period (determined by the Principal Paying Agent as being the rate which appears on the Reuters Screen ABSIRFIX01 page under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SIBOR AND SWAP OFFER RATES – RATES AT 11:00 A.M. SINGAPORE TIME" under the column headed "SGD SWAP OFFER" (or such other page as may replace Reuters Screen ABSIRFIX01 page for the purposes of displaying the swap rates of leading reference banks) at or about the Relevant 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 ABSIRFIX01 page (or such other replacement page as aforesaid) or Reuters Screen ABSIRFIX01 page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Average Swap Rate (which shall be round up to the nearest 1/16 per cent.) for such Interest Period in accordance with the following formula:

In the case of Premium:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Average Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR = the rate which appears on the Reuters Screen SIBOR page under the caption "SINGAPORE INTERBANK OFFER RATES (DOLLAR DEPOSITS) 11 A.M." and the row headed "SIBOR USD" (or such other page as may replace Reuters Screen SIBOR page for the purpose of displaying Singapore inter-bank U.S. dollar offered rates of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Dates for a period equal to the duration of the Interest Period concerned;

Spot Rate = the rate (determined by the Calculation Agent) being the composite quotation or, in the absence of which, the arithmetic mean of the rates quoted by the Reference Banks and which appear under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES AT 11.00

A.M. SINGAPORE TIME" and the column headed "SPOT" on the Reuters Screen ABSIRFIX06 page (or such other page as may replace the Reuters Screen ABSIRFIX06 page for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned;

Premium or **Discount**	=	the rate (determined by the Calculation Agent) being the composite quotation or, in the absence of which, the swap point (expressed in Singapore dollar per U.S. dollar) quoted by the Reference Banks for a period equal to the duration of the Interest Period concerned which appear under the caption "ASSOCIATION OF BANKS IN SINGAPORE – SGD SPOT AND SWAP OFFER RATES AT 11.00 A.M. SINGAPORE TIME" on the Reuters Screen ABSIRFIX06-7 pages (or such other page as may replace the Reuters Screen ABSIRFIX06-7 pages for the purpose of displaying the spot rates and swap points of leading reference banks) at or about the Relevant Time on the relevant Interest Determination Date for a period equal to the duration of the Interest Period concerned; and
T	=	the number of days in the Interest Period concerned.

The Rate of Interest for such Interest Period shall be the Average Swap Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any) (as determined by the Calculation Agent);

(cc) if on any Interest Determination Date any one of the components for the purposes of calculating the Average Swap Rate under (bb) above is not quoted on the relevant Reuters Screen page (or such other replacement page as aforesaid) or the relevant Reuters Screen page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of the Reference Banks to provide the Calculation Agent with quotations of their Swap Rates for the Interest Period concerned at or about the Relevant Time on that Interest Determination Date and the Rate of Interest for such Interest Period shall be the Average Swap Rate for such Interest Period (which shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to the nearest 1/16 per cent.) of the Swap Rates quoted by the Reference Banks to the Calculation Agent) plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). The Swap Rate of a Reference Bank means the rate at which that Reference Bank can generate Singapore dollars for the Interest Period concerned in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date and shall be determined as follows:

In the case of Premium:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} + \frac{(\text{Premium} \times 36500)}{(\text{T} \times \text{Spot Rate})} + \frac{(\text{SIBOR} \times \text{Premium})}{(\text{Spot Rate})} \times \frac{365}{360}$$

In the case of Discount:

$$\text{Swap Rate} = \frac{365}{360} \times \text{SIBOR} - \frac{(\text{Discount} \times 36500)}{(\text{T} \times \text{Spot Rate})}$$

$$- \frac{(\text{SIBOR} \times \text{Discount})}{(\text{Spot Rate})} \times \frac{365}{360}$$

where:

SIBOR = the rate per annum at which U.S. dollar deposits for a period equal to the duration of the Interest Period concerned are being offered by that Reference Bank to prime banks in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;

Spot Rate = the rate per annum at which U.S. dollar deposits for a period equal to the duration of the Interest Period concerned are being offered by that Reference Bank to prime banks in the Singapore inter-bank market at or about the Relevant Time on the relevant Interest Determination Date;

Premium = the premium that would have been paid by that Reference Bank in buying U.S. dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore inter-bank market;

Discount = the discount that would have been received by that Reference Bank in buying U.S. dollars forward in exchange for Singapore dollars on the last day of the Interest Period concerned in the Singapore inter-bank market; and

T = the number of days in the Interest Period concerned;

(dd) if on any Interest Determination Date two but not all of the Reference Banks provide the Calculation Agent with quotations of their Swap Rate(s), the Average Swap Rate shall be determined in accordance with (cc) above on the basis of the quotations of those Reference Banks providing such quotations; and

(ee) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with quotations of their Swap Rate(s), the Average Swap Rate 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 1/16 per cent.) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant 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, in 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 and the Rate of Interest for the relevant Interest Period shall be the Average Swap Rate (as so determined by the Calculation Agent), or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent 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 1/16 per cent.) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any).

(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 or EURIBOR or SIBOR or SOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

In the Conditions:

Reference Banks means, 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, in each case selected by the Principal Paying Agent 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

Relevant Time means 11.00 a.m. (Singapore 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.

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 Principal Paying Agent (or the Calculation Agent, as the case may be), in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, 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. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent or the Calculation Agent, as applicable, will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes or Index Linked Interest 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 or an Index Linked Interest Note 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 and Index Linked 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:

"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 such number is 31, in which case D_1 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 and D_1 is greater than 29, in which case D_2 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:

"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 such number would be 31, in which case D_1 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 D_2 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 D_1 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 D_2 will be 30.

(e) *Notification of Rate of Interest and Interest Amounts*

The Principal Paying 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 Trustee and (in the case of Notes listed on a stock exchange) the relevant stock exchange (subject to receiving the contact details of the relevant stock exchange from the Issuer) on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 14 (*Notices*) as soon as possible after their determination but in no event later than the fourth Singapore Business Day thereafter. 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 Principal Paying Agent to the Issuer, the Trustee and (in the case of Notes listed on a stock exchange) to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 14 (*Notices*). For the purposes of this paragraph, the expression **Singapore Business Day** means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore.

(f) *Determination or Calculation by Trustee*

If for any reason at any relevant time the Principal Paying Agent or, as the case may be, the Calculation Agent defaults in its obligation to determine the Rate of Interest or the Principal 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 Principal 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, the Trustee 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 Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Principal Paying Agent or the Calculation Agent, as applicable.

(g) *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 and Index Linked Interest Notes*), whether by the Principal Paying Agent or, if applicable, the Calculation Agent or the Trustee, shall (in the absence of wilful default or manifest error) be binding on the Issuer, the Guarantor, the Trustee, the Principal Paying Agent, the Transfer Agents (if applicable), the CDP Paying Agent (if applicable), the Registrar (if applicable), the Calculation Agent (if applicable), the other Paying 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 Principal Paying Agent or, if applicable, the Calculation Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Interest on Dual Currency Interest Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Pricing Supplement.

5.4 Interest on Partly Paid Notes

In the case of 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.

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, or, at the option of the payee, by a cheque in such Specified Currency drawn on, 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 or, at the option of the payee, by a euro cheque; 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.

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 (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

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

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)).

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 Definitive 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.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) 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, Dual Currency Note, Index Linked 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 Bearer Notes represented by any 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 Bearer Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg or CDP, as applicable.

6.4 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 Paying Agent. 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, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg or CDP, as the case may be, are open for business) before the relevant due date and (ii) where in definitive form, at the close of business on the third business 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. Notwithstanding the previous sentence, except in the case where the Specified Currency is Renminbi, if (a) a holder does not have a Designated Account or (b) the principal amount of the Notes held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). 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 which processes payments in Renminbi in the Offshore Renminbi Centre.

In the case where the Specified Currency is not Renminbi, 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 a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg or CDP, as the case may be, are open for business) before the relevant due date 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**) at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. 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 principal amount of such Registered Note. In the case where the Specified Currency is Renminbi, payments of interest and payments of instalments of principal shall be made by transfer on the due date in the manner provided in the preceding paragraph.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the 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.

6.5 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 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, Luxembourg or CDP, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or CDP, as the case may be, for his share of each payment so made by the Issuer or 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 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 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.

6.6 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) in:

    (A) in the case of Notes in definitive form only, the relevant place of presentation;

    (B) each Additional Financial Centre specified in the applicable Pricing Supplement; and

  (ii) 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) the case of Notes in definitive form only, the relevant place of presentation and (ii) the Offshore Renminbi Centre.

6.7 Interpretation of principal and interest

Any reference in the 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;

(f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7.7 (*Early Redemption Amounts*)); and

(g) 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 the 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 Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

7.2 Redemption for tax reasons

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, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Trustee and the Principal 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 (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 regulations of a Tax Jurisdiction (as defined in Condition 8 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations 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 the Guarantor, as the case may be, 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 the Guarantor, as the case may be, 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 the Guarantor, as the case may be, 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 will be redeemed at their Early Redemption Amount referred to in Condition 7.7 (*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, at its option, having given:

(a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14 (*Notices*); and

(b) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Trustee and to the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar;

(which notices 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, Luxembourg 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 the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, 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. Registered Notes may be redeemed under this Condition 7.4 (*Redemption at the option of the Noteholders* (*Investor Put*)) in any multiple of their lowest Specified Denomination. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Pricing Supplement.

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, Luxembourg and CDP, deliver, at the specified office of any Paying Agent (in the case of Definitive Bearer Notes) or the Registrar (in the case of Definitive 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 (or, if payment is required to be made by cheque, an address) 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 Registered Notes in definitive form*). If this Note is a Definitive Bearer Note, 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, Luxembourg 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 Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg or CDP (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg or CDP or any depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and CDP from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or 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 (*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, 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 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, Luxembourg and CDP, deliver, at the specified office of any Paying Agent (in the case of Definitive Bearer Notes) or the Registrar (in the case of Definitive 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 (or, if payment is required to be made by cheque, an address) 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 Registered Notes in definitive form*). If this Note is a Definitive Bearer Note, 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, Luxembourg 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 Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg or CDP (which may include notice being given on his instruction by Euroclear, Clearstream, Luxembourg or CDP or any depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear, Clearstream, Luxembourg and CDP from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.

Any Delisting/Suspension of Trading Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg 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 (*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 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 (*Events of Default*), each Note will be redeemed at its Early Redemption Amount calculated as follows:

(a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(b) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at its nominal amount; or

(c) in the case of a Zero Coupon Note, at an amount (the **Amortised Face 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 a fraction the numerator of which is 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 of which is 360,

or on such other calculation basis as may be specified in the applicable Pricing Supplement.

7.8 Instalments

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 will be determined pursuant to Condition 7.7 (*Early Redemption Amounts*).

7.9 Partly Paid Notes

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 Principal 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 (*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 7.7(c) (*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 Principal 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 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 other similar claim for exemption to the appropriate authority which such holder is legally capable and competent of making but fails to do so; or

(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 6.6 (*Payment Day*)); or

(d) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(e) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

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 Principal 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, 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 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, the 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), 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 or declared 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 receiver, judicial manager, administrator, agent or similar officer 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 the 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 Manangement (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 (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 Principal 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 Principal 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 names of the initial Paying Agents and the Registrar and their initial specified offices are set out below.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of the Registrar or any Paying Agent and/or appoint additional or other Paying Agents, Registrar or Transfer Agents and/or approve any change in the specified office through which any Paying Agent and/or Registrar and/or Transfer Agent acts, provided that:

(a) there will at all times be a Principal Paying Agent and a Registrar;

(b) so long as there are outstanding Notes cleared through CDP, a CDP Paying Agent;

(c) 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 Principal 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

(d) in the event that the Global Note representing any Series of Notes is exchanged for Notes in definitive form, there will at all times be a Paying Agent in a Member State of the European Union that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.5 (*General provisions applicable to payments*). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 days' prior notice thereof shall have been given to the Noteholders 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 Principal 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 (which is expected to be the Financial Times, London Edition) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. As long as the Notes are listed on any stock exchange and the rules of the relevant stock exchange so require, in addition to any notice required in the Trust Deed, notices to holders of the Notes will also be published in a leading English language newspaper having general circulation in Singapore (which is expected to be The Business Times, Singapore Edition) or in any other city of the relevant stock exchange (as the case may be). 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, a 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, Luxembourg and/or (subject to the agreement of CDP) CDP, be substituted for such publication in such newspaper(s) or such delivery to the holders (or the first named of joint holders) at their respective addresses recorded in the Register, the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or CDP, as the case may be, for communication by them to the holders of the Notes, or (ii) CDP, be substituted for such publication in such newspaper(s) or such delivery to the holders, the delivery of the relevant notice to the persons shown in the records maintained by the CDP on the second Business Day preceding the date of despatch of such notice as holding interests in the relevant Global Notes, and, in addition, in the case of (i) and (ii) above, 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 the day on which Euroclear, Clearstream, Luxembourg and/or CDP, as the case may be, are open for business after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or CDP and/or the persons shown in the records maintained by CDP or, as the case may be, the date of the first publication in such newspaper.

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 Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear, Clearstream, Luxembourg and/or CDP, in each case in such manner as the Principal Paying Agent, the Registrar, Euroclear, Clearstream, Luxembourg 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 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. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting and all Receiptholders and Couponholders. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Notes outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

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 the law or is required by Euroclear, Clearstream, Luxembourg, 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.

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 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

The Issuer irrevocably agrees, for the benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders, that the courts of England (the **Relevant Courts**) are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons (including a 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) and accordingly submits to the exclusive jurisdiction of the Relevant Courts.

The Issuer waives any objection to the Relevant Courts on the grounds that they are an inconvenient or inappropriate forum. The Trustee, the Noteholders, the Receiptholders and the Couponholders may take any suit, action or proceedings (together referred to as **Proceedings**) arising out of or in connection with the Trust Deed, the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Receipts and the Coupons) against the Issuer in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

19.3 Appointment of Process Agent

The Issuer appoints Law Debenture Corporate Services Limited at its registered office at Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent for service of process, and undertakes that, in the event of Law Debenture Corporate Services Limited ceasing so to act or ceasing to be registered in England, it will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings 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. 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 as trustee for any trusts (other than Suntec REIT). 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 HSBCITS's obligations 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 shall survive the termination or rescission of the Trust Deed, and the redemption or cancellation of the Notes and/or any Coupons.

USE OF PROCEEDS

Unless otherwise specified in the applicable Pricing Supplement, the net proceeds from the issue of each Tranche of Notes 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 31 December 2010, 2011 and 2012 and for the years then ended has been derived from the Group's consolidated financial statements as at and for the years ended 31 December 2010, 2011 and 2012 that have been prepared in accordance with the Statement of Recommended Accounting Practice 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 2012 and 2013 has been derived from the Group's unaudited financial statements announcement as at and for the six months ended 30 June 2013, and should be read in conjunction with such published unaudited financial statements announcement and the notes thereto. Such consolidated financial information included in this Offering Circular has 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 2013 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 2013.

Consolidated Statements of Financial Position

	As at 31 December			As at 30 June
	2012	2011	2010	2013
	$'000	$'000	$'000	$'000
Non-current assets				
Plant and equipment	1,979	7,923	10	1,479
Investment properties	5,313,058	5,098,080	4,452,000	5,521,127
Intangible asset	39,433	60,744	100,029	32,926
Interest in jointly controlled entities	2,196,206	2,087,311	2,039,680	2,194,967
Deferred tax asset	–	–	–	5,907
Derivative assets	16	–	416	514
	7,550,692	7,254,058	6,592,135	7,756,920
Current assets				
Derivative assets	–	265	762	–
Investment property held for sale	–	143,700	–	–
Inventories	31	2,494	–	32
Trade and other receivables	5,246	11,807	6,685	34,097
Cash and cash equivalents	199,681	104,402	52,493	63,164
	204,958	262,668	59,940	97,293
Total assets	7,755,650	7,516,726	6,652,075	7,854,213
Current liabilities				
Interest-bearing borrowings	681,861	199,967	404,585	1,120,002
Trade and other payables	49,804	80,929	41,103	100,264
Derivative liabilities	2,563	–	8,756	4,264
Current portion of security deposits	28,955	19,628	22,452	22,972
Provision for taxation	4,062	5,110	2,032	2,000
	767,245	305,634	478,928	1,249,502
Non-current liabilities				
Interest-bearing borrowings	2,161,087	2,604,103	2,150,059	1,745,779
Non-current portion of security deposits	37,517	43,999	38,239	43,520
Derivative liabilities	5,693	13,974	216	20,037
Deferred tax liabilities	19	2,353	–	–
	2,204,316	2,664,429	2,188,514	1,809,336
Total liabilities	2,971,561	2,970,063	2,667,442	3,058,838
Net assets	4,784,089	4,546,663	3,984,633	4,795,375
Represented by:				
Unitholders' funds	4,660,205	4,433,821	3,984,633	4,656,565
Non-controlling interests	123,884	112,842	–	138,810
	4,784,089	4,546,663	3,984,633	4,795,375
Units in issue ('000)	2,247,824	2,224,520	2,205,128	2,256,433
Net asset value per Unit (S$)	2.069	1.987	1.804	2.060

Consolidated Statements of Total Return

	For the financial year ended 31 December			For the six months ended 30 June	
	2012	2011	2010	2012	2013
	$'000	$'000	$'000	$'000	$'000
Gross revenue	261,883	270,282	249,479	144,292	96,597
Property expenses	(98,454)	(76,899)	(56,389)	(49,864)	(37,962)
Net property income	163,429	193,383	193,090	94,428	58,635
Other income	36,585	47,722	22,410	16,899	8,742
Share of profit of jointly controlled entities	164,245	141,653	30,937	22,092	30,370
Net finance costs	(56,601)	(51,778)	(63,468)	(27,849)	(27,405)
Amortisation of intangible asset	(21,311)	(39,285)	(20,895)	(10,856)	(6,507)
Asset management fees	(38,960)	(36,078)	(27,932)	(19,433)	(19,001)
Trust expenses	(3,933)	(5,289)	(2,679)	(1,724)	(1,518)
Net income	243,454	250,328	131,463	73,557	43,316
Net change in fair value of financial derivatives	5,453	(5,913)	7,566	2,497	5,067
Gain on disposal of investment property	29,745	–	–	29,745	–
Net surplus from revaluation of investment properties	148,370	396,193	248,715	–	47,513
Total return for the year before tax	427,022	640,608	387,744	105,799	95,896
Income tax (expense) credit	(1,724)	(6,013)	(2,029)	(1,949)	5,926
Total return for the year after tax	425,298	634,595	385,715	103,850	101,822
Attributable to:					
Unitholders of the Trust	413,164	631,836	385,715	103,445	86,986
Non-controlling interests	12,134	2,759	–	405	14,836
	425,298	634,595	385,715	103,850	101,822
Earnings per Unit based on the weighted Average number of Units in issue (Singapore cents)	18.445	28.504	20.337	4.629	3.858
Distribution per Unit based on the total number of Units entitled to distribution (Singapore cents)	9.490	9.932	9.859	4.814	4.477

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 Guarantor.

Registered Address

The registered office of Suntec REIT MTN Pte. Ltd as at the date of this Offering Circular is at:

6 Temasek Boulevard
#16-02
Suntec Tower Four
Singapore 038986

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 1 ordinary share. The issued ordinary share has been fully paid up and is wholly-owned by the Guarantor. 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
Yeo See Kiat	Director and Chief Executive Officer of the Suntec REIT Manager
Richard Tan Liat Chew	Senior Director, Finance, 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.

The Suntec REIT Manager, which is part of the ARA Asset Management Limited (a company listed on the Main Board of the SGX-ST) 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 is also currently involved in managing the publicly-listed Fortune REIT, Prosperity REIT, AmFirst REIT, Cache Logistics Trust and Hui Xian REIT, and private equity real estate funds.

As at 30 June 2013, Suntec REIT's portfolio of properties comprises (i) Suntec City Mall, 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 per cent. interest in Suntec Singapore International Convention & Exhibition Centre (**Suntec Singapore**), which form part of the integrated commercial development known as Suntec City (collectively, the **Suntec Properties**), (ii) Park Mall, (iii) a one-third interest in One Raffles Quay (the **ORQ Interest**), and (iv) a one-third interest in Marina Bay Financial Centre Towers One and Two and the Marina Bay Link Mall and 695 car park lots (together, the **MBFC Properties**) (the **MBFC Interest**, and (i) to (iv) collectively, the **Suntec REIT Portfolio**).

As at 30 June 2013, 31 December 2012 and 31 December 2011, Suntec REIT had total assets of S$7,854.2 million, S$7,755.7 million and S$7,516.7 million respectively consisting of an aggregate of about 3.4 million square feet of prime retail and office space as at the above dates, with an aggregate valuation of S$7,936.3 million, S$7,837.3 million and S$7,697.9 million respectively.

As at the date of this Offering Circular, Suntec REIT has a market capitalisation of approximately S$3.6 billion.

The table below sets out summary financial information of Suntec REIT:

	FY2011	**FY2012**	**1HFY2012**	**1HFY2013[(1)]**
Gross revenue (S$' million)	270.3	261.9	144.3	96.6
Net property income (S$' million)	193.4	163.4	94.4	58.6
Distribution income (S$' million)	220.7	213.0	107.8	101.1

Notes:

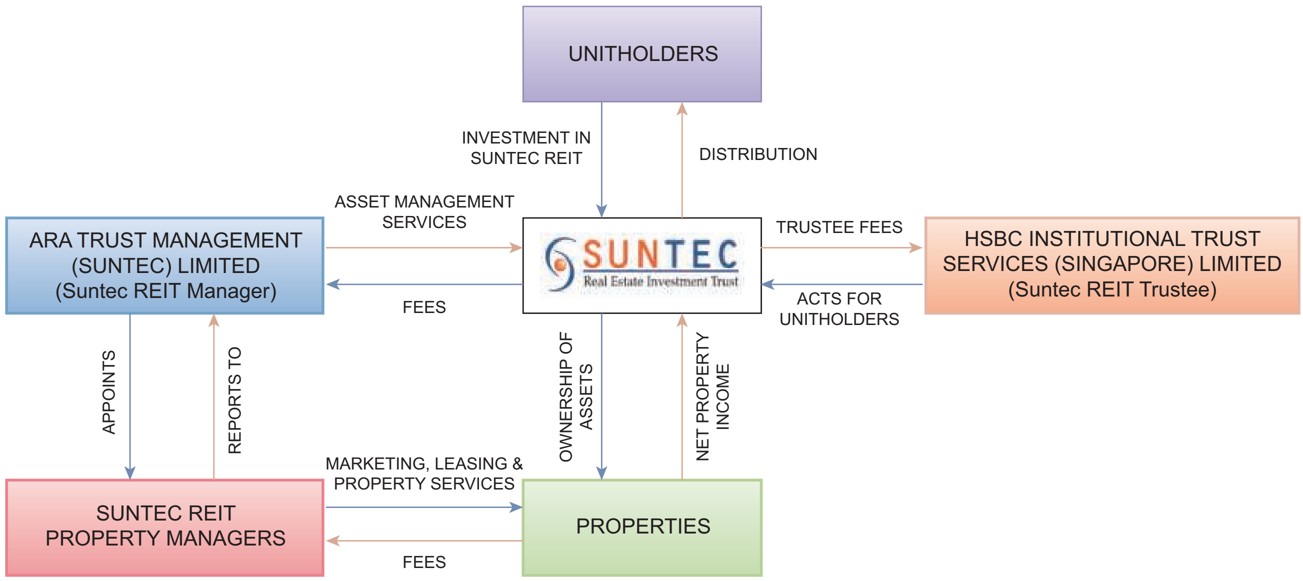
(1) The decrease in gross revenue, net property income and distribution income as compared to 1HFY2012 was due to partial closure of Suntec City Mall and Suntec Singapore for asset enhancement works.

As at 30 June 2013, Suntec REIT had total net assets attributable to Unitholders of S$4,656.6 million.

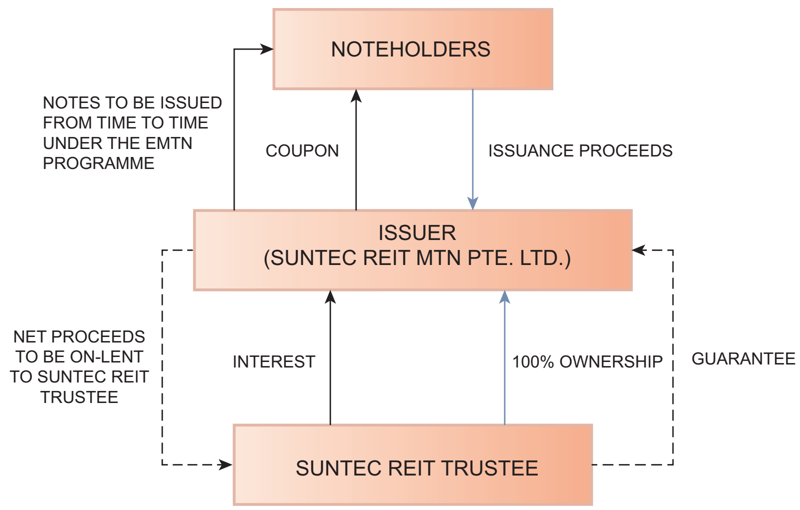
Suntec REIT is currently assigned an issuer rating of "Baa2" by Moody's.

Corporate Structure

The following chart sets out the structure of Suntec REIT, and the roles and responsibilities carried out by each party:



ISSUANCE STRUCTURE UNDER THE EMTN PROGRAMME



Competitive Strengths

Suntec REIT has the following competitive strengths:

- *The properties in the Suntec REIT Portfolio enjoy a number of competitive strengths:*

  (i) Locations: Suntec City, One Raffles Quay and the MBFC Properties are all strategically located in the growth corridors of Marina Bay and the Civic and Cultural District within Singapore's Central Business District (the **CBD**), and are in close proximity to the commercial precinct of Raffles Place and Orchard Road, which is Singapore's major shopping area. Park Mall is also located close to Orchard Road. Each of the properties in Suntec REIT Portfolio is highly accessible by road and is served by public transport facilities such as the mass rapid transit (**MRT**), which was further enhanced by the infrastructure boost due to the completion of the Circle Line MRT in 2011. When the Downtown MRT Station is fully operational, which is expected to be end 2013, it will add another point of access to the MBFC Properties and Suntec City.

  (ii) Catchment: Suntec City has a large catchment of tourists and business travellers from hotels located in the vicinity, such as The Ritz-Carlton, Conrad International, Pan Pacific, Mandarin Oriental, Marina Mandarin, The Fairmont Singapore, Swissotel the Stamford and Raffles Hotel. Suntec City, which is integrated with Suntec Singapore, attracts a large number of convention and exhibition participants each year. In addition, Suntec City's catchment of regular visitors includes executives and office workers from the Marina Centre and City Hall areas. Park Mall and the MBFC Properties, which are integrated shopping and office buildings, also have a large catchment of executives, office workers and shoppers. One Raffles Quay, an office building with a tenant base comprising mostly office tenants, has a large catchment of executives and office workers.

  (iii) Occupancy levels: As at 30 June 2013, the committed occupancy levels were 99.3[5] per cent., 99.4 per cent., 100.0 per cent., 99.8 per cent. and 100.0 per cent. at Suntec City Mall, Suntec City Office Towers, Park Mall, One Raffles Quay and the MBFC Properties respectively. For further details, see the section on "The Suntec REIT Portfolio".

  (iv) Tenant base: The major tenants at each of the properties in the Suntec REIT Portfolio are mainly foreign institutions, multinational corporations and prominent local companies which have signed long-term leases of an average term of three years. 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 expressed the need for significant long-term space requirements in Singapore. For further details, see the section on "The Suntec REIT Portfolio".

  (v) 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 2011, Suntec Singapore garnered various industry awards including the "Asia's Leading Meetings and Conference Centre" award at the World Travel Awards 2011 and "Best International Venue" award at the Exhibition News Awards 2011. Suntec Singapore was again awarded the "Asia's Leading Meetings and Conference Centre" award at the World Travel Awards 2012. One Raffles Quay was awarded the FIABCI Prix d'Excellence Awards (Office category) in 2008. Marina Bay Financial Centre also clinched various awards, including the FIABCI Prix d'Excellence Awards (Office category) in 2012, FIABCI Singapore Property Awards and MIPIM Asia Awards in 2011.

5 Based on net lettable area not affected by asset enhancement works.

- *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, the managers of real estate investment trusts, including, Fortune REIT and Cache Logistics Trust in Singapore, Prosperity REIT and Hui Xian REIT in Hong Kong and AmFirst REIT in Malaysia.

- *Successful growth achieved through acquisition and active asset management:* Assets under management was S$7.0 billion as at 31 December 2010, S$7.7 billion as at 31 December 2011, S$8.0 billion as at 31 December 2012 and S$8.1 billion as at 30 June 2013. The Suntec REIT Manager has achieved the 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 (see the section on "The Suntec REIT Portfolio – Suntec Properties"). 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 the associated interruptions in rental income, as well as reducing costs associated with marketing and leasing space to new tenants.

- *Stable lease expiry profile:* In the half year ended 30 June 2013, approximately 389,000 square feet of office space was renewed and signed. Therefore as at 30 June 2013, 6.3 per cent., 19.2 per cent. and 23.2 per cent. of the total office portfolio net lettable area of Suntec REIT is due to expire in FY2013, FY2014 and FY2015 respectively, whilst 51.0 per cent. is due to expire in FY2016 and beyond. For the retail portfolio, as at 30 June 2013, 10.0 per cent., 27.0 per cent. and 12.4 per cent. of the total retail portfolio net lettable area is due to expire in FY2013, FY2014 and FY2015 respectively, whilst 50.2 per cent. is due to expire in FY2016 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 retail and office properties; and (c) future investments will be in properties that are primarily used for retail and/or office purposes. The Suntec REIT Manager intends to achieve its key objectives by employing the following combined strategies:

  (i) <u>an active asset management strategy,</u> 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) <u>an acquisition growth strategy,</u> 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 value of S$7,936.3 million as at 30 June 2013, 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, Park Mall, the ORQ Interest and the MBFC Interest. As at 30 June 2013, the aggregate gross valuation of properties under the Suntec REIT Manager's management was S$7,936.3 million, comprising approximately 3.4 million square feet of prime retail and office space.

The following table sets forth selected information in respect of the Suntec REIT Portfolio as at 30 June 2013:

	Suntec Properties	Park Mall	ORQ Interest	MBFC Interest
Net Lettable Area (square feet)	2,129,166	267,148	444,750[7]	581,888[7]
– Office	1,294,578	123,232	443,412	550,385
– Retail	834,588[1]	143,916	1,338	31,503
Number of Tenants	398	126	30	88
Parking Spaces	3,073[2]	346	713	695
Title	Leasehold tenure of 99 years commencing 1989	Leasehold tenure of 99 years commencing 1969	Leasehold tenure of 99 years commencing 2001	Leasehold tenure of 99 years commencing 2005
Purchase Price (S$ million)	2,383.0[3]	245.1[6]	941.5[7]	1,495.8[7]
Valuation (S$ million)	4,853.0[4]	378.0	1,137.3[7]	1,568.0[7]
Committed Occupancy (%)	99.4[5]	100.0	99.8	100.0

Notes:

(1) Before commencement of asset enhancement initiatives in Suntec City. Includes 60.8 per cent. interest in retail net lettable area in Suntec Singapore.

(2) Owned and managed by the Management Corporation Strata Title Plan No. 2197 (MCST).

(3) Includes purchase price of 73,561.2 square feet of strata office space amounting to S$136.3 million and the investment of S$139.8 million for a 60.8 per cent. interest in Suntec Singapore.

(4) Includes a 60.8 per cent. interest in Suntec Singapore.

(5) Based on net lettable area not affected by asset enhancement works.

(6) Includes the purchase price of 1,316.2 square metres of land along Penang Road amounting to S$15.1 million.

(7) Reflects one-third interest.

The table below illustrates the committed lease expiry profile of the properties in the Suntec REIT Portfolio by net lettable area as at 30 June 2013:

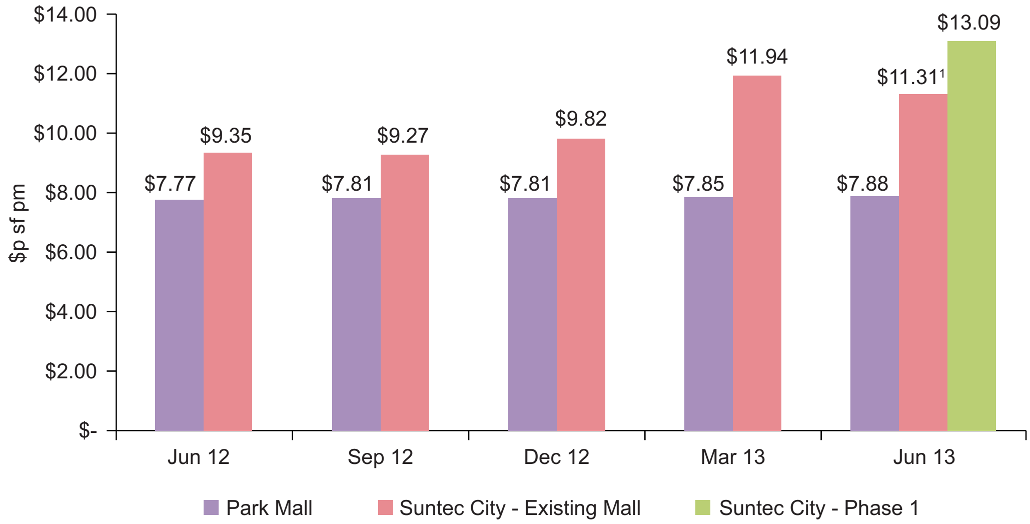
	Retail Expiry[1]		**Office Expiry[2]**	
Year	**As% of Total Net Lettable Area**	**As% of Total Monthly Gross Retail Rental Income**	**As% of Total Net Lettable Area**	**As% of Total Monthly Gross Office Rental Income**
2013	10.0	15.0	6.3	5.6
2014	27.0	23.6	19.2	19.0
2015	12.4	6.9	23.2	21.1
2016 and beyond	50.2	54.5	51.0	54.3

Notes:

(1) Assumes one third of total net lettable area of One Raffles Quay and the Marina Bay Link Mall.

(2) Assumes one third of total net lettable area of One Raffles Quay and Marina Bay Financial Centre Office Towers 1 and 2.

The chart below shows the committed retail passing rents for Suntec City Mall and Park Mall as at 30 June 2013:



Note:

(1) Average passing rent for Suntec City Mall adjusted for asset enhancement works

The table below provides a breakdown by gross rental income of the different trade sectors represented in the Suntec REIT Portfolio properties as at 30 June 2013:

OFFICE PORTFOLIO Business Sector Analysis (By Gross Rental Income(1))		**RETAIL PORTFOLIO Business Sector Analysis (By Gross Rental Income(2))**	
Legal	2.3%	Electronics/Technology	3.5%
Real Estate and Property Services	2.3%	Fashion	34.9%
Trading	15.2%	Food and Beverage	17.6%
Manufacturing	1.3%	Gifts and Speciality/Books/Hobbies/Toys	4.3%
Shipping and Freight Forwarding	4.6%	Homeware and Home Furnishings	14.0%
Others	1.0%	Jewellery and Watches	6.3%
Government and Government-Linked Offices	1.1%	Leisure and Entertainment/Sports and Fitness	3.8%
Banking, Insurance and Financial Services	49.4%	Beauty and Healthcare	8.5%
Technology, Services and Consultancy	13.9%	Others	0.6%
Beauty/Health	0.9%	Services/Educational	6.5%
Clinics/Laboratories	0.4%		
Consultancy/Services	6.2%		
Institutions/Schools	1.0%		
Travel/Leisure	0.4%		

Note:

(1) Includes one-third interest in One Raffles Quay and one-third interest in Marina Bay Financial Centre Towers 1 and 2.

(2) Includes one-third interest in One Raffles Quay, one-third interest in the Marina Bay Link Mall and 60.8 per cent. interest in Suntec Singapore.

The tables show the top ten tenants of the Suntec REIT portfolio by gross rental income as at 30 June 2013:

OFFICE PORTFOLIO – Top 10 Tenants by Gross Rental Income(1)
As at 30 June 2013

Tenant	Business Sector	Net Lettable Area (square feet)	% of Office Net Lettable Area	% of Total Monthly Gross Rental Income
UBS AG	Banking, Insurance and Financial Services	233,053	9.8	6.1
Standard Chartered Bank	Banking, Insurance and Financial Services	171,252	7.2	5.0
Barclays Capital Services Ltd	Banking, Insurance and Financial Services	150,072	6.3	5.0
BHP Billiton Marketing (Asia) Pte Ltd	Trading	76,884	3.2	3.7
Deutsche Bank	Banking, Insurance and Financial Services	93,249	3.9	3.5
The Royal Bank of Scotland	Banking, Insurance and Financial Services	63,389	2.7	2.1
Oracle Corporation Singapore Pte Ltd	Technology, Services and Consultancy	84,035	3.5	2.0
Nomura Singapore Ltd	Banking, Insurance and Financial Services	56,859	2.4	1.7
Ernst & Young	Banking, Insurance and Financial Services	46,849	2.0	1.5
Macquarie Capital Securities (Singapore) Pte. Limited	Banking, Insurance and Financial Services	25,109	1.1	1.3
Total		1,000,751	42.1	31.9

RETAIL PORTFOLIO – Top 10 Tenants by Gross Rental Income(2)
As at 30 June 2013

Tenant	Business Sector	Net Lettable Area (square feet)	% of Retail Net Lettable Area	% of Total Monthly Gross Rental Income
RSH (Singapore) Pte. Ltd.	Fashion	24,763	4.2	0.7
Food Republic Pte. Ltd.	Food & Beverage	16,487	2.8	0.7
X-tra Designs Pte Ltd	Homeware and Home Furnishings	25,777	4.3	0.6
Cotton On Singapore Pte. Ltd.	Fashion	16,503	2.8	0.5
H&M Hennes & Mauritz Pte. Ltd.	Fashion	15,348	2.6	0.5
Furniture & Furnishings Pte Ltd	Homeware and Home Furnishings	20,584	3.5	0.5
Uniqlo	Fashion	13,619	2.3	0.5
Giordano Originals (Singapore) Private Limited	Fashion	7,806	1.3	0.4
The National University of Singapore Society	Leisure and Entertainment/ Sports and Fitness	15,426	2.6	0.4
Jay Gee Enterprises (Pte.) Ltd	Fashion	4,654	0.8	0.4
Total		160,967	27.2	5.2

Notes:

(1) Includes one-third interest in One Raffles Quay and one-third interest in Marina Bay Financial Centre Towers 1 and 2.

(2) Includes one-third interest in One Raffles Quay, one-third interest in the Marina Bay Link Mall and 60.8% interest in Suntec Singapore.

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 the CBD.

Suntec REIT owns 100.0 per cent. of Suntec City Mall, 57.0 per cent. of Suntec City Office Towers and a 60.8 per cent. effective interest in Suntec Singapore. The total net lettable area of the Suntec Properties as at 30 June 2013 was 2.1 million square feet[6].

The table below sets forth selected information in respect of the Suntec Properties:

	FY2011	FY2012	1HFY2012	1HFY2013
Gross revenue(1),(2) (S$' million)	237.5	238.4	132.2	84.8
Gross revenue as percentage of total revenue (%)	87.9	91.1	91.6	87.8
Value (S$' million)(3),(4)	4,579.2	4,754.0	4,579.2	4,853.0
Net property income(1),(2) (S$' million)	169.8	145.9	85.3	49.8

Notes:
(1) Gross revenue and net property income from Suntec Singapore had been consolidated since 19 August 2011 following the acquisition of the increased stake.
(2) The decrease in gross revenue and net property income in 1HFY2013 as compared to 1HFY2012 was due to partial closure of Suntec City Mall and Suntec Singapore for asset enhancement works.
(3) Includes the value of 60.8% interest in Suntec Singapore.
(4) Excludes capital expenditure incurred subsequent to valuation.

Suntec City Mall is one of the largest shopping malls in Singapore with more than 822,000[6] square feet of retail space. Suntec City Mall is situated within the self-contained and integrated Marina Centre area comprising hotels, retail stores, restaurants, sporting facilities, cinemas and the Esplanade – Theatres by the Bay. Suntec City Mall is linked to the five Suntec City Office Towers. It also houses a convention and exhibition centre. Suntec City Mall's tenants are from various segments, including fashion, food and beverage, leisure and entertainment, sports and fitness. As at 30 June 2013, Suntec REIT owns 15 strata lots in Suntec City Office Tower One, seven 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 City Office Towers contain, in total, 1.3 million square feet of office space.

Suntec REIT acquired an additional 40.8 per cent. effective interest in Suntec Singapore for an aggregate consideration of S$114.8 million on 18 August 2011, increasing its effective interest in Suntec Singapore to 60.8 per cent. Suntec Singapore is a meeting, convention and exhibition venue that since 1995, has hosted more than 18,000 events, including key notable events such as the Annual Meetings of the Board of Governors of the International Monetary Fund and World Bank Group in 2006 and the Asia-Pacific Economic Corporation Leaders' Week in 2009. It also served as one of the largest sporting venues for the Youth Olympic Games in 2010.

As at 30 June 2013, there are 398 tenants at the Suntec Properties.

In June 2012, Suntec REIT implemented an asset enhancement initiative (**AEI**) at the Suntec Properties for the remaking and enhancement of the Suntec City Mall and Suntec Singapore. The AEI comprises a S$230.0 million capital expenditure in remaking Suntec City Mall and a further S$180.0 million on Suntec Singapore.

Works on Phase 1 that encompasses Suntec Singapore and the Galleria sections of Suntec City Mall were completed on schedule in June 2013. Spanning 380,000 sq ft of retail net lettable area, Phase 1 comprised high street fashion and accessories, destination dining and beauty and wellness brands. Suntec Singapore has also been re-designed with new meeting rooms and exhibition halls that incorporate a high degree of advanced technology, including a three-storey interactive digital wall and a modernised façade. New retail space at levels one and two of Suntec Singapore have also been integrated with Suntec City Mall.

6 Before commencement of asset enhancement works in Suntec City.

After the expected completion of the AEI works in late 2014, Suntec City Mall will be enhanced with specialty retail stores, food and beverage offerings, and new anchor tenants. The new Level 3 Sky Garden will feature new rooftop alfresco restaurants and watering holes set amidst landscaped gardens. It is expected that Suntec Properties will offer approximately one million square feet of retail lettable space. Upon completion, Suntec City Mall's annual net property income is expected to increase by S$23.2 million, representing approximately an 83.5 per cent. increase in capital value over capital expenditure (based on the capitalisation rate of 5.5 per cent. for retail property).

Park Mall

Suntec REIT acquired Park Mall from Wingain Investment Pte Ltd for a consideration of S$230.0 million on 28 October 2005.

Park Mall is located in the central shopping district of Singapore, in the Orchard Road area. Park Mall is a 15-storey commercial building comprising retail and office space, including a standalone two-storey glass annex extension and 346 car parking spaces. The total net lettable area at Park Mall as at 30 June 2013 was 267,148 square feet.

The table below sets forth selected information in respect of Park Mall:

	FY2011	**FY2012**	**1HFY2012**	**1HFY2013**
Gross revenue (S$' million)	22.3	22.9	11.5	11.8
Gross revenue as percentage of total revenue (%)	8.3	8.7	8.0	12.2
Value (S$' million)[1]	370.0	378.0	370.0	378.0
Net property income (S$' million)	16.4	17.1	8.8	8.8

Note:
(1) Excludes capital expenditure incurred subsequent to valuation

In addition to being an office building, Park Mall also operates as a lifestyle and home furnishing mall, situated next to Dhoby Ghaut MRT station, a key transit hub that serves as a gateway for the North-South, North-East and Circle MRT lines.

In July 2007 and March 2008, Suntec REIT acquired approximately 1,316.2 square metres (14,168 square feet) of land along Penang Road for amalgamation with Park Mall to create an additional floor area of 65,454 square feet for the property.

As at 30 June 2013, there are 126 tenants at Park Mall.

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 commercial development in the 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 connectivity and accessibility along the North-South and East-West MRT lines.

One Raffles Quay has a large and diversified tenant base comprising 25 office tenants and five retail tenants as well as a committed occupancy of 99.8 per cent. for the North Tower and the South Tower (as at 30 June 2013). The major office tenants include Barclays PLC, Credit Suisse (Singapore) Limited, Deutsche Bank Aktiengesellschaft, Ernst & Young Services Pte. Ltd., Societe Generale, The Royal Bank of Scotland and UBS AG.

The ORQ Interest generated a net property income of S$15.5 million for first half year ended 30 June 2013 which comprises dividend income and interest income from a jointly controlled entity.

MBFC Properties

Suntec REIT acquired a one-third interest in the MBFC Properties, comprising Marina Bay Financial Centre Towers One and Two, the Marina Bay Link Mall and 695 car park lots 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 (**MBFC**) 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 the newest state-of-the-art Grade 'A' office development located in Singapore's new business and financial district. The Marina Bay Link Mall links MBFC to the Raffles Place MRT station and will be directly connected to the future Downtown MRT Station, expected to become operational late 2013.

The Marina Bay Sands Integrated Resort, Singapore Flyer, Gardens by the Bay, Esplanade Theatres, international and boutique hotels, residential apartments and waterside food and beverages outlets are all within close proximity of MBFC.

Marina Bay Financial Centre Towers One and Two (33-storey and 55-storey respectively) have approximately 622,159 square feet and 1,028,996 square feet of net lettable area respectively. Marina Bay Link Mall has approximately 94,508 square feet of net lettable area. The MBFC Properties have a strong tenant base with a committed occupancy of 100.0 per cent. as at 30 June 2013. The major office tenants include American Express International, Bank Pictet, Barclays Capital, BHP Billiton, ICAP, Macquarie Capital Securities, Murex Southeast Asia Pte Ltd, Nomura Singapore and Standard Chartered Bank.

As at 30 June 2013, there are 88 tenants at the MBFC Properties and they generate a net property income of S$36.4 million, which comprises other income, dividend income and interest income from the jointly controlled entity.

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, Suntec REIT competes with other real estate companies to attract and retain commercial tenants. Suntec REIT considers its major competitors in Singapore to be the publicly listed real estate companies in Singapore as well as certain international real estate companies and private real estate companies.

Insurance

The Suntec REIT Portfolio is insured in a manner consistent with industry practice in Singapore. 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. There are, however, certain types of risks that 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. 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 SGX-ST 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 interest 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.

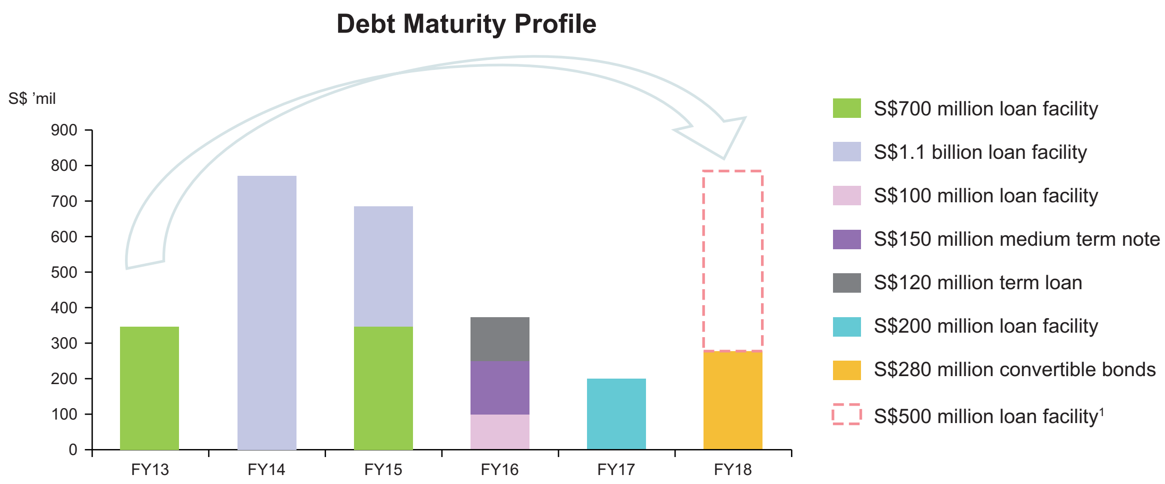
Both the Property Funds Appendix and the SGX-ST Listing Manual are required to be complied with in respect of a proposed transaction which is prima facie governed by both sets of rules. In such circumstances, the Suntec REIT Trustee is required to ensure that such transactions are conducted in accordance with applicable requirements of the Property Funds Appendix and/or the SGX-ST Listing Manual relating to the transaction in question.

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 the Suntec REIT Trustee or to the Unitholders.

Debt Profile/Borrowings

Under the Property Funds Appendix, Suntec REIT is generally permitted to borrow only up to 35.0 per cent. of the value of its Deposited Property as at the date the borrowing is incurred. The Property Funds Appendix also provides that the Aggregate Leverage of a real estate investment trust may exceed 35.0 per cent. of the value of its Deposited Property (up to a maximum of 60 per cent.) only if a credit rating of the real estate investment trust from Fitch, Moody's or S&P is obtained and disclosed to the public and this should be maintained and disclosed so long as its Aggregate Leverage exceeds 35.0 per cent. of the value of its Deposited Property. Suntec REIT has been assigned an issuer rating of "Baa2" by Moody's since 15 December 2010 and is currently permitted to borrow up to a maximum of 60.0 per cent.

As at 30 June 2013, Suntec REIT had total borrowings at amortised cost of S$2,865.8 million with the following debt maturity profile:



[1]S$500 million 5-year unsecured facility obtained in June 2013 to repay the loan facilities due in 2013

Suntec REIT's debt-to-asset ratio as at 30 June 2013 and 30 June 2012 is 36.5 per cent. and 37.5 per cent. respectively. Suntec REIT's Aggregate Leverage Ratio, the ratio of total borrowings (inclusive of proportionate share of borrowings of jointly controlled entities) and deferred payments (if any) to the value of the Deposited Property, as at 30 June 2013 is 38.0%.

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.

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 date of this Offering Circular, HSBCIT has a paid-up capital of S$5,150,000 and has a place of business in Singapore at 21 Collyer Quay, #10-02, HSBC Building, Singapore 049320. It is an indirect wholly-owned subsidiary of HSBC Holdings plc, a public company incorporated in England and Wales.

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 Suntec REIT Trustee (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 cent. 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 and 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 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 Asset Management Limited (**ARA**), which is listed on the Main Board of the SGX-ST. 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 6 Temasek Boulevard, #16-02 Suntec Tower Four, Singapore 038986.

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 15 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. Under the Property Funds Appendix, the Issuer is generally permitted to borrow up to 35.0 per cent. of the value of its Deposited Property as at the date the borrowing is incurred. The Property Funds Appendix also provides that the Aggregate Leverage Limit of a real estate investment trust may exceed 35.0 per cent. of the value of its Deposited Property (up to a maximum of 60.0 per cent.) only if a credit rating of the real estate investment trust from Fitch, Moody's or S&P is obtained and disclosed to the public and this should be maintained and disclosed so long as the Aggregate Leverage exceeds 35.0 per cent. of the value of its Deposited Property.

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 cent. per annum of the value of the Deposited Property; and

(b) a performance fee of 4.5 per cent. (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 has agreed to receive, for a period of seven years after Suntec REIT was listed on the SGX-ST on 9 December 2004, 80.0 per cent. of its management fees in the form of Units and the balance in cash, and thereafter in the form of Units and/or cash as the Suntec REIT Manager may in its election decide. The portion of management fees payable in the form of Units shall be payable quarterly in arrear and the portion of management fees payable in cash shall be payable monthly 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 per cent. (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 per cent. (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.

Given the Suntec REIT Manager's objective of producing attractive total returns to Unitholders by, among other things, selectively acquiring properties that meet its investment criteria, the Suntec REIT Manager will continually be seeking new properties which are suitable for acquisition by the Suntec REIT Trustee. The acquisition fee remunerates the Suntec REIT Manager for the work it does in, among other things, identifying suitable properties, evaluating their investment merits, conducting necessary due diligence, negotiating the terms of acquisition and formulating the financing arrangements.

Although it is intended that the Suntec REIT Portfolio will be held on a long-term basis, in the event that the Suntec REIT Manager considers selling property in Suntec REIT's portfolio, the Suntec REIT Manager will have to find a buyer for the property and negotiate the terms of disposal. The divestment fee remunerates the Suntec REIT Manager for the work it does in this regard.

Any payment to third party agents or brokers in connection with the acquisition or divestment of any real estate of Suntec REIT shall be paid by the Suntec REIT Manager to such persons out of the acquisition fee or the divestment fee received by the Suntec REIT Manager, and not additionally out of the Deposited Property of Suntec REIT.

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**)
Park Mall	APM
ORQ and MBFC Properties	Raffles Quay Asset Management Pte Ltd
Suntec Singapore	Suntec Singapore International Convention & Exhibition Services Pte. 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 advisers, 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
Chiu Kwok Hung, Justin	Chairman and Director
Lim Hwee Chiang, John	Director
Ip Tak Chuen, Edmond	Director
Tan Kian Chew	Independent Director
Sng Sow-Mei (alias Poon Sow Mei)	Independent Director
Lim Lee Meng	Independent Director
Chen Wei Ching, Vincent	Independent Director
Chow Wai Wai, John	Non-executive Director
Yeo See Kiat	Director and Chief Executive Officer
Ma Lai Chee, Gerald	Alternate Director

Chiu Kwok Hung, Justin, Chairman and Director

Dr Chiu Kwok Hung, Justin is the Chairman of the Suntec REIT Manager. He joined the Board on 1 October 2004. Dr Chiu is also the Chairman and Non-executive Director of ARA, the holding company of the Suntec REIT Manager, the Chairman of ARA Asset Management (Fortune) Limited, the manager of Fortune REIT and the Chairman of ARA Asset Management (Prosperity) Limited, the manager of Prosperity REIT. ARA is listed on the SGX-ST, Fortune REIT is dual-listed on the SGX-ST and the Main Board of The Stock Exchange of Hong Kong Limited (**SEHK**), and Prosperity REIT is listed on the Main Board of SEHK. Dr Chiu is also a Director of ARA Fund Management (Asia Dragon) Limited, as the manager of the ARA Asia Dragon Fund. Dr Chiu serves as a member of the Standing Committee of the 12th Shanghai Committee of the Chinese People's Political Consultative Conference of the People's Republic of China. Dr Chiu is a Fellow of The Hong Kong Institute of Directors, a Fellow of Hong Kong Institute of Real Estate Administrators and a member of the Board of Governors of Hong Kong Baptist University Foundation.

Dr Chiu has more than 30 years of international experience in real estate in Hong Kong and various countries and is one of the most respected professionals in the property industry in Asia. Dr Chiu is an Executive Director of Cheung Kong (Holdings) Limited (**Cheung Kong**), a company listed on the Main Board of SEHK. He joined Cheung Kong in 1997 and has been an Executive Director since 2000, heading the real estate sales, marketing and property management teams. Prior to joining Cheung Kong, Dr Chiu was with Sino Land Company Limited from 1994 to 1997 and Hang Lung Development Company, Limited (now known as Hang Lung Group Limited) from 1979 to 1994 responsible for the leasing and property management in both companies. Both Sino Land Company Limited and Hang Lung Group Limited are listed on the Main Board of SEHK.

Dr Chiu holds Bachelor degrees in Sociology and Economics from Trent University in Ontario, Canada and was conferred with Doctor of Social Sciences, *honoris causa*, by Hong Kong Baptist University.

Lim Hwee Chiang, John, Director

Mr Lim is a Director of the Suntec REIT Manager. He joined the Board on 30 August 2004. Mr Lim is also the Group Chief Executive Officer and an Executive Director of ARA, the holding company of the Suntec REIT Manager, which is listed on the SGX-ST. He has been the Group Chief Executive Officer and Director of ARA since its establishment. He is a Director of ARA Asset Management (Fortune) Limited, the manager of Fortune REIT, dual-listed in Singapore and Hong Kong, ARA Asset Management (Prosperity) Limited, the manager of Hong Kong-listed Prosperity REIT, Am ARA REIT Managers Sdn. Bhd., the manager of Malaysia-listed AmFIRST REIT, ARA-CWT Trust Management (Cache) Limited, the manager of Singapore-listed Cache Logistics Trust, APN Property Group Limited listed in Australia and Hui Xian Asset Management Limited, the manager of Hong Kong-listed Hui Xian REIT. He is also the Chairman of

APM Property Management Pte. Ltd., Suntec Singapore International Convention & Exhibition Services Pte. Ltd. and the management council of The Management Corporation Strata Title Plan No. 2197 (Suntec City). In addition, Mr Lim is an Independent Director and Chairman of the remuneration committee of Singapore-listed Teckwah Industrial Corporation Limited. He is a council member and the Chairman of the property management committee of the Singapore Chinese Chamber of Commerce & Industry and a member of the Valuation Review Board of the Ministry of Finance of Singapore.

Mr Lim has more than 30 years of experience in the real estate industry, and has received many notable corporate awards. His recent accolades include the Ernst & Young Entrepreneur of the Year Singapore 2012, Ernst & Young Entrepreneur of the Year – Financial Services 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.

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.

Ip Tak Chuen, Edmond, Director

Mr Ip Tak Chuen, Edmond is a Director of the Suntec REIT Manager. He joined the Board on 28 October 2004. Mr Ip is also a Non-executive Director of ARA, the holding company of the Suntec REIT Manager, a Non-executive Director of the manager of Hui Xian REIT and a Non-executive Director of the manager of Fortune REIT. ARA is listed on the SGX-ST, Hui Xian REIT is listed on the Main Board of SEHK and Fortune REIT is dual-listed on the SGX-ST and the Main Board of SEHK.

Mr Ip has been an Executive Director of Cheung Kong since 1993 and Deputy Managing Director since 2005, responsible for overseeing all financial and treasury functions of Cheung Kong and its subsidiaries, particularly in the fields of corporate and project finance. He has been an Executive Director of Cheung Kong Infrastructure Holdings Limited (**CK Infrastructure**) since its incorporation in 1996 and Deputy Chairman since 2003, and the Senior Vice President and Chief Investment Officer of CK Life Sciences Int'l., (Holdings) Inc. (**CK Life Sciences**) since 2002. He oversees matters relating to corporate finance, strategic acquisition and investment of both CK Infrastructure and CK Life Sciences. Mr Ip is also a Non-executive Director of TOM Group Limited (**TOM**), AVIC International Holding (HK) Limited (**AVIC**), Real Nutriceutical Group Limited (**Real Nutriceutical**) and Shougang Concord International Enterprises Company Limited (**Shougang**). Cheung Kong, CK Infrastructure, CK Life Sciences, TOM, AVIC, Real Nutriceutical and Shougang are listed on the Main Board of SEHK. Mr Ip was previously a Non-executive Director of Hong Kong Jewellery Holding Limited (formerly known as Excel Technology International Holdings Limited). Prior to joining Cheung Kong, Mr Ip held a number of senior financial positions in major financial institutions and has extensive experience in the Hong Kong financial market covering diverse activities such as banking, capital markets, corporate finance, securities brokerage and portfolio investments.

Mr Ip holds a Bachelor of Arts degree in Economics and a Master of Science degree in Business Administration.

Tan Kian Chew, Independent Director

Mr Tan is an Independent Director and Chairman of the audit committee of the Suntec REIT Manager. He joined the Board on 28 October 2004. Mr Tan is currently the Chairman of NTUC FoodFare Co-operative Ltd and Group Chief Executive Officer of NTUC Fairprice Co-operative Limited, and is also a Director of CapitaMall Trust Management Limited and The Consumer Goods Forum (Paris). Mr Tan served in the Republic of Singapore's Navy from 1975 to 1983 and held the position of head of naval operations from 1980 to 1983. He left the Navy to join the Singapore Government's elite Administrative Service in 1983 and served in the Ministry of Trade and Industry. At that time he was also appointed to the board of directors of NTUC Fairprice Co-operative Ltd. In 1988, he was posted to the Prime Minister's Office where he served as the Principal Private Secretary to the then Deputy Prime Minister, Mr Ong Teng Cheong.

Mr Tan left the Administrative Service to join NTUC Fairprice in 1992 as its Assistant General Manager and was subsequently promoted to Chief Executive Officer in 1997.

Mr Tan obtained an Honours degree (First Class) in Mechanical Engineering from the University of Aston in Birmingham, UK. He also completed the Advance Management Program at Harvard University in 2000. Mr Tan was awarded a SAF (Overseas) Scholarship in 1972 and was a recipient of Singapore Public Administration Medal (Silver) in 1991.

Sng Sow-Mei (alias Poon Sow Mei), Independent Director

Mrs Sng is an Independent Director and member of the audit committee of the Suntec REIT Manager. She joined the Board on 28 October 2004. Mrs Sng, who has been appointed as the Independent Non-executive Director and member of the audit committee of Cheung Kong Infrastructure Holdings Limited, is also an Independent Director and member of the audit committee of the manager of Fortune REIT, the manager of Prosperity REIT, an Independent Non-executive Director and member of the audit committee of Hutchison Port Holdings Management Pte. Limited and a Director of INFA Systems Ltd, a subsidiary of Singapore Technologies Electronics Limited. Since 2001, she has been the Senior Consultant (International Business) of Singapore Technologies Electronics Limited.

Prior to her appointments with Singapore Technologies Pte Ltd (now part of ST Engineering Limited), where she was Director, Special Projects (North East Asia) in 2000 and a Consultant in 2001, Mrs Sng was the Managing Director of CapitaLand Hong Kong Ltd for investment in Hong Kong and the region including Japan and Taiwan. In Hong Kong from 1983 to 1997, Mrs Sng was the Centre Director and then Regional Director of the Singapore Economic Development Board and Trade Development Board respectively. She was Singapore's Trade Commissioner in Hong Kong from 1990 to 1997.

Mrs Sng, with a Bachelor of Arts degree from the Nanyang University of Singapore, has wide experience in various fields of industrial investment, business development, strategic and financial management, especially in property investment and management. In 1996, Mrs Sng was conferred the title of PPA(P) – Pingat Pentadbiran Awam (Perak), the Singapore Public Administration Medal (Silver).

Lim Lee Meng, Independent Director

Mr Lim is an Independent Director and member of the audit committee of the Suntec REIT Manager. He joined the Board on 28 October 2004. He is currently a Senior Partner of RSM Chio Lim LLP, a member firm of RSM International. Mr Lim is also an Independent Director of Teckwah Industrial Corporation Ltd (**Teckwah**), Tye Soon Ltd, and the manager of Fortune REIT. He also serves as the Chairman of the audit committee of Teckwah and the manager of Fortune REIT. Mr Lim was previously a Director of Datapulse Technology Limited and Europtronic Group Limited.

Mr Lim is also a practising member of the Institute of Certified Public Accountants of Singapore, an associate member of the Institute of Chartered Secretaries and Administrators and a fellow member of the Singapore Institute of Directors. He is also the Chairman of Yio Chu Kang Citizen Consultative Committee and the Chairman of the finance committee of Ang Mo Kio Town Council. In addition, Mr Lim serves as a member of the Casino Regulatory Authority of Singapore Board and a member of the Appeal Advisory Panels of the Monetary Authority of Singapore.

Mr Lim graduated from the Nanyang University of Singapore with a Bachelor of Commerce (Accountancy) degree in May 1980. He also has a Master of Business Administration degree from the University of Hull (1992), a Diploma in Business Law from the National University of Singapore (1989) and an ICSA qualification from the Institute of Chartered Secretaries and Administrators.

Chen Wei Ching, Vincent, Independent Director

Mr Chen is an Independent Director and member of the audit committee of the Suntec REIT Manager. He joined the Board on 1 October 2010. Mr Chen was previously an Independent Director of Transpac Industrial Holdings Ltd and United Fiber System Ltd.

Mr Chen has more than 20 years of experience in the banking and finance industry, having spent 17 years with the First National Bank of Chicago, Bank of America, and Banque Francaise du Commerce Exterieur, and subsequently co-founded a financial consulting firm in 1988. Since 1993, he has been managing his personal and family investments.

Mr Chen holds a Bachelor of Science degree in Industrial Engineering from Cornell University, and a Master of Business Administration degree from the University of Pennsylvania.

Chow Wai Wai, John, Non-executive Director

Mr Chow is a Non-executive Director of the Suntec REIT Manager. He joined the Board on 1 July 2007. Mr Chow is also the Managing Director of Winsor Industrial Corporation Limited, which has international operations spanning countries in the U.S., 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 and is also a Non-executive Director of Hong Kong-listed Dah Sing Financial Holdings Limited. Mr Chow was previously the Managing Director of Vanke Property (Overseas) Limited (formerly known as Winsor Properties Holdings Limited).

Mr Chow has more than 30 years of experience in the property, textile and clothing businesses. He has served as Chairman of the Hong Kong Garment Manufacturers Association and as a member of the Textile Advisory Board of the Hong Kong Government.

Mr Chow received his Bachelor of Arts (Economics) degree from the University of British Columbia.

Yeo See Kiat, Chief Executive Officer and Director

Mr Yeo See Kiat is the Chief Executive Officer and an Executive Director of the Suntec REIT Manager. He joined the Board on 25 January 2006. Mr Yeo is currently a Director of One Raffles Quay Pte. Ltd. and Suntec Harmony Pte. Ltd. Mr Yeo is also a Partners' Representative of BFC Development LLP (formerly known as BFC Development Pte. Ltd.).

Mr Yeo has more than 30 years of experience in the real estate industry, managing and overseeing various joint-venture projects with Hwa Hong Corporation Limited, The Wharf Group, Parkway Holdings Limited, and CapitaLand Limited. He has held senior management positions over the last 20 years. Mr Yeo started his career in Turquand Young (now Ernst & Young) and was with the firm from 1976 to 1980.

Mr Yeo holds a Bachelor of Accountancy from the University of Singapore and a Graduate Diploma in Management Studies from the Singapore Institute of Management. He is also a fellow of the Institute of Certified Public Accountants of Singapore.

Ma Lai Chee, Gerald, Alternate Director

Mr Ma is an Alternate Director to Mr Ip Tak Chuen, Edmond, a Director of the Suntec REIT Manager and the manager of Fortune REIT. He joined the Board on 24 April 2008. Mr Ma is also a Director of AMTD Financial Planning Limited, iBusiness Corporation Limited, CK Communications Limited, Beijing Net-Infinity Technology Development Company Limited and mReferral Corporation (HK) Limited. He also serves as a Non-executive Director of the manager of Prosperity REIT, and is an Alternate Director to Mr Dominic Lai, Non-executive Director of Hutchison Telecommunications Hong Kong Holdings Limited.

Mr Ma is currently Director, Corporate Strategy Unit and Chief Manager, Corporate Business Development at Cheung Kong. He has over 23 years of experience in banking, investment and portfolio management, real estate development and marketing, as well as managing IT related ventures and services. He is a member of the Hospitality Services Committee of Caritas Hong Kong. He is also a member of the President's Circle, the Dean's Advisory Board for the Faculty of Arts and the China Advisory Council for the Sauder School of Business of the University of British Columbia, Canada.

Mr Ma holds a Bachelor of Commerce degree in Finance and a Master of Arts degree in Global Business Management.

Management Team of the Suntec REIT Manager

The members of the key management of the Suntec REIT Manager are set out below:

Name	Position
Yeo See Kiat	Chief Executive Officer
Susan Sim	Deputy Chief Executive Officer
Richard Tan	Senior Director, Finance

Yeo See Kiat, Chief Executive Officer

Mr Yeo is responsible for the performance and direction of Suntec REIT. He leads his team of managers to achieve the key mission of creating, adding and delivering premium value to all stakeholders of Suntec REIT.

With single-minded focus, he leads and supports his team of experienced professionals with a passion and drive to deliver.

His experience is highlighted in the section on the Board of Directors.

Susan Sim, Deputy Chief Executive Officer

Ms Sim assists the Chief Executive Officer on operational matters pertaining to Suntec REIT, including asset management, investment, investor relations and asset enhancement initiatives.

Prior to her current appointment, Ms Sim was the Chief Executive Officer of APM Property Management Pte. Ltd (100% subsidiary of ARA Asset Management) since 2009, where she spearheaded the marketing and management of Suntec City Mall and Offices.

Ms Sim has over 20 years of experience in real estate marketing and development, and asset management, in Singapore, Malaysia, China, Indonesia and Vietnam. Prior to joining the group, Ms Sim was the co-founder and Chief Executive Officer of a boutique investment company for an AIM-listed Vietnam property fund. She was the General Manager of GuocoLand Limited and prior to that, the Senior Vice President of Mapletree Investments Pte Ltd and Director, Retail of DBS Land Ltd (now part of CapitaLand Ltd).

Ms Sim holds a Bachelor of Science in Finance (Honours) from Southern Illinois University, USA.

Richard Tan, Senior Director, Finance

Mr Tan heads the finance team and assists the Chief Executive Officer on all accounting, finance, treasury and capital management functions for Suntec REIT.

Mr Tan has more than 30 years of financial management experience in the banking and information technology industries. He was previously the Regional Finance Director and Business Manager for Hewlett-Packard's Sales and Marketing Division in South East Asia.

Prior to joining the information technology industry, Mr Tan also held various senior positions in banking both in Singapore and Hong Kong for over 18 years. He was the Finance Director of Schroders Singapore and was Head of Finance and Operations for an investment bank in Hong Kong. Mr Tan also held the position of Country Operations Manager for American Express Bank Singapore.

Mr Tan holds a Bachelor of Accountancy Degree from the University of Singapore.

TAXATION

The statements below are general in nature and are based on current income tax laws in the specified jurisdictions and administrative guidelines and circulars issued by the 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 the relevant tax authorities or the courts may later disagree 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 of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive nor exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes 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. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject to. It is emphasised that none of SRMTN, 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 accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

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 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent.. The applicable rate for non-resident individuals is currently 20.0 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 15.0 per cent.. The rate of 15.0 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 and 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 is 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 is a Financial Sector Incentive (Bond Market) (**FSI-BM**) Company (as defined in the ITA), any tranche of the Notes (the **Relevant Notes**) issued as debt securities under the Programme during the period from the date of this Offering Circular to 31 December 2013 and, pursuant to the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" (the **MAS Circular**) issued by MAS on 28 June 2013, during the period from 1 January 2014 to 31 December 2018, would be "qualifying debt securities" (**QDS**) for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed, and the inclusion by SRMTN in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes 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 Notes 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 Notes, paid by SRMTN and 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 Notes 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 for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed), Qualifying Income from the Relevant Notes paid by SRMTN and 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 10.0 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

    (aa) SRMTN including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

    (bb) the furnishing of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed, payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by SRMTN.

The MAS Circular further states that, with effect from 1 January 2014, the relevant arrangement requirements for QDS issued under a programme from 1 January 2014 to 31 December 2018 (including programmes arranged prior to 1 January 2014) include that the programme must be wholly arranged by Financial Sector Incentive – Capital Market, Financial Sector Incentive – Standard Tier or FSI-BM companies.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of SRMTN, such Relevant Notes would not qualify as QDS; and

(B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of SRMTN, Qualifying Income derived from such Relevant Notes held by: –

  (i) any related party of SRMTN; or

  (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of SRMTN,

  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.

The terms **prepayment fee**, **redemption premium** and **break cost** are defined in the ITA as follows:

> "prepayment fee", in relation to debt securities and qualifying debt securities, 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;
>
> "redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and
>
> "break cost", in relation to debt securities and qualifying debt securities, 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.

References to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Notwithstanding that SRMTN is permitted to make payments of interest, discount income, prepayment fee, redemption premium and break cost (i.e. the Qualifying Income) in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme (**QDS Plus Scheme**), subject to certain conditions having been fulfilled (including the submission of a return on debt securities in respect of the QDS in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the QDS as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:

(a) are issued during the period from 16 February 2008 to 31 December 2013 and, pursuant to the MAS Circular, during the period from 1 January 2014 to 31 December 2018;

(b) have an original maturity of not less than 10 years;

(c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Notes are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by any related party(ies) of SRMTN, Qualifying Income from such Relevant Notes derived by:

(aa) any related party of SRMTN; or

(bb) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of SRMTN,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

The MAS Circular states that, with effect from 28 June 2013, the QDS Plus Scheme will be refined to allow QDS with certain standard early termination clauses (as prescribed in the MAS Circular) to qualify for the QDS Plus Scheme at the point of issuance of such debt securities. The MAS has also clarified that if such debt securities are subsequently redeemed prematurely pursuant to such standard early termination clauses before the 10th year from the date of issuance of such debt securities, the tax exemption granted under the QDS Plus Scheme to Qualifying Income accrued prior to such redemption will not be clawed back. Under such circumstances, the QDS Plus status of such debt securities will be revoked prospectively for such outstanding debt securities (if any), and holders thereof may still enjoy the tax benefits under the QDS Scheme if the QDS conditions continue to be met.

The MAS has stated that, notwithstanding the above, QDS with embedded options with economic value (such as call, put, conversion or exchange options which can be triggered at specified prices or dates and are built into the pricing of such debt securities at the onset) which can be exercised within ten years from the date of issuance of such debt securities will continue to be excluded from the QDS Plus Scheme from such date of issuance.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes 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 who apply or who are required to apply Singapore Financial Reporting Standard 39 (**FRS 39**) 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, irrespective of disposal, in accordance with FRS 39. Please see the section below on "Adoption of FRS 39 Treatment for Singapore Income Tax Purposes".

Adoption of FRS 39 Treatment for Singapore Income Tax Purposes

IRAS has issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement" (the **FRS 39 Circular**). The ITA has since been amended to give effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain “opt-out” provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

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

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (**FATCA**) impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a “foreign financial institution”, or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (**IRS**) to provide the IRS with certain information in respect of its account holders is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a “US account” of the relevant FFI (a **Recalcitrant Holder**). SRMTN may be classified as an FFI.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to **foreign passthru payments** (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of any Notes that are issued on or after the **grandfathering date**, which is the later of (a) 1 July 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an **IGA**). Pursuant to FATCA and the “Model 1” and “Model 2” IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **FATCA Withholding**) from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders to its home government or to the IRS. The United States and Singapore have announced an intention to enter into an agreement.

If an Issuer is an FFI becomes a Participating FFI under FATCA such Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Notes are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuers, the Guarantor, the common depositary or any paying agent, given that each of the entities in the payment chain beginning with the Issuers and ending with the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

The proposed financial transactions tax (FTT)

The European Commission has published a 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**).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals 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 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.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. 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 are advised to seek their own professional advice in relation to the FTT.

Proposed EU Directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

SUBSCRIPTION AND SALE

The Dealers have, in a programme agreement (the **Programme Agreement**) dated 15 August 2013, 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. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". The Issuers may pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by such Dealer. The Issuers may also from time to time agree with the relevant Dealer(s) that the Issuers may pay certain third parties commissions (including, without limitation, rebates to private banks). In the Programme Agreement, the Issuers (failing which, the Guarantor) have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act 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 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 (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. 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 during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes 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, an offer or sale of such Notes 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, or Dual Currency Notes 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, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the applicable Pricing Supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

United Kingdom

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 have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No.25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed that it will not offer or sell any Notes, 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 (except for Notes that are "structured products" 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 and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies 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, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws in Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning 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 this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes to be issued from time to time by the relevant Issuer pursuant to the Programme have not been and will not be circulated or distributed, nor the Notes offered or sold, or 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 under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes 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 (as defined in Section 239(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 pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or 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 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

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 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 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 none of the other Dealers shall have any responsibility therefor.

None of the Dealers represents that Notes 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 of the Programme, the issue of Notes 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. The establishment 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.

Listing of Notes

Application has been made to the SGX-ST for permission to deal in and for the quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. For so long as any Notes 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 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. In addition, in the event that any of the Global Notes is exchanged for definitive Notes 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 including details of the paying agent in Singapore.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection from the specified office of the Principal Paying Agent for the time being in London and the specified office of the CDP Paying Agent in Singapore:

(a) the Memorandum and Articles of Association 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 Suntec REIT and the most recently published unaudited interim financial statements (if any) of Suntec REIT, together with any audit or review reports prepared in connection therewith;

(e) the Programme Agreement, the Trust Deed, the Agency Agreement, the CDP Deeds of Covenant and the forms of the Global Notes, the Notes 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 will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer or the Principal Paying Agent as to its holding of Notes and identity) to this Offering Circular and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Pricing Supplement. In addition, the relevant Issuer may also apply to have the Notes, accepted for clearance through CDP. If Notes 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 S.A./N.V., 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for determining price

The price and amount of Notes 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

There has been no material adverse change in the financial position of SRMTN since its date of incorporation. Save as disclosed in this Offering Circular at pages 83 and 84, there has been no material adverse change in the financial position of Suntec REIT or the Group since 31 December 2012.

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 Certified Public Accountants, have audited, and rendered unqualified audit reports on the financial statements of for the financial years ended 31 December 2012 and 31 December 2011.

KPMG LLP has given and has not withdrawn its written consents to the issue of this Offering Circular for the inclusion herein of (i) its name; and (ii) its audit reports on the audited financial statements of Suntec REIT for the financial years ended 31 December 2011 and 31 December 2012, in the form and context in which they appear in this Offering Circular, and reference to its name and such reports in the form and context which they appear in this Offering Circular.

Dealers transacting with the Issuers and the Guarantor

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuers, the Guarantor and their affiliates in the ordinary course of business.

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
% or per cent.	:	Per centum or percentage
Agency Agreement	:	The agency agreement relating to the Programme dated 15 August 2013 between the Issuers, the Guarantor, the Trustee, The Bank of New York Mellon, London Branch as Principal Paying Agent, The Bank of New York Mellon (Luxembourg) S.A. as Registrar and Transfer Agent and the The Bank of New York Mellon, Singapore Branch as CDP Paying Agent. 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	:	The Principal Paying Agent, Paying Agents, Registrar, Transfer Agents, CDP Paying Agent and calculation agent(s) for the time being (if any)
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 Suntec REIT Deposited Property
Arrangers	:	Australia and New Zealand Banking Group Limited, Citigroup Global Markets Singapore Pte Ltd, DBS Bank Ltd. and Standard Chartered Bank
CBD	:	The central business district of Singapore
CDP	:	The Central Depository (Pte) Limited
CDP Deeds of Covenant	:	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)
CDP Paying Agent	:	The Bank of New York Mellon, Singapore Branch
CIS Code		The Code on Collective Investment Schemes issued by the MAS, as amended or modified from time to time
Clearstream, Luxembourg	:	Clearstream Banking, société anonyme
Companies Act	:	Companies Act, Chapter 50 of Singapore
Conditions	:	The Terms and Conditions of the Notes

Dealers	:	Australia and New Zealand Banking Group Limited, Citigroup Global Markets Singapore Pte. Ltd., DBS Bank Ltd. and Standard Chartered Bank and any other dealer appointed under the Programme from time to time by the relevant Issuer and the Guarantor
Direct Rights	:	Direct rights which holders of Notes may acquire against the relevant Issuer under the provisions of the relevant CDP Deed of Covenant in relation to Notes cleared through CDP
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 in accordance with the Treaty establishing the European Community, as amended from time to time
Euroclear	:	Euroclear Bank S.A./N.V.
Exchange Event	:	The relevant Exchange Event under which Notes in global form (whether in bearer or registered form) will be exchangeable, in whole but not in part, for Notes in definitive form, as set out in "*Form of the Notes*"
Fitch	:	Fitch, Inc. or its successors
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
ITA	:	The Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time
MAS	:	The Monetary Authority of Singapore
MBFC Interest	:	A one-third interest in the MBFC Properties
MBFC Properties	:	The buildings known as Marina Bay Financial Centre Towers One and Two and the Marina Bay Link Mall (and excluding Marina Bay Residences) constructed on parts of Lot 289N of Town Subdivision 30 and parts of the subterranean space below Lot 289N known as Lots 80006L, 80007C, 80008M, 80009W and 80011M of Town Subdivision 30 for a term of 99 years commencing 11 October 2005
Member State	:	A member state of the European Economic Area
Moody's	:	Moody's Investors Service or its successors

Noteholders	:	Holders of Notes
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
ORQ Interest	:	A one-third interest in One Raffles Quay
Park Mall	:	A 15-storey office cum retail complex, located at 9 Penang Road Singapore 238459
Paying Agent	:	Any paying agent in respect of the Notes
PRC	:	The People's Republic of China, and for the purposes of this Offering Circular, refers to mainland China
Pricing Supplement	:	In relation to a Series or Tranche, a pricing supplement specifying the relevant issue details in relation to such Series or Tranche
Principal Paying Agent	:	The Bank of New York Mellon, London Branch
Programme	:	The U.S.$1,500,000,000 Euro Medium Term Note Programme established by the Issuers
Programme Agreement	:	The programme agreement relating to the establishment of the Programme dated 15 August 2013 between the Issuers, the Guarantor and the Dealers. 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 which are held by Suntec REIT, including the Suntec Properties, Park Mall, and a one-third interest in ORQ and the MBFC Properties, and **Property** means any one of them
Property Funds Appendix	:	Appendix 6 to the CIS Code issued by the MAS in relation to real estate investment trusts
Registrar and Transfer Agent	:	The Bank of New York Mellon (Luxembourg) S.A.
Regulation S	:	Regulation S under the Securities Act
RMB or Renminbi or CNY	:	Renminbi, the lawful currency of the PRC
RMB Notes	:	Notes 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
S&P	:	Standard & Poor's Rating Services, a division of The McGraw Hill Companies or its successors
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
£ 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 made by SRMTN in respect of Notes cleared through CDP
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 City	:	An integrated commercial development, part of which is formed by the Suntec Properties
Suntec City Office Towers	:	Strata units in Suntec City Towers One, Two and Three, and all strata units in Suntec City Towers Four and Five

Suntec Properties	:	Suntec City Mall and 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 per cent. interest in Suntec Singapore
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 Deposited Property	:	All the assets of Suntec REIT, including the Properties and all the authorised investments of Suntec REIT held or deemed to be held in accordance with the Suntec REIT Trust Deed
Suntec REIT Manager	:	ARA Trust Management (Suntec) Limited, in its capacity as manager of Suntec REIT
Suntec REIT Portfolio	:	Suntec REIT's portfolio of properties which, at the date of this Offering Circular, comprises the Suntec Properties, Park Mall, the ORQ Interest and the MBFC Interest
Suntec REIT Property Managers	:	APM Property Management Pte. Ltd., Raffles Quay Asset Management Pte Ltd and Suntec Singapore International Convention & Exhibition Services Pte. Ltd., 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 and as amended and restated by a First Amending & Restating Deed dated 7 September 2010 (in each case made between the same parties), and as further amended, modified or supplemented from time to time.
Suntec REIT Trustee	:	HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec REIT)
Suntec Singapore	:	Suntec Singapore International Convention & Exhibition Centre
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 the 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

Trust Deed	:	The Trust Deed as modified and/or supplemented and/or restated from time to time dated 15 August 2013 made between the Issuers, the Guarantor and the Trustee. 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	:	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.

INDEX TO FINANCIAL STATEMENTS

Suntec Real Estate Investment Trust
and its Subsidiaries

(Constituted in the Republic of Singapore pursuant to a trust deed dated 1 November 2004 (as amended))

Financial Statements
Year ended 31 December 2010

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.

Report of the Trustee

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Suntec Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). In accordance with the Securities and Futures Act, Chapter 289, of Singapore, its subsidiary legislation, and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of ARA Trust Management (Suntec) Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 1 November 2004 (as amended) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the period covered by these financial statements, set out on pages FS1 to FS61 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

Antony Wade Lewis
Authorised Signatory

Singapore

4 March 2011

Statement by the Manager

In the opinion of the directors of ARA Trust Management (Suntec) Limited, the accompanying financial statements set out on pages FS1 to FS61, comprising the Balance Sheets, Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds, Portfolio Statements, Statement of Cash Flows and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of Suntec Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") as at 31 December 2010, the total return, distributable income, movements in Unitholders' funds and cash flows of the Group and the total return, distributable income and movements in Unitholders' funds of the Trust for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Certified Public Accountants of Singapore and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Trust will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
ARA Trust Management (Suntec) Limited

Lim Hwee Chiang
Director

Yeo See Kiat
Director and Chief Executive Officer

Singapore

4 March 2011

KPMG

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Independent Auditors' Report
Unitholders of Suntec Real Estate Investment Trust

(Constituted under a Trust Deed in the Republic of Singapore)

We have audited the accompanying financial statements of Suntec Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group"), which comprise the Balance Sheets and Portfolio Statements of the Group and the Trust as at 31 December 2010, and the Statement of Total Return, Distribution Statement, Statement of Movements in Unitholders' Funds and Statement of Cash Flows of the Group and the Statement of Total Return, Distribution Statement and Statement of Movements in Unitholders' Funds of the Trust for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS61.

Manager's responsibility for the financial statements

The Manager of the Trust 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 Certified Public Accountants of Singapore, and for such internal control as the Manager of the Trust determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements 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 Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Trust, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the 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 of the Group and of the Trust as at 31 December 2010 and the total return, distributable income, movements in Unitholders' funds and cash flows of the Group, and the total return, distributable income and movements in Unitholders' funds of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Certified Public Accountants of Singapore.

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore

4 March 2011

Balance Sheets
As at 31 December 2010

	Note	Group 2010 $'000	Group 2009 $'000	Trust 2010 $'000	Trust 2009 $'000
Non-current assets					
Plant and equipment	4	10	45	10	45
Investment properties	5	4,452,000	4,202,000	4,452,000	4,202,000
Intangible asset	6	100,029	36,124	100,029	36,124
Interest in jointly controlled entities	7	2,039,680	880,953	1,474,791	344,946
Investments in subsidiaries	8	–	–	535,506	511,329
Financial derivatives	9	416	1,762	416	1,762
		6,592,135	5,120,884	6,562,752	5,096,206
Current assets					
Financial derivatives	9	762	–	762	–
Trade and other receivables	10	6,685	17,794	6,587	34,469
Cash and cash equivalents	11	52,493	31,228	51,909	31,228
		59,940	49,022	59,258	65,697
Total assets		6,652,075	5,169,906	6,622,010	5,161,903
Current liabilities					
Interest-bearing borrowings	12	404,585	–	404,585	–
Trade and other payables	13	41,103	35,381	41,103	35,381
Financial derivatives	9	8,756	1,581	8,756	1,581
Current portion of security deposits		22,452	23,374	22,452	23,374
Provision for taxation		2,032	6,210	2,032	6,210
		478,928	66,546	478,928	66,546

The accompanying notes form an integral part of these financial statements.

Balance Sheets (cont'd)
As at 31 December 2010

		Group		Trust	
	Note	2010	2009	2010	2009
		$'000	$'000	$'000	$'000
Non-current liabilities					
Interest-bearing borrowings	12	2,150,059	1,721,722	2,150,059	1,721,722
Non-current portion of security deposits		38,239	38,239	38,239	38,239
Financial derivatives	9	216	15,542	216	15,542
		2,188,514	1,775,503	2,188,514	1,775,503
Total liabilities		2,667,442	1,842,049	2,667,442	1,842,049
Net assets		3,984,633	3,327,857	3,954,568	3,319,854
Represented by:					
Unitholders' funds		3,984,633	3,327,857	3,954,568	3,319,854
Units in issue ('000)	16	2,205,128	1,797,300	2,205,128	1,797,300
Net asset value per Unit (S$)	17	1.804	1.779	1.790	1.775

The accompanying notes form an integral part of these financial statements.

Statements of Total Return
Year ended 31 December 2010

	Note	Group 2010 $'000	Group 2009 $'000	Trust 2010 $'000	Trust 2009 $'000
Gross revenue	18	249,479	253,138	260,911	264,327
Property expenses	19	(56,389)	(60,903)	(56,389)	(60,903)
Net property income		193,090	192,235	204,522	203,424
Other income	20	22,410	26,170	22,410	26,170
Finance income	21	25,263	16,707	22,702	16,383
Finance expense	21	(81,165)	(72,739)	(81,165)	(72,739)
Net finance costs		(55,902)	(56,032)	(58,463)	(56,356)
Amortisation of intangible asset	6	(20,895)	(24,759)	(20,895)	(24,759)
Asset management fees	22	(27,932)	(27,328)	(27,932)	(27,328)
Professional fees		(539)	(617)	(539)	(617)
Trustee's fees		(868)	(878)	(868)	(878)
Audit fees		(252)	(252)	(252)	(252)
Other charges	23	(1,020)	(572)	(1,016)	(572)
Net income before share of profit of jointly controlled entities		108,092	107,967	116,967	118,832
Share of profit/(loss) of jointly controlled entities	7	30,937	(73,322)	–	–
Net income		139,029	34,645	116,967	118,832
Net change in fair value of investment properties		248,715	(150,847)	248,715	(150,847)
Total return for the year before tax		387,744	(116,202)	365,682	(32,015)
Income tax expense	24	(2,029)	(2,723)	(2,029)	(2,723)
Total return for the year after tax		385,715	(118,925)	363,653	(34,738)

The accompanying notes form an integral part of these financial statements.

Statements of Total Return (cont'd)
Year ended 31 December 2010

		Group		Trust	
	Note	**2010**	**2009**	**2010**	**2009**
Earnings per Unit (cents)	25				
Basic		20.337	(6.867)	19.174	(2.006)
Diluted		19.152	(6.867)	18.078	(2.006)

The accompanying notes form an integral part of these financial statements.

Distribution Statements
Year ended 31 December 2010

	Group		Trust	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Amount available for distribution to Unitholders at the beginning of the year	47,689	44,229	47,689	44,229
Net income before share of profit of jointly controlled entities	108,092	107,967	116,967	118,832
Net tax adjustments (Note A)	64,982	73,191	67,539	73,515
Taxable income	220,763	225,387	232,195	236,576
Add: Tax exempt dividend income (Note B)	11,432	11,189	–	–
Less: Income tax (Note C)	(2,029)	(2,723)	(2,029)	(2,723)
Amount available for distribution to Unitholders	230,166	233,853	230,166	233,853
Distributions to Unitholders:				
Distribution of 2.164 cents per Unit for period from 1/10/2008 to 8/12/2008	–	(33,418)	–	(33,418)
Distribution of 0.694 cents per Unit for period from 9/12/2008 to 31/12/2008	–	(10,957)	–	(10,957)
Distribution of 2.918 cents per Unit for period from 1/1/2009 to 31/3/2009	–	(46,341)	–	(46,341)
Distribution of 2.258 cents per Unit for period from 1/4/2009 to 8/6/2009	–	(35,999)	–	(35,999)
Distribution of 0.719 cents per Unit for period from 9/6/2009 to 30/6/2009	–	(11,711)	–	(11,711)
Distribution of 2.921 cents per Unit for period from 1/7/2009 to 30/9/2009	–	(47,738)	–	(47,738)
Balance carried forward	–	(186,164)	–	(186,164)

The accompanying notes form an integral part of these financial statements.

Distribution Statements (cont'd)
Year ended 31 December 2010

	Group		Trust	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Distributions to Unitholders:				
Balance brought forward	–	(186,164)	–	(186,164)
Distribution of 2.568 cents per Unit for period from 1/10/2009 to 21/12/2009	(41,969)	–	(41,969)	–
Distribution of 0.403 cents per Unit for period from 9/12/2009 to 21/12/2009	(139)	–	(139)	–
Distribution of 0.318 cents per Unit for period from 22/12/2009 to 31/12/2009	(5,728)	–	(5,728)	–
Distribution of 2.513 cents per Unit for period from 1/1/2010 to 31/3/2010	(45,366)	–	(45,366)	–
Distribution of 1.928 cents per Unit for period from 1/4/2009 to 8/6/2010	(34,881)	–	(34,881)	–
Distribution of 0.600 cents per Unit for period from 9/6/2010 to 30/6/2010	(11,063)	–	(11,063)	–
Distribution of 2.502 cents per Unit for period from 1/7/2010 to 30/9/2010	(46,221)	–	(46,221)	–
	(185,367)	(186,164)	(185,367)	(186,164)
Income available for distribution to Unitholders at end of the year	44,799	47,689	44,799	47,689

The accompanying notes form an integral part of these financial statements.

Distribution Statements (cont'd)
Year ended 31 December 2010

Note A

	Group		Trust	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Net tax adjustments comprise:				
Non-tax deductible items:				
- Amortisation of intangible asset	20,895	24,759	20,895	24,759
- Amortisation of transaction costs	29,580	14,057	29,580	14,057
- Asset management fees paid/payable in Units	22,345	21,863	22,345	21,863
- Interest income	(2,561)	(1,997)	–	(1,997)
- Net (gain)/loss arising from remeasurement of derivatives	(7,566)	12,121	(7,566)	12,121
- Professional fees	254	192	254	192
- Trustee's fees	868	878	868	878
- Other items	1,167	1,318	1,163	1,642
Net tax adjustments	64,982	73,191	67,539	73,515

Note B

This relates to the dividend income received from One Raffles Quay Pte Ltd and Suntec Harmony Pte. Ltd..

Note C

This relates to income tax on the income support received by the Group and the Trust under the Deeds of Income Support entered into with Cavell Limited and Choicewide Group Limited, the vendors of the one-third interest in One Raffles Quay Pte Ltd and BFC Development Pte. Ltd. respectively.

Statements of Movements in Unitholders' Funds
Year ended 31 December 2010

	Group		Trust	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Balance at the beginning of the year	3,327,857	3,455,998	3,319,854	3,363,808
Operations				
Total return for the year after tax	385,715	(118,925)	363,653	(34,738)
Net increase/(decrease) in net assets resulting from operations	385,715	(118,925)	363,653	(34,738)
Net movement in hedging reserve	–	5,344	–	5,344
Unitholders' transactions				
Creation of Units:				
- asset management fees paid in Units	16,017	16,533	16,017	16,533
- acquisition fee paid in Units	14,958	470	14,958	470
- private placement of Units	428,810	152,915	428,810	152,915
Units to be issued:				
- asset management fees payable in Units	6,328	5,330	6,328	5,330
Unit issue expenses	(9,685)	(3,644)	(9,685)	(3,644)
Distributions to Unitholders	(185,367)	(186,164)	(185,367)	(186,164)
Net increase/(decrease) in net assets resulting from Unitholders' transactions	271,061	(14,560)	271,061	(14,560)
Net assets at end of the year	3,984,633	3,327,857	3,954,568	3,319,854

The accompanying notes form an integral part of these financial statements.

Portfolio Statements
As at 31 December 2010

Group

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed Occupancy Rate 2010 %	Committed Occupancy Rate 2009 %	Carrying Value 2010 $'000	Carrying Value 2009 $'000	Percentage of Total Net Assets 2010 %	Percentage of Total Net Assets 2009 %
Investment properties in Singapore											
Suntec City Mall	Leasehold	99 years	78 years	3 Temasek Boulevard	Commercial	97.9	97.6	1,525,000	1,501,000	38.3	45.1
Suntec City Office Towers	Leasehold	99 years	78 years	5 - 9 Temasek Boulevard	Commercial	99.1	95.3	2,455,000	2,249,000	61.6	67.6
Park Mall	Leasehold	99 years	58 years	9 Penang Road	Commercial	100.0	100.0	338,000	321,000	8.5	9.6
CHIJMES	Leasehold	99 years	80 years	30 Victoria Street	Commercial	99.5	100.0	134,000	131,000	3.3	3.9
Investment properties, at valuation								4,452,000	4,202,000	111.7	126.2
Interest in jointly controlled entities (Note 7)								2,039,680	880,953	51.2	26.5
								6,491,680	5,082,953	162.9	152.7
Other assets and liabilities (net)								(2,507,047)	(1,755,096)	(62.9)	(52.7)
Net assets								3,984,633	3,327,857	100.0	100.0

The accompanying notes form an integral part of these financial statements.

Portfolio Statements (cont'd)
As at 31 December 2010

Trust

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed Occupancy Rate 2010 %	Committed Occupancy Rate 2009 %	Carrying Value 2010 $'000	Carrying Value 2009 $'000	Percentage of Total Net Assets 2010 %	Percentage of Total Net Assets 2009 %
Investment properties in Singapore											
Suntec City Mall	Leasehold	99 years	78 years	3 Temasek Boulevard	Commercial	97.9	97.6	1,525,000	1,501,000	38.6	45.2
Suntec City Office Towers	Leasehold	99 years	78 years	5 - 9 Temasek Boulevard	Commercial	99.1	95.3	2,455,000	2,249,000	62.1	67.7
Park Mall	Leasehold	99 years	58 years	9 Penang Road	Commercial	100.0	100.0	338,000	321,000	8.6	9.7
CHIJMES	Leasehold	99 years	80 years	30 Victoria Street	Commercial	99.5	100.0	134,000	131,000	3.3	3.9
Investment properties, at valuation								4,452,000	4,202,000	112.6	126.5
Interest in jointly controlled entities (Note 7)								1,474,791	344,946	37.3	10.4
Investments in subsidiaries (Note 8)								535,506	511,329	13.5	15.4
								6,462,297	5,058,275	163.4	152.3
Other assets and liabilities (net)								(2,507,729)	(1,738,421)	(63.4)	(52.3)
Net assets								3,954,568	3,319,854	100.0	100.0

The accompanying notes form an integral part of these financial statements.

Portfolio Statements (cont'd)
As at 31 December 2010

Note:

Suntec City Office Towers comprise 15 strata lots in Suntec City Office Tower One, 7 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.

Park Mall comprises a 15-storey with basement shopping cum office building.

CHIJMES comprises four retail blocks, two basement levels and a chapel.

The carrying amounts of the investment properties as at 31 December 2010 and 31 December 2009 were based on independent valuations undertaken by Knight Frank Pte Ltd ("Knight Frank") and CB Richard Ellis ("CBRE"). The independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued.

Description of property	Valuer	Valuation method	Valuation 2010 $'000	Valuation 2009 $'000
Suntec City Mall	Knight Frank (2009: Knight Frank)	Investment method and discounted cash flow analysis	1,525,000	1,501,000
Suntec City Office Towers	Knight Frank (2009: Knight Frank)	Investment method and discounted cash flow analysis	2,455,000	2,249,000

The accompanying notes form an integral part of these financial statements.

Portfolio Statements (cont'd)
As at 31 December 2010

Description of property	Valuer	Valuation method	Valuation 2010 $'000	Valuation 2009 $'000
Park Mall	CBRE (2009: CBRE)	Capitalisation of income approach and discounted cash flow analysis	338,000	321,000
CHIJMES	Knight Frank (2009: Knight Frank)	Investment method and discounted cash flow analysis	134,000	131,000

Investment properties comprise commercial properties that are leased to external customers. Generally, the leases contain an initial non-cancellable period of three years. Subsequent renewals are negotiated with the lessee. Contingent rents recognised upon receipt in the Statements of Total Return of both the Group and the Trust amounted to $1,033,000 (2009: $690,000).

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows
Year ended 31 December 2010

	Group	
	2010	**2009**
	$'000	**$'000**
Cash flows from operating activities		
Net income	139,029	34,645
Adjustments for:		
Allowance for doubtful receivables	430	2,186
Amortisation of intangible asset	20,895	24,759
Asset management fees paid/payable in Units	22,345	21,863
Depreciation of plant and equipment	38	53
Loss on disposal of plant and equipment	4	–
Net finance costs	55,902	56,032
Share of (profit)/loss of jointly controlled entities	(30,937)	73,322
Operating income before working capital changes	207,706	212,860
Changes in working capital:		
Trade and other receivables	466	(865)
Trade and other payables	4,401	1,382
Cash flows from operating activities	212,573	213,377
Income tax paid	(6,207)	–
Net cash flows from operating activities	206,366	213,377
Cash flows from investing activities		
Acquisition of interest in a jointly controlled entity	(1,414,713)	–
Adjustment to investment in a jointly controlled entity	790	133
Amount due from jointly controlled entities	–	(21,325)
Capital expenditure on investment properties	(1,285)	(847)
Dividend income received	11,610	10,450
Interest received	15,656	14,930
Purchase of intangible asset	(84,800)	–
Purchase of plant and equipment	(7)	(6)
Repayment of loan from a jointly controlled entity	300,000	–
Cash flows used in investing activities	(1,172,749)	3,335
Cash flows from financing activities		
Distributions to Unitholders	(185,367)	(186,164)
Interest paid	(76,110)	(77,818)
Proceeds from interest-bearing loans	1,805,000	914,000
Proceeds from issue of units, net of expenses	419,125	149,442
Repayment of interest-bearing loans	(975,000)	(1,039,000)
Cash flows from financing activities	987,648	(239,540)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows (cont'd)
Year ended 31 December 2010

	Group	
	2010	**2009**
	$'000	**$'000**
Net increase/(decrease) in cash and cash equivalents	21,265	(22,828)
Cash and cash equivalents at beginning of the year	31,228	54,056
Cash and cash equivalents at end of the year	52,493	31,228

Significant Non-Cash Transactions

There were the following significant non-cash transactions during the year:

(a) 15,725,881 (2009: 24,680,603) Units were issued or will be issued to the Manager by the Group, amounting to approximately $22,345,000 (2009: $21,863,000) at unit prices ranging from $1.330 to $1.504 (2009: $0.586 to $1.307) as satisfaction of asset management fees payable in Units in respect of the year ended 31 December 2010.

(b) 10,266,300 (2009: 431,074) Units were issued to the Manager, amounting to approximately $14,958,000 (2009: $470,000) at $1.457 per Unit (2009: $1.090 per Unit) as satisfaction of the acquisition fee paid on the acquisition of the one-third interest in BFC Development Pte. Ltd. (2009: 20% interest in Harmony Investors Group Limited).

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 4 March 2011.

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) (the "Trust Deed") entered into 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 ("CPF") Investment Scheme on 9 December 2004.

The principal activity of the Trust and its subsidiaries (the "Group") 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 consolidated financial statements relate to the Trust and its subsidiaries and the Group's interest in jointly controlled entities.

The Trust has entered into several service agreements in relation to 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 the property 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.

APAC Investment Management Pte Ltd, the property manager of Park Mall and CHIJMES is entitled to receive 3.0% per annum of gross revenue for provision of lease management, property management, marketing and marketing co-ordination services.

The property management fees are payable monthly in arrears.

(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.

For a period of seven years commencing from the listing of the Units on the SGX-ST, 80.0% of the asset management fees payable to the Manager will be paid in the form of Units issued at the volume weighted average traded price for a unit for all trades on the SGX-ST on the ordinary course of trading on the SGX-ST for the last ten Business Days (as defined in the Trust Deed) of the relevant period in which the management fees accrue, and 20.0% of the management fees will be paid in the form of cash. Thereafter, the asset management fees shall be in the form of Units and/or cash as the Manager may elect. The portion of the asset management fees payable in the form of Units will be made on a quarterly basis, in arrears. The portion of the asset management fees payable in cash will be made on a monthly basis, in arrears. If Unitholders' prior approval for the payment of the asset management fees in the form of Units is required but not obtained, then the payment to the Manager for the asset management fees shall be made in the form of cash.

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 sale price on all future acquisition or disposal 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.

Based on the current agreement between the Manager and Trustee, the Trustee's fee is agreed to be:

(a) 0.03% per annum on the first $250 million of the Deposited Property;

(b) 0.02% per annum on the next $250 million of the Deposited Property; and

(c) 0.015% per annum on the balance thereafter.

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 Certified Public Accountants of Singapore, 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 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 has been rounded to the nearest thousand, unless otherwise stated.

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 reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing 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 within the next financial year are included in the following notes:

- Note 5 – Valuation of investment properties
- Note 15 – Valuation of financial instruments

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 Group entities.

3.1 *Basis of consolidation*

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Where the accounting policies of the subsidiaries are different from those adopted by the Group, adjustments have been made to the financial statements of the subsidiaries in order for accounting policies to be consistently applied in the consolidated financial statements.

Jointly controlled entities

Jointly controlled entities are entities whose activities the Group has joint control, established by contractual agreement and unanimous consent is required for their strategic financial and operating decisions.

Investments in jointly controlled entities are accounted for using the equity method and are initially recognised at cost. The cost of the investments includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the jointly controlled entities 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 the jointly controlled entities, the carrying amount of that interest, including any long-term investments, is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the jointly controlled entities.

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 jointly controlled entities are eliminated against the investment to the extent of the Group's interest in the jointly controlled entities. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries and jointly controlled entities

Investments in subsidiaries and jointly controlled entities are stated in the Trust's balance sheet at cost less accumulated impairment losses.

3.2 *Plant and equipment*

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is provided on a straight-line basis so as to write off items of plant and equipment over their estimated useful lives as follows:

Equipment	-	3 years

Gains or losses arising from the retirement or disposal of plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Total Return.

Depreciation methods, useful lives and residual values are reviewed and adjusted as appropriate, at each reporting date.

3.3 *Investment properties*

Investment properties are properties held either to earn rental income or capital appreciation or for both. Investment properties are measured at cost on initial recognition and subsequently at fair value. 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.

Fair value changes are recognised in the Statement of Total Return.

When an investment property is disposed of, the resulting gain or loss is recognised in the Statement of Total Return as the difference between net disposal proceeds and the carrying amount of the property.

For taxation purposes, the Group and the Trust may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act.

3.4 *Intangible asset*

Intangible asset acquired by the Group and the Trust is measured initially at cost. Following initial recognition, the intangible asset is measured at cost less any accumulated amortisation and impairment losses.

The intangible asset is amortised in the Statement of Total Return on a systematic basis over its estimated useful life. Intangible asset is tested for impairment as described in Note 3.6.

3.5 *Financial instruments*

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through the Statement of Total Return) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash balances and bank deposits.

Non-derivative financial liabilities

The Group initially recognises all other financial liabilities (including liabilities designated at fair value through the Statement of Total Return) on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Group has the following non-derivative financial liabilities: borrowings and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Derivative financial instruments and hedging activities

The Group holds derivative financial instruments to hedge its interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through the Statement of Total Return. Multiple embedded derivatives in a single instrument are treated as a single compound embedded derivative if they share the same underlying risk exposures, are interdependent of each other and are not readily separable.

On initial designation of the hedge, the Group formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objectives and strategy in undertaking the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80%-125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported total return.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in the Statement of Total Return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognised directly in Unitholders' funds to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in the Statement of Total Return.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in the hedging reserve in Unitholders' funds remains there until the forecast transaction occurs. If the forecast transaction is no longer expected to occur, any related cumulative gain or loss is recognised in the Statement of Total Return. When the hedged item is a non-financial asset, the amount recognised in Unitholders' funds is transferred to the carrying amount of the asset when it is recognised. In other cases the amount recognised in Unitholders' funds is transferred to the Statement of Total Return in the same period that the hedged item affects the Statement of Total Return.

Separable embedded derivatives

Changes in the fair value of separable embedded derivatives are recognised immediately in the Statement of Total Return.

Other non-trading derivatives

When a derivative financial instrument is not held for trading, and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in the Statement of Total Return.

Convertible bonds

The convertible bonds comprise a liability for the interest and principal amount and a derivative liability. The derivative liability is recognised at fair value at inception. The carrying amount of the convertible bonds at initial recognition is the difference between the gross proceeds from the convertible bonds issue and the fair value of the derivative liability. Any directly attributable transaction costs are allocated to the convertible bonds 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 derivative liability is measured at fair value through the Statement of Total Return.

3.6 Impairment

Non-derivative financial assets

A financial asset not carried at fair value through total return is assessed at the end of each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include 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 or issuer will enter bankruptcy or economic conditions that correlate with defaults.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for Manager's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in Statement of Total Return and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of Total Return.

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.

The recoverable amount of an asset or cash-generating unit (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.

An impairment loss is recognised in the Statement of Total Return if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the Statement of Total Return, unless it reverses a previous revaluation credited to Unitholders' funds, in which case it is charged to Unitholders' funds.

Impairment losses recognised in prior periods 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 Issue expenses

Issue expenses relate to expenses incurred in connection with the issue of Units. Such expenses are deducted directly against Unitholders' funds.

3.8 Revenue recognition

Rental income from operating leases

Rental income receivable under operating leases is recognised in the Statement of Total Return 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 on a receipt basis. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

Dividend income

Dividend income is recognised on the date that the right to receive payment is established.

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.

Property expenses are recognised on an accrual basis.

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 expense*

Finance income comprises interest income on funds invested, gains on remeasurement of derivatives and gains on hedging instruments that are recognised in the Statement of Total Return. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings, amortisation of transaction costs incurred on borrowings, losses on remeasurement of derivatives and losses on hedging instruments that are recognised in the Statement of Total Return. All borrowing costs are recognised in the Statement of Total Return using the effective interest method.

3.11 *Income tax*

Income tax expense comprises current and deferred tax. Income tax is recognised in the Statement of Total Return 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.

Deferred tax is recognised using the balance sheet method, providing for 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 jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the 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 (i) on the same taxable entity; or (ii) 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.

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; or

- An agent bank acting as a nominee for individuals who have purchased Units within the Central Provident Fund Investment Scheme ("CPFIS") and the distributions received from the Trust are returned to CPFIS.

The above tax transparency ruling does not apply to gains from sale of real properties. Such gains which are considered as trading gains are assessable for tax on the Trustee. 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 *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 CEO, who is the Group's chief operating decision maker, to make decisions about resources to be allocated to the segment and assess the segment's performance, and for which discrete financial information is available.

3.13 *New standards and interpretations not yet adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2010, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

4 Plant and equipment

	Equipment $'000
Group and Trust	
Cost	
At 1 January 2009	482
Additions	7
At 31 December 2009	489
Additions	7
Disposal	(7)
At 31 December 2010	489
Accumulated depreciation	
At 1 January 2009	391
Charge for the year	53
At 31 December 2009	444
Charge for the year	38
Disposal	(3)
At 31 December 2010	479

	Equipment $'000
Carrying amount	
At 1 January 2009	91
At 31 December 2009	45
At 31 December 2010	10

5 Investment properties

	Group and Trust	
	2010 $'000	2009 $'000
At 1 January	4,202,000	4,352,000
Capital expenditure capitalised	1,285	847
	4,203,285	4,352,847
Changes in fair value of investment properties	248,715	(150,847)
At 31 December	4,452,000	4,202,000

The investment properties, Suntec City Mall and part of Suntec City Office Tower 3, with a total carrying value of $1,773,200,000 (2009: Suntec City Mall, Suntec City Office Towers 3 and 4, with a total carrying value of $2,931,000,000), have been mortgaged as security for credit facilities granted to the Group (Note 12).

Investment properties are stated at fair value based on valuations performed by independent professional valuers. The fair value is based on market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after property marketing wherein the parties had acted knowledgeably, prudently and without compulsion.

In determining the fair value, the valuers have used valuation methods which involve certain estimates. The valuation methods used are in the Portfolio Statements. The Manager is of the view that the valuation methods and estimates are reflective of the market condition at the date of the valuation. The key assumptions used to determine the fair value of the investment properties include estimated net cash flows expected to be received on renting out the properties, market-corroborated capitalisation yield, terminal yield and discount rate.

6 Intangible asset

	Group and Trust	
	2010	2009
	$'000	$'000
Cost		
Balance at 1 January	91,498	91,498
Addition	84,800	–
Balance at 31 December	176,298	91,498
Amortisation		
Balance at 1 January	55,374	30,615
Amortisation for the year	20,895	24,759
Balance at 31 December	76,269	55,374
Carrying amount		
At 1 January 2009		60,883
At 31 December 2009		36,124
At 31 December 2010		100,029

Intangible asset represents the unamortised income support receivable by the Group and the Trust under the Deeds of Income Support entered into with Cavell Limited and Choicewide Group Limited, the vendors of the one-third interest in One Raffles Quay Pte Ltd and BFC Development Pte. Ltd. respectively.

7 Interest in jointly controlled entities

	Group		Trust	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Investment in jointly controlled entities	1,412,332	519,007	870,443	–
Loans to jointly controlled entities	627,348	361,946	604,348	344,946
	2,039,680	880,953	1,474,791	344,946

The loans to jointly controlled entities are unsecured. Included in the loans is an amount of $604,348,000 (2009: $344,946,000) which bears interest between 3.0% to 3.3% (2009: 3.0%) per annum above the three-month Singapore Dollar Swap Offer Rate and settlement is neither planned nor likely to occur in the foreseeable future. As the amount is, in substance, a part of the Group's and the Trust's net investment in the entities it is stated at cost. The remaining amount of $23,000,000 (2009: $17,000,000) bears interest at 10.0% (2009: 7.5%) per annum and is repayable on 30 September 2014.

Included in investment in jointly controlled entities of the Group are non-audit fees paid/payable to auditors of the Trust capitalised of $381,000 (2009: $18,000).

Details of the jointly controlled entities are as follows:

Name of jointly controlled entities	**Country of incorporation**	**Effective equity held by the Group**	
		2010	**2009**
		%	%
One Raffles Quay Pte Ltd [1]	Singapore	33.33	33.33
Harmony Investors Group Limited [2]	British Virgin Islands	20.00	20.00
BFC Development Pte. Ltd. [1]	Singapore	33.33	–

One Raffles Quay Pte Ltd owns the property One Raffles Quay.

BFC Development Pte. Ltd. owns Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall.

(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 is incorporated.

Acquisition of one-third interest in BFC Development Pte. Ltd.

On 9 December 2010, the Group completed the acquisition of a one-third interest in BFC Development Pte. Ltd..

The following table summarises the proportion of the amounts of net assets recognised as of the acquisition date and the fair value of the total consideration transferred:

Identifiable assets acquired and liabilities assumed

	2010
	$'000
Investment property	4,289,111
Loans	(1,677,782)
Total identifiable net assets	2,611,329
One-third interest	870,443

Fair value of total consideration transferred at acquisition date

	2010
	$'000
Purchase consideration for share of net assets acquired	1,495,800
Shareholders' loan assumed	(559,261)
Acquisition fee and other related expenses	18,704
Total consideration transferred	955,243
Represented by:	
Share of identifiable net assets acquired	870,443
Intangible asset	84,800
	955,243

The summarised financial information of the Group's interest in the jointly controlled entities, adjusted for the percentage of ownership held by the Group, is as follows:

	Group	
	2010	2009
	$'000	$'000
Assets and liabilities		
Non-current assets	1,864,598	413,446
Current assets	518,964	516,317
Total assets	2,383,562	929,763
Current liabilities	14,478	360,330
Non-current liabilities	956,752	50,426
Total liabilities	971,230	410,756
Results		
Revenue	39,208	34,886
Expenses	(32,195)	(25,042)
Net change in fair value of investment properties	23,924	(83,166)
Net profit/(loss) for the year	30,937	(73,322)

8 Investments in subsidiaries

	Trust	
	2010	2009
	$'000	$'000
Equity investment at cost	535,506	511,329

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Effective equity held by the Trust 2010 %	2009 %
Comina Investment Limited [1]	British Virgin Islands	100	100
Suntec Harmony Pte. Ltd. [2]	Singapore	100	100

[1] Not required to be audited under the laws of the country in which it is incorporated.

[2] Audited by KPMG LLP Singapore

9 Financial derivatives

	Group and Trust 2010 $'000	2009 $'000
Derivative assets		
- Interest rate swaps at fair value through statement of total return	1,178	1,762
Current	762	–
Non-current	416	1,762
	1,178	1,762
Derivative liabilities		
- Interest rate swaps at fair value through statement of total return	513	2,131
- Embedded derivatives relating to convertible bonds	8,459	14,992
	8,972	17,123
Current	8,756	1,581
Non-current	216	15,542
	8,972	17,123

The Group uses interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing term loans and short term borrowings by swapping the interest expense on a proportion of these term loans and short term borrowings from floating rates to fixed rates and vice versa.

Interest rate swaps with a total notional amount of $675,000,000 (2009: $225,000,000) have been entered into at the balance sheet date to provide fixed and floating rate funding for terms of 3 to 5 years (2009: 3 to 5 years) at an average interest rate of 0.27009% to 3.725% (2009: 0.49087% to 3.725%) per annum.

10 Trade and other receivables

	Group		Trust	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Trade receivables	4,965	8,013	4,965	8,013
Impairment losses	(2,551)	(2,982)	(2,551)	(2,982)
Net receivables	2,414	5,031	2,414	5,031
Deposits	–	267	–	267
Amount due from:				
- jointly controlled entities	3,419	11,824	–	–
- subsidiaries	–	–	3,320	28,499
Loans and receivables	5,833	17,122	5,734	33,797
Prepayments and other receivables	852	672	853	672
	6,685	17,794	6,587	34,469

The trade receivables in respect of Suntec City Mall and part of Suntec City Office Tower 3 amounting to $4,086,000 (2009: Suntec City Mall, Suntec City Office Towers 3 and 4 amounting to $7,777,000) are charged or assigned by way of security for credit facilities granted to the Group (Note 12).

The amounts due from the jointly controlled entities and the subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

The exposure of the Group and the Trust to credit risk and impairment losses related to trade receivables is disclosed in Note 15.

11 Cash and cash equivalents

	Group		Trust	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Cash at bank and in hand	21,405	16,298	20,821	16,298
Fixed deposits with a financial institution	31,088	14,930	31,088	14,930
	52,493	31,228	51,909	31,228

The weighted average effective interest rate relating to cash and cash equivalents at the balance sheet date for the Group and the Trust is 0.0715% and 0.0724% (2009: 0.0776% for both the Group and the Trust) per annum respectively. Interest rates reprice at intervals of one month.

Cash and cash equivalents in respect of Suntec City Mall and part of Suntec City Office Tower 3 amounting to $3,731,000 (2009: Suntec City Mall, Suntec City Office Towers 3 and 4 amounting to $6,874,000) are charged or assigned by way of security for credit facilities granted to the Group (Note 12).

The exposure of the Group and the Trust to interest rate risk related to financial assets are disclosed in Note 15.

12 Interest-bearing borrowings

	Note	Group and Trust 2010 $'000	Group and Trust 2009 $'000
Term loans			
- secured		788,647	650,849
- unsecured		1,493,882	804,061
		2,282,529	1,454,910
Convertible bonds			
- unsecured	14	272,115	266,812
		2,554,644	1,721,722
Current		404,585	–
Non-current		2,150,059	1,721,722
		2,554,644	1,721,722

The exposure of the Group and the Trust to liquidity and interest rate risks related to interest-bearing borrowings are disclosed in Note 15.

Terms and debt repayment schedule

Terms and conditions of outstanding interest-bearing borrowings are as follows:

	Weighted average nominal interest rate %	Year of maturity	2010 Face value $'000	2010 Carrying amount $'000	2009 Face value $'000	2009 Carrying amount $'000
Group and Trust						
Floating rate term loans	1.44	2011 to 2012	2,105,000	2,078,524	1,275,000	1,251,612
Fixed rate term loans	4.85	2011 to 2016	207,500	204,005	207,500	203,298
Convertible bonds	3.25	2013	270,000	272,115	270,000	266,812
			2,582,500	2,554,644	1,752,500	1,721,722

Interest-bearing borrowings at the balance sheet date of $2,554,644,000 (2009: $1,721,722,000) comprise the following:

- $157,429,000 (2009: $157,299,000) unsecured term loan from Sunshine Assets Limited;
- $1,336,453,000 (2009: $646,762,000) unsecured term loan from various institutional banks;
- $272,115,000 (2009: $266,812,000) convertible bonds due 2013; and
- $788,647,000 (2009: $650,849,000) secured term loan facilities from various institutional banks.

(a) Term loan facility with Sunshine Assets Limited

As at 31 December 2010, the Trust has in place a $157.5 million (2009: $157.5 million) term loan facility with Sunshine Assets Limited ("Sunshine"), a special purpose company.

To fund the loan of $157.5 million to the Trust, Sunshine has raised funds by issuing $32.5 million secured fixed rate notes due 2011, $50.0 million secured fixed rate notes due 2011, $50.0 million secured floating rate notes due 2011 and $25.0 million secured fixed notes due 2012, amounting to $157.5 million (collectively, the "Sunshine Notes"). The Sunshine Notes bear interest at rates ranging from 2.78% to 4.145% and the three-month Swap Offer Rate plus 0.42%. The Sunshine Notes are secured by a debenture creating fixed and floating charges over all the assets of Sunshine, including its rights, title and interest in connection with the term loan facility granted to the Trust.

(b) Secured term loan facilities with various institutional banks

As at 31 December 2010, the Trust has in place secured facilities of $800 million (2009: $675 million) term loan facilities with a panel of banks.

The facilities are secured on the following:

- a first legal mortgage on Suntec City Mall and part of Suntec City Office Tower 3 (the "Properties");
- a first fixed charge over the central rental collection account in relation to the Properties (Notes 10 and 11);
- an assignment of the Trust's rights, title and interest in the tenancy documents and the proceeds in connection with the Properties;
- an assignment of the Trust's rights, title and interest in the insurance policies in relation to the Properties;
- a fixed and floating charge over the assets of the Trust in relation to the Properties, agreements, collateral, as required by the financial institutions granting the facilities (Note 5); and

- an assignment of any interest swap facilities, which may be entered into by the Trust in relation to the term loan facilities.

The current portion of the interest-bearing borrowings comprise term loans of $132.5 million which are due in 2011, and $270.0 million convertible bonds with a put option exercisable on 20 March 2011 (Note 14).

13 Trade and other payables

	Group and Trust	
	2010	2009
	$'000	$'000
Trade and other payables	3,140	5,670
Accrued operating expenses	11,121	14,317
Amounts due to related parties (trade)	1,393	1,055
Accrued income	16,677	6,602
Interest payable	8,772	7,737
	41,103	35,381

The amounts due to related parties are unsecured and interest-free. Included in the amounts due to related parties is an amount due to the Trustee, the Manager and a related party of the Manager of $169,000, $716,000 and $508,000 (2009: $227,000, $423,000 and $Nil) respectively. Transactions with related parties are priced on an arm's length basis.

14 Convertible bonds – debt component

	Group and Trust	
	2010	2009
	$'000	$'000
Carrying amount of debt component at 1 January	266,812	259,897
Amortisation of transaction costs	865	862
Interest accretion	4,438	6,053
Carrying amount of debt component at 31 December	272,115	266,812

In 2008, the Trust issued $270.0 million principal amounts of convertible bonds (the "Bonds") due 2013 which carry a coupon interest at 3.25% per annum. The Bonds are convertible by bondholders into Units at the conversion price of $1.723 (2009: $1.759) at any time on or after 30 April 2008 up to 3.00 p.m. on 13 March 2013 or, if redeemed prior to 13 March 2013, 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 Bonds are convertible into approximately 156,703,424 Units (31/12/2009: 153,496,305 Units), representing 7.1% (31/12/2009: 8.5%) of the total number of Units of the Trust in issue as at 31 December 2010. The Trust has the option to pay cash in lieu of issuing new Units on conversion of any Bonds.

The Bonds may be redeemed, in whole or in part, at the option of the bondholder of 20 March 2011 at a put price of 103.164% together with any accrued but unpaid interest up to that date. To exercise such right, the holder of the relevant bond must, within a period of three months prior to 20 March 2011, complete, sign and deposit the notice of redemption with the payment agent.

The Bonds may also be redeemed, in whole but not in part, at the option of the Trust on or at any time after 20 March 2011 but not less than 7 business days prior to 20 March 2013 (subject to the satisfaction of certain conditions) having given not less than 30 nor more than 60 days' notice to the bondholders. The early redemption amount represents a gross yield to maturity of 4.25% per annum, on a semi-annual basis calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

Unless previously redeemed by the bondholders on 20 March 2011 or by the Trust at any time on or after 20 March 2011 and not less than 7 business days prior to 20 March 2013, the final redemption date of the Bonds is 20 March 2013. The redemption price upon maturity is equal to 105.5063% of the principal amount, together with any accrued but unpaid interest accrued to the date of redemption, on the final redemption date.

As at 31 December 2010, the effective interest rate for the Bonds – debt component is approximately 5.25% (2009: 5.25%) per annum.

15 Financial instruments

Credit risk

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 was:

		Group Carrying amount		Trust Carrying amount	
	Note	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Loans to jointly controlled entities	7	627,348	361,946	604,348	344,946
Derivative assets at fair value through Statement of Total Return	9	1,178	1,762	1,178	1,762
Loans and receivables	10	5,833	17,122	5,734	33,797
Cash and cash equivalents	11	52,493	31,228	51,909	31,228
		686,852	412,058	663,169	411,733

The maximum exposure to credit risk for trade receivables at the reporting date by type of tenants is:

	Group and Trust	
	2010	2009
	$'000	$'000
Office	214	498
Retail	2,200	4,533
	2,414	5,031

The Group's tenants are engaged in a wide spectrum of business activities across many industry segments. The Group's most significant tenant accounts for $1,093,000 (2009: $1,245,000) of the trade receivables carrying amount as at the balance sheet date.

Impairment losses

The ageing of trade receivables at the balance sheet date is:

	Gross 2010 $'000	Impairment losses 2010 $'000	Gross 2009 $'000	Impairment losses 2009 $'000
Group and Trust				
Not past due	1,705	–	2,617	–
Past due 31 – 60 days	461	–	968	–
Past due 61 – 90 days	297	49	489	–
More than 90 days	2,502	2,502	3,939	2,982
	4,965	2,551	8,013	2,982

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group and Trust	
	2010	2009
	$'000	$'000
At 1 January	2,982	1,133
Impairment loss recognised	430	2,186
Allowance utilised during the year	(861)	(337)
At 31 December	2,551	2,982

Based on historic default rates, 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.

The allowance account in respect of trade receivables is used to record impairment losses unless the Group and the Trust are satisfied that no recovery of the amounts owing are possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly. At 31 December 2010, the Group and the Trust do not have any collective impairment on its trade receivables (2009: nil).

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Cash flows Within 1 to 5 years $'000	More than 5 years $'000
Group and Trust					
2010					
Non-derivative financial liabilities					
Financial liabilities measured at amortised cost:					
- Floating rate term loans	2,078,524	2,225,028	34,156	2,190,872	–
- Fixed rate term loans	204,005	243,838	7,814	132,949	103,075
- Convertible bonds	272,115	304,340	8,775	295,565	–
- Trade and other payables	41,103	41,103	41,103	–	–
- Security deposits	60,691	60,691	22,452	38,239	–
	2,656,438	2,875,000	114,300	2,657,625	103,075
Derivative financial liabilities					
Financial liabilities at fair value through statement of total return					
- Interest rate swaps	513	4,108	1,672	2,436	–
	2,656,951	2,879,108	115,972	2,660,061	103,075

	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	Cash flows Within 1 to 5 years $'000	More than 5 years $'000
Group and Trust					
2009					
Non-derivative financial liabilities					
Financial liabilities measured at amortised cost:					
- Floating rate term loans	1,251,612	1,359,309	36,232	1,323,077	–
- Fixed rate term loans	203,298	253,902	10,064	134,563	109,275
- Convertible bonds	266,812	313,115	8,775	304,340	–
- Trade and other payables	35,381	35,381	35,381	–	–
- Security deposits	61,613	61,613	23,374	38,239	–
	1,818,716	2,023,320	113,826	1,800,219	109,275
Derivative financial liabilities					
Financial liabilities at fair value through statement of total return					
- Interest rate swaps	2,131	3,260	3,052	208	–
	1,820,847	2,026,580	116,878	1,800,427	109,275

Interest rate risk

Cash flow sensitivity analysis for variable rate instruments

For the interest rate swaps and the other variable rate financial liabilities, a change of 30 basis points ("bp") (2009: 50 bp) in interest rate at the reporting date would increase/(decrease) total return (before any tax effects) by the amounts shown below. There is no impact on Unitholders' funds. This analysis assumes that all other variables remain constant.

	Statement of Total Return	
	30 bp increase $'000	**30 bp decrease $'000**
Group and Trust		
2010		
Interest-bearing borrowings (floating rate)	(6,315)	6,315
Interest rate swaps	2,299	(2,262)
	(4,016)	4,053
	Statement of Total Return	
	50 bp increase $'000	**50 bp decrease $'000**
2009		
Interest-bearing borrowings (floating rate)	(6,375)	6,375
Interest rate swaps	435	(436)
	(5,940)	5,939

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through the Statement of Total Return, 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 the Statement of Total Return.

Classification and fair value of financial instruments

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	Note	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Group						
2010						
Financial derivatives	9	1,178	–	–	1,178	1,178
Loans and receivables	10	–	5,833	–	5,833	5,833
Cash and cash equivalents	11	–	52,493	–	52,493	52,493
		1,178	58,326	–	59,504	59,504
Financial derivatives	9	(8,972)	–	–	(8,972)	(8,972)
Interest-bearing borrowings	12	–	–	(2,282,529)	(2,282,529)	(2,296,621)
Trade and other payables	13	–	–	(41,103)	(41,103)	(41,103)
Security deposits		–	–	(60,691)	(60,691)	(59,975)
Convertible bonds	14	–	–	(272,115)	(272,115)	(283,141)
		(8,972)	–	(2,656,438)	(2,665,410)	(2,689,812)

Group

2009

	Note	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Financial derivatives	9	1,762	–	–	1,762	1,762
Loans and receivables	10	–	17,122	–	17,122	17,122
Cash and cash equivalents	11	–	31,228	–	31,228	31,228
		1,762	48,350	–	50,112	50,112
Financial derivatives	9	(17,123)	–	–	(17,123)	(17,123)
Interest-bearing borrowings	12	–	–	(1,454,910)	(1,454,910)	(1,461,685)
Trade and other payables	13	–	–	(35,381)	(35,381)	(35,381)
Security deposits		–	–	(61,613)	(61,613)	(59,598)
Convertible bonds	14	–	–	(266,812)	(266,812)	(283,141)
		(17,123)	–	(1,818,716)	(1,835,839)	(1,856,928)

	Note	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Trust						
2010						
Financial derivatives	9	1,178	–	–	1,178	1,178
Loans and receivables	10	–	5,734	–	5,734	5,734
Cash and cash equivalents	11	–	51,909	–	51,909	51,909
		1,178	57,643	–	58,821	58,821
Financial derivatives	9	(8,972)	–	–	(8,972)	(8,972)
Interest-bearing borrowings	12	–	–	(2,282,529)	(2,282,529)	(2,296,621)
Trade and other payables	13	–	–	(41,103)	(41,103)	(41,103)
Security deposits		–	–	(60,691)	(60,691)	(59,975)
Convertible bonds	14	–	–	(272,115)	(272,115)	(283,141)
		(8,972)	–	(2,656,438)	(2,665,410)	(2,689,812)

	Note	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Trust						
2009						
Financial derivatives	9	1,762	–	–	1,762	1,762
Loans and receivables	10	–	33,797	–	33,797	33,797
Cash and cash equivalents	11	–	31,228	–	31,228	31,228
		1,762	65,025	–	66,787	66,787
Financial derivatives	9	(17,123)	–	–	(17,123)	(17,123)
Interest-bearing borrowings	12	–	–	(1,454,910)	(1,454,910)	(1,461,685)
Trade and other payables	13	–	–	(35,381)	(35,381)	(35,381)
Security deposits		–	–	(61,613)	(61,613)	(58,598)
Convertible bonds	14	–	–	(266,812)	(266,812)	(267,158)
		(17,123)	–	(1,818,716)	(1,835,839)	(1,839,945)

Fair values

Estimation of fair values

Fair values of the financial instruments of the Group and the Trust have been determined for measurement and/or disclosure purposes based on the following methods:

Derivatives

The fair value of interest rate swaps is based on broker quotes at the balance sheet date. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each swap and using market interest rates for similar instruments at the measurement date.

The fair value of the embedded derivative component of the convertible bonds is the difference between the fair value of the convertible bonds based on broker quotes at the balance sheet date and the fair value of the liability component of the convertible bonds, determined using the discounted cash flow technique.

Non-derivative financial liabilities

The fair values of the non-current portion of security deposits, fixed interest-bearing borrowings, borrowings which reprice after three months, which are determined for disclosure purposes, are estimated using the discounted cash flow technique. Future cash flows are based on management's best estimates and the discount rate is based on a market-related rate for a similar instrument at the balance sheet date.

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 six months) are assumed to approximate their fair values because of the short period to maturity or repricing.

Interest rates used in determining fair values

The Group used the following interest rates to discount estimated cash flows:

	Group and Trust	
	2010	**2009**
	%	%
Non-current portion of security deposits	1.907	2.74
Fixed rate borrowings	1.237 – 4.50	1.78 – 6.20
Convertible bonds	3.34	5.04

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 2 $'000	Level 3 $'000	Total $'000
Group and Trust			
2010			
Derivative assets			
- interest rate swaps	1,178	–	1,178
Derivative liabilities			
- interest rate swaps	(513)	–	(513)
- embedded derivatives relating to convertible bonds	–	(8,459)	(8,459)
	(513)	(8,459)	(8,972)
	665	(8,459)	(7,794)
2009			
Derivative assets			
- interest rate swaps	1,762	–	1,762
Derivative liabilities			
- interest rate swaps	(2,131)	–	(2,131)
- embedded derivatives relating to convertible bonds	–	(14,992)	(14,992)
	(2,131)	(14,992)	(17,123)
	(369)	(14,992)	(15,361)

During the financial year ended 31 December 2010, there were no transfers between Level 1 and Level 2.

The Level 3 financial instruments measured at fair value are as follows:

	2010 $'000	2009 $'000
Group and Trust		
Embedded derivatives relating to convertible bonds		
As at 1 January	(14,992)	(1,863)
Changes in fair value recognised in Statement of Total Return	6,533	(13,129)
As at 31 December	(8,459)	(14,992)
Total gain/(loss) for the year included in Statement of Total Return for financial instruments held at the balance sheet date	6,533	(13,129)

Gain/(loss) for the year included in the Statement of Total Return is presented in finance income/finance expense as follows:

	Group and Trust	
	Finance income 31 December 2010 $'000	Finance expense 31 December 2009 $'000
Total gain/(loss) for the year included in Statement of Total Return	6,533	(13,129)
Total gain/(loss) for the year included in Statement of Total Return for financial instruments held at 31 December	6,533	(13,129)

The fair value of the embedded derivative relating to convertible bonds has been 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. If the assumptions 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 $13,457,000 (2009: $11,926,000) and ($13,451,000) (2009: ($11,904,000)) respectively. The analysis is performed on the same basis for 2010.

16 Units in issue

	Group and Trust	
	2010	**2009**
	'000	**'000**
Units in issue:		
At 1 January	1,797,300	1,571,198
Issue of Units:		
- asset management fees paid in Units	15,561	28,170
- acquisition fee paid in Units	10,266	431
- private placement of new Units	313,000	128,500
- deferred consideration on investment properties acquired	69,001	69,001
At 31 December	2,205,128	1,797,300
Units to be issued:		
- asset management fees payable in Units	4,242	4,077
- deferred consideration on investment properties acquired [1]	–	69,001
	4,242	73,078
Total issued and issuable Units at 31 December	2,209,370	1,870,378

[1] *The deferred consideration units comprising a total of six equal instalments to the vendor of Suntec City Mall and Suntec City Office Towers had been fully issued in financial year ended 31 December 2010.*

During the year, there were the following issues of Units:

- 15,561,317 (2009: 28,170,278) Units were issued at unit prices ranging from $1.3072 to $1.5039 (2009: $0.586 to $1.090) per Unit, amounting to $21,347,000 (2009: $22,058,000) in satisfaction of asset management fees payable in Units;

- 10,266,300 (2009: 431,074) Units were issued at $1.457 (2009: $1.090) per Unit to the Manager in satisfaction of the acquisition fee of $14,958,000 (2009: $470,000) for the acquisition of the one-third interest in BFC Development Pte. Ltd. (2009: 20% interest in Harmony Investors Group Limited);

- 313,000,000 (2009: 128,500,000) Units ("Private Placement Units") issued at $1.37 (2009: $1.19) per Unit, were placed out on 9 December 2010 (2009: 22 December 2009); and

- 69,000,722 (2009: 69,000,724) Units were issued at $1.000 per Unit to Suntec City Development Pte Ltd, amounting to $69,000,722 (2009: $69,000,724) in satisfaction of the fifth and final instalments of deferred consideration on the initial portfolio of properties acquired during the IPO.

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 Fund 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 Unitholders 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.

17 Net asset value per Unit

		Group		Trust	
	Note	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Net asset value per Unit is based on:					
Net assets		3,984,633	3,327,857	3,954,568	3,319,854
		'000	'000	'000	'000
Total issued and issuable Units at 31 December	16	2,209,370	1,870,378	2,209,370	1,870,378

18 Gross revenue

	Group		Trust	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Gross rental income	249,230	252,929	249,230	252,929
Dividend income from subsidiaries	–	–	11,432	11,189
Others	249	209	249	209
	249,479	253,138	260,911	264,327

19 Property expenses

	Group and Trust	
	2010	**2009**
	$'000	**$'000**
Advertising and promotion expenses	4,374	4,820
Allowance for doubtful receivables	430	2,186
Depreciation of plant and equipment	38	53
Maintenance expenses	2,169	2,006
Contributions to maintenance funds	16,534	16,534
Property management fees (including reimbursables)	7,277	8,460
Property tax	17,617	21,877
Rental subsidies	–	714
Utilities	2,378	2,122
Others	5,572	2,131
	56,389	60,903

Property expenses represent the direct operating expenses arising from rental of investment properties.

20 Other income

Other income relates to the income support received/receivable by the Group and the Trust under the Deeds of Income Support entered into with Cavell Limited and Choicewide Group Limited, the vendors of the one-third interest in One Raffles Quay Pte Ltd ("ORQPL") and BFC Development Pte. Ltd. ("BFCPL"). ORQPL holds One Raffles Quay and BFCPL holds Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall.

21 Finance income and expense

	Group		Trust	
	2010	**2009**	**2010**	**2009**
	$'000	**$'000**	**$'000**	**$'000**
Recognised in the statement of total return				
Interest income:				
- bank deposits	33	109	33	109
- interest rate swaps	1,958	2,033	1,958	2,033
- loan to jointly controlled entities	13,972	12,826	11,411	12,502
Gain arising from remeasurement of derivatives	9,300	1,739	9,300	1,739
Finance income	25,263	16,707	22,702	16,383
Interest expense:				
- bank loans	(36,280)	(26,693)	(36,280)	(26,693)
- the Bonds	(8,775)	(8,775)	(8,775)	(8,775)
- interest rate swaps	(4,796)	(9,354)	(4,796)	(9,354)
Amortisation of transaction costs	(29,580)	(14,057)	(29,580)	(14,057)
Loss arising from remeasurement of derivatives	(1,734)	(13,860)	(1,734)	(13,860)
Finance expense	(81,165)	(72,739)	(81,165)	(72,739)
Recognised in the statement of total return	(55,902)	(56,032)	(58,463)	(56,356)

22 Asset management fees

Included in the asset management fees of the Group and the Trust is an aggregate of 15,725,881 (2009: 24,680,603) Units, amounting to $22,345,000 (2009: $21,863,000), that have been or will be issued to the Manager in satisfaction of the asset management fees payable in Units.

23 Other charges

Included in other charges are the following items:

	Group and Trust	
	2010	**2009**
	$'000	**$'000**
Non-audit fees paid to auditors of the Trust	44	65

24 Income tax expense

	Group		Trust	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Tax expense				
Current year	2,029	2,723	2,029	2,723
Reconciliation of effective tax rate				
Net income	139,029	34,645	116,967	118,832
Less: Share of (profit)/loss of jointly controlled entities	(30,937)	73,322	–	–
Net income before share of result of jointly controlled entities	108,092	107,967	116,967	118,832
Income tax using the Singapore tax rate of 17% (2009: 17%)	18,376	18,354	19,884	20,201
Non-tax deductible items	13,901	13,476	13,061	12,793
Non-taxable income	(2,016)	(295)	(1,581)	(295)
Tax exempt income	–	–	(1,103)	(1,164)
Tax transparency	(28,232)	(28,812)	(28,232)	(28,812)
	2,029	2,723	2,029	2,723

25 Earnings per Unit

Basic earnings per Unit is based on:

	Group		Trust	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Total return for the year after tax	385,715	(118,925)	363,653	(34,738)

	Number of Units			
	Group		Trust	
	2010	2009	2010	2009
	'000	'000	'000	'000
Weighted average number of Units:				
- outstanding during the year	1,896,610	1,662,888	1,896,610	1,662,888
- to be issued as payment of asset management fees payable in Units	12	11	12	11
- to be issued as satisfaction of deferred consideration on investment properties acquired (Note 16)	–	69,001	–	69,001
	1,896,622	1,731,900	1,896,622	1,731,900

In calculating diluted earnings per Unit, the total return for the period after tax and weighted average number of Units in issue are adjusted to take into account the dilutive effect arising from the dilutive Bonds, with the potential Units weighted for the period outstanding.

	Group		Trust	
	2010	2009	2010	2009
	$'000	$'000	$'000	$'000
Total return for the period after tax	385,715	(118,925)	363,653	(34,738)
Profit impact of conversion of the dilutive potential Units	7,545	–*	7,545	–*
Adjusted total return for the period after tax	393,260	(118,925)	371,198	(34,738)

	Number of Units			
	Group		Trust	
	2010	2009	2010	2009
	'000	'000	'000	'000
Weighted average number of Units used in calculation of basic earnings per Unit	1,896,622	1,731,900	1,896,622	1,731,900
Weighted average number of Units to be issued assuming conversion of the Bonds	156,703	–*	156,703	–*
Weighted average number of Units used in calculation of diluted earnings per Unit	2,053,325	1,731,900	2,053,325	1,731,900

* As at 31 December 2009, the potential Units relating to the Bonds and the related profit impact were excluded from the diluted earnings per Unit as the Bonds were anti-dilutive and the Group and the Trust did not have any other dilutive potential Units.

As at 31 December 2010, the Group and the Trust had Bonds which were convertible into approximately 156,703,424 (2009: 153,496,305) 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 and office business segments. The nature of the leases (lease of retail, office or other space) is the factor used to determine the reportable segments. As the retail and office segments 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 to form the retail and office reportable segments. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

Other operations segment, which relates to leasing of advertising space and car park, does not meet any of the quantitative thresholds for determining reportable segments for both 2010 and 2009.

Segment revenue comprises mainly of 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 income tax expense.

Information regarding the Group's reportable segments is presented in the tables below.

Segment information in respect of the Group's geographical segments is not presented as the Group's activities for the year ended 31 December 2010 and 31 December 2009 related wholly to properties located in Singapore.

Information about reportable segments

	Office S'000	Retail S'000	Others S'000	Total S'000
2010				
Gross revenue	117,334	122,871	9,274	249,479
Property expenses	(22,982)	(28,493)	(4,914)	(56,389)
Reportable segment net property income	94,352	94,378	4,360	193,090
2009				
Gross revenue	117,803	126,564	8,771	253,138
Property expenses	(24,991)	(30,737)	(5,175)	(60,903)
Reportable segment net property income	92,812	95,827	3,596	192,235

Reconciliation of reportable segment net property income

	Group 2010 $	Group 2009 $
Total return		
Reportable segment net property income	188,730	188,639
Other net property income	4,360	3,596
	193,090	192,235
Unallocated amounts:		
- Other income	22,410	26,170
- Net finance costs	(55,902)	(56,032)
- Amortisation of intangible assets	(20,895)	(24,759)
- Asset management fees	(27,932)	(27,328)
- Other trust expenses	(2,679)	(2,319)
- Net change in fair value of investment properties	248,715	(150,847)
Share of profit/(loss) of jointly controlled entities	30,937	(73,322)
Consolidated total return for the year before tax	387,744	(116,202)

27 Commitments

	Group and Trust	
	2010	2009
	$'000	$'000
(a) Capital commitments		
Capital expenditure contracted but not provided for	1,359	609
Loan facilities to jointly controlled entities	562,652	22,054

(b) The Group and the Trust lease out their investment properties. Non-cancellable operating lease rentals receivable are as follows:

	Group and Trust	
	2010	2009
	$'000	$'000
Within 1 year	208,147	218,279
After 1 year but within 5 years	236,209	223,461
	444,356	441,740

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 (2009: $500,000) or 1.0% (2009: 1.0%) of the taxable income of the Trust for the year ended 31 December 2010. 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	
	2010	2009	2010	2009
	%	%	%	%
Expenses to weighted average net assets [1]				
- including performance component of asset management fees	1.52	1.59	1.52	1.63
- excluding performance component of asset management fees	1.20	1.27	1.20	1.30
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 Significant related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability to directly or indirectly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to a common significant influence. Related parties may be individuals or other entities.

In the normal course of the operations of the Group, asset management fees and Trustee's fees have been paid or are payable to the Manager and Trustee respectively.

During the financial year, other than the transactions disclosed elsewhere in the financial statements, there were the following related party transactions:

	Group and Trust	
	2010	2009
	$'000	$'000
Acquisition fees paid to the Manager	14,958	470
Financial advisory fee paid to a related corporation of the Manager	1,071	–
Leasing commission paid/payable to a related corporation of the Manager	3,298	–
Rental income received/receivable from related corporations of the Manager	1,548	1,190
Rental income received/receivable from a sponsor and a property manager	–	619
Property management fees and reimburseables paid/payable to a sponsor and a property manager	–	6,529
Property management fees payable to a related corporation of the Manager	6,500	404

31 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 the Manager oversees how management 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 financial 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 and monitors their balances on an on-going basis. Credit evaluations are performed by the Manager before lease agreements are entered into with tenants. The Group establishes an allowance for impairment, based on a specific loss component that relates to individually significant exposures, that represents its estimate of incurred losses in respect of trade and other receivables.

Cash and fixed deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are allowed only with counterparties that are credit worthy.

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 also monitors and observes the CIS Code issued by the MAS concerning limits on total borrowings.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, which 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 on risk.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. 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.

As at 31 December 2010, the Group has entered into interest rate swaps with a total notional amount of $675 million (2009: $225 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 secured and unsecured term loans.

In the previous year, one of the interest rate swaps with a notional amount of $500 million had been accounted for as a cash flow hedge, as described in Note 3.5. The interest rate swap expired during that year. The rest of the interest rate swaps do not qualify for hedge accounting under FRS 39 *Financial Instruments: Recognition and Measurement*, and are classified as economic hedges. The swaps are being used to hedge the exposure to varying cash flows due to changes in interest rates. The loans and interest rate swaps have varying terms and conditions.

The fair value of the above swaps at 31 December 2010 is a net asset of $665,000 (2009: net liability of $369,000), comprising assets of $1,178,000 (2009: $1,762,000) and liabilities of $513,000 (2009: $2,131,000) (Note 9).

Capital management

The Board 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 38.4% (2009: 33.3%) as at 31 December 2010.

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 35.0% of the fund's deposited property. The aggregate leverage of a property fund may exceed 35.0% of the fund's deposited property (up to a maximum of 60.0%) only if a credit rating of the property fund from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. The property fund should continue to maintain and disclose a credit rating so long as its aggregate leverage exceeds 35.0% of the fund's deposited property.

The Group's corporate family rating and unsecured debt rating is 'Baa2' (2009: 'Baa1') and 'Baa3' (2009: 'Baa2') respectively and has complied with the Aggregate Leverage limit of 60.0% during the financial year. There were no changes in the Group's approach to capital management during the financial year.

FILE OF ACCOUNTS
Please return this copy after
completion to KPMG for
their record.

Suntec Real Estate Investment Trust
and its Subsidiaries

(Constituted in the Republic of Singapore pursuant to a trust deed dated 1 November 2004 (as amended))

Financial Statements
Year ended 31 December 2011

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.

Report of the Trustee

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Suntec Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). In accordance with the Securities and Futures Act, Chapter 289, of Singapore, its subsidiary legislation, and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of ARA Trust Management (Suntec) Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 1 November 2004 (as amended) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the period covered by these financial statements, set out on pages FS1 to FS67 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

Antony Wade Lewis
Director

Singapore

7 March 2012

Statement by the Manager

In the opinion of the directors of ARA Trust Management (Suntec) Limited, the accompanying financial statements set out on pages FS1 to FS67, comprising the Statements of Financial Position, Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds, Portfolio Statements, Consolidated Statement of Cash Flows and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of Suntec Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") as at 31 December 2011, the total return, distributable income, movements in Unitholders' funds and cash flows of the Group and the total return, distributable income and movements in Unitholders' funds of the Trust for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Certified Public Accountants of Singapore and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Trust will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
ARA Trust Management (Suntec) Limited

Lim Hwee Chiang, John
Director

Yeo See Kiat
Director and Chief Executive Officer

Singapore

7 March 2012

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Independent Auditors' Report

Unitholders of Suntec Real Estate Investment Trust
(Constituted under a Trust Deed in the Republic of Singapore)

Report on the financial statements

We have audited the accompanying 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 2011, and the Statement of Total Return, Distribution Statement, Statement of Movements in Unitholders' Funds and Consolidated Statement of Cash Flows of the Group and the Statement of Total Return, Distribution Statement and Statement of Movements in Unitholders' Funds of the Trust for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS67.

Manager's responsibility for the financial statements

The Manager of the Trust 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 Certified Public Accountants of Singapore, and for such internal control as the Manager of the Trust determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements 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 Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Trust, as well as evaluating the overall presentation of the financial statements.

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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the 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 of the Group and of the Trust as at 31 December 2011 and the total return, distributable income, movements in Unitholders' funds and cash flows of the Group, and the total return, distributable income and movements in Unitholders' funds of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Certified Public Accountants of Singapore.

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore

7 March 2012

Statements of Financial Position
As at 31 December 2011

	Note	Group 2011 $'000	Group 2010 $'000	Trust 2011 $'000	Trust 2010 $'000
Non-current assets					
Plant and equipment	4	7,923	10	3	10
Investment properties	5	5,098,080	4,452,000	4,706,000	4,452,000
Intangible asset	6	60,744	100,029	60,744	100,029
Interest in jointly controlled entities	7	2,087,311	2,039,680	1,474,417	1,474,791
Investments in subsidiaries	8	–	–	649,899	535,506
Derivative assets	9	–	416	–	416
		7,254,058	6,592,135	6,891,063	6,562,752
Current assets					
Derivative assets	9	265	762	265	762
Investment property held for sale	5	143,700	–	143,700	–
Inventories		2,494	–	–	–
Trade and other receivables	10	11,807	6,685	4,546	6,587
Cash and cash equivalents	11	104,402	52,493	79,957	51,909
		262,668	59,940	228,468	59,258
Total assets		7,516,726	6,652,075	7,119,531	6,622,010
Current liabilities					
Interest-bearing borrowings	12	199,967	404,585	199,967	404,585
Trade and other payables	13	80,929	41,103	63,116	41,103
Derivative liabilities	9	–	8,756	–	8,756
Current portion of security deposits		19,628	22,452	18,654	22,452
Provision for taxation		5,110	2,032	5,110	2,032
		305,634	478,928	286,847	478,928

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position (cont'd)
As at 31 December 2011

	Note	Group 2011 $'000	Group 2010 $'000	Trust 2011 $'000	Trust 2010 $'000
Non-current liabilities					
Interest-bearing borrowings	12	2,604,103	2,150,059	2,477,777	2,150,059
Non-current portion of security deposits		43,999	38,239	43,999	38,239
Derivative liabilities	9	13,974	216	13,974	216
Deferred tax liabilities		2,353	–	–	–
		2,664,429	2,188,514	2,535,750	2,188,514
Total liabilities		2,970,063	2,667,442	2,822,597	2,667,442
Net assets		4,546,663	3,984,633	4,296,934	3,954,568
Represented by:					
Unitholders' funds		4,433,821	3,984,633	4,296,934	3,954,568
Non-controlling interests		112,842	–	–	–
		4,546,663	3,984,633	4,296,934	3,954,568
Units in issue ('000)	16	2,224,520	2,205,128	2,224,520	2,205,128
Net asset value per Unit (S$)	17	1.987	1.804	1.926	1.790

The accompanying notes form an integral part of these financial statements.

Statements of Total Return
Year ended 31 December 2011

	Note	Group 2011 $'000	Group 2010 $'000	Trust 2011 $'000	Trust 2010 $'000
Gross revenue	18	270,282	249,479	282,428	260,911
Property expenses	19	(76,899)	(56,389)	(57,395)	(56,389)
Net property income		193,383	193,090	225,033	204,522
Other income	20	47,722	22,410	46,673	22,410
Share of profit of jointly controlled entities	7	141,653	30,937	–	–
Finance income	21	23,506	15,963	22,057	13,402
Finance costs	21	(75,284)	(79,431)	(74,356)	(79,431)
Net finance costs		(51,778)	(63,468)	(52,299)	(66,029)
Amortisation of intangible asset	6	(39,285)	(20,895)	(39,285)	(20,895)
Asset management fees	22	(36,078)	(27,932)	(35,339)	(27,932)
Professional fees		(2,525)	(539)	(529)	(539)
Trustee's fees		(1,135)	(868)	(1,135)	(868)
Audit fees		(309)	(252)	(269)	(252)
Other charges	23	(1,320)	(1,020)	(1,208)	(1,016)
Net income		250,328	131,463	141,642	109,401
Net change in fair value of financial derivatives		(5,913)	7,566	(5,913)	7,566
Net change in fair value of investment properties		396,193	248,715	394,392	248,715
Total return for the year before tax		640,608	387,744	530,121	365,682
Income tax expense	24	(6,013)	(2,029)	(5,107)	(2,029)
Total return for the year after tax		634,595	385,715	525,014	363,653

The accompanying notes form an integral part of these financial statements.

Statements of Total Return (cont'd)
Year ended 31 December 2011

	Note	Group 2011 $'000	Group 2010 $'000	Trust 2011 $'000	Trust 2010 $'000
Attributable to:					
Unitholders of the Trust		631,836	385,715	525,014	363,653
Non-controlling interests		2,759	–	–	–
		634,595	385,715	525,014	363,653
Earnings per Unit (cents)	25				
Basic		28.504	20.337	23.685	19.174
Diluted		26.915	19.152	22.415	18.078

The accompanying notes form an integral part of these financial statements.

Distribution Statements
Year ended 31 December 2011

	Group		Trust	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Amount available for distribution to Unitholders at the beginning of the year	44,799	47,689	44,799	47,689
Net income	250,328	131,463	141,642	109,401
Net tax adjustments (Note A)	(64,091)	41,611	84,165	75,105
Taxable income	231,036	220,763	270,606	232,195
Add: Tax exempt dividend income (Note B)	39,570	11,432	–	–
Less: Income tax expense (Note C)	(5,107)	(2,029)	(5,107)	(2,029)
Amount available for distribution to Unitholders	265,499	230,166	265,499	230,166
Distributions to Unitholders:				
Distribution of 2.568 cents per Unit for period from 1/10/2009 to 21/12/2009	–	(41,969)	–	(41,969)
Distribution of 0.403 cents per Unit for period from 9/12/2009 to 21/12/2009	–	(139)	–	(139)
Distribution of 0.318 cents per Unit for period from 22/12/2009 to 31/12/2009	–	(5,728)	–	(5,728)
Distribution of 2.513 cents per Unit for period from 1/1/2010 to 31/3/2010	–	(45,366)	–	(45,366)
Distribution of 1.928 cents per Unit for period from 1/4/2009 to 8/6/2010	–	(34,881)	–	(34,881)
Distribution of 0.600 cents per Unit for period from 9/6/2010 to 30/6/2010	–	(11,063)	–	(11,063)
Distribution of 2.502 cents per Unit for period from 1/7/2010 to 30/9/2010	–	(46,221)	–	(46,221)
Balance carried forward	–	(185,367)	–	(185,367)

The accompanying notes form an integral part of these financial statements.

Distribution Statements (cont'd)
Year ended 31 December 2011

	Group		Trust	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Distributions to Unitholders:				
Balance brought forward	–	(185,367)	–	(185,367)
Distribution of 1.723 cents per Unit for period from 1/10/2010 to 8/12/2010	(31,830)	–	(31,830)	–
Distribution of 0.593 cents per Unit for period from 9/12/2010 to 31/12/2010	(13,102)	–	(13,102)	–
Distribution of 2.388 cents per Unit for period from 1/1/2011 to 31/3/2011	(52,867)	–	(52,867)	–
Distribution of 2.532 cents per Unit for period from 1/4/2011 to 30/6/2011	(56,173)	–	(56,173)	–
Distribution of 2.533 cents per Unit for period from 1/7/2011 to 30/9/2011	(56,347)	–	(56,347)	–
	(210,319)	(185,367)	(210,319)	(185,367)
Income available for distribution to Unitholders at end of the year	55,180	44,799	55,180	44,799

The accompanying notes form an integral part of these financial statements.

Distribution Statements (cont'd)
Year ended 31 December 2011

Note A

	Group		Trust	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Net tax adjustments comprise:				
- Amortisation of intangible asset	39,285	20,895	39,285	20,895
- Amortisation of transaction costs	14,024	29,580	14,024	29,580
- Asset management fees paid/payable in Units	28,271	22,345	28,271	22,345
- Interest income	(1,449)	(2,561)	–	–
- Professional fees	489	254	489	254
- Net profit from subsidiaries and/or jointly-controlled entities	(146,807)	(30,937)	–	–
- Trustee's fees	1,135	868	1,135	868
- Other items	961	1,167	961	1,163
Net tax adjustments	(64,091)	41,611	84,165	75,105

Note B

This relates to the dividend income received from Comina Investment Limited, Suntec Harmony Pte. Ltd. and BFC Development Pte. Ltd..

Note C

This relates to income tax on the income support received by the Group and the Trust under the Deed of Income Support entered with Cavell Limited and Choicewide Group Limited, the vendors of the one-third interest in One Raffles Quay Pte. Ltd. and BFC Development Pte. Ltd. respectively.

The accompanying notes form an integral part of these financial statements.

Statements of Movements in Unitholders' Funds
Year ended 31 December 2011

	Group		Trust	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Balance at the beginning of the year	3,984,633	3,327,857	3,954,568	3,319,854
Operations				
Total return for the year after tax attributable to Unitholders of the Trust	631,836	385,715	525,014	363,653
Net increase in Unitholders' funds resulting from operations	631,836	385,715	525,014	363,653
Unitholders' transactions				
Creation of Units:				
- asset management fees paid in Units	20,767	16,017	20,767	16,017
- acquisition fee paid in Units	–	14,958	–	14,958
- private placement of Units	–	428,810	–	428,810
Units to be issued:				
- asset management fees payable in Units	7,504	6,328	7,504	6,328
Unit issue expenses	(600)	(9,685)	(600)	(9,685)
Distributions to Unitholders	(210,319)	(185,367)	(210,319)	(185,367)
Net (decrease)/increase in Unitholders' funds resulting from Unitholders' transactions	(182,648)	271,061	(182,648)	271,061
Unitholders' funds at end of the year	4,433,821	3,984,633	4,296,934	3,954,568

The accompanying notes form an integral part of these financial statements.

Portfolio Statements
As at 31 December 2011

Group

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed Occupancy Rate 2011 %	Committed Occupancy Rate 2010 %	Carrying Value 2011 $'000	Carrying Value 2010 $'000	Percentage of Unitholders' funds 2011 %	Percentage of Unitholders' funds 2010 %
Investment properties in Singapore											
Suntec City Mall	Leasehold	99 years	77 years	3 Temasek Boulevard	Commercial	96.7	97.9	1,725,000	1,525,000	38.9	38.3
Suntec City Office Towers	Leasehold	99 years	77 years	5 - 9 Temasek Boulevard	Commercial	99.2	99.1	2,611,000	2,455,000	58.9	61.6
Park Mall	Leasehold	99 years	57 years	9 Penang Road	Commercial	100.0	100.0	370,000	338,000	8.3	8.5
CHIJMES	Leasehold	99 years	79 years	30 Victoria Street	Commercial	100.0	99.5	–*	134,000	–	3.3
Suntec Singapore ^	Leasehold	99 years	77 years	1 Raffles Boulevard	Commercial	n/m	–	392,080	–	8.8	–
Investment properties, at valuation								5,098,080	4,452,000	114.9	111.7
Investment property held for sale*								143,700	–	3.2	–
Interest in jointly controlled entities (Note 7)								2,087,311	2,039,680	47.1	51.2
								7,329,091	6,491,680	165.2	162.9
Other assets and liabilities (net)								(2,782,428)	(2,507,047)	(62.7)	(62.9)
Net assets								4,546,663	3,984,633	102.5	100.0
Non-controlling interests								(112,842)	–	(2.5)	–
Unitholders' funds								4,433,821	3,984,633	100.0	100.0

^ denotes Suntec Singapore International Convention and Exhibition Centre.
n/m denotes not meaningful.

The accompanying notes form an integral part of these financial statements.

Portfolio Statements (cont'd)
As at 31 December 2011

Trust

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed Occupancy Rate 2011 %	Committed Occupancy Rate 2010 %	Carrying Value 2011 $'000	Carrying Value 2010 $'000	Percentage of Unitholders' funds 2011 %	Percentage of Unitholders' funds 2010 %
Investment properties in Singapore											
Suntec City Mall	Leasehold	99 years	77 years	3 Temasek Boulevard	Commercial	96.7	97.9	1,725,000	1,525,000	40.1	38.6
Suntec City Office Towers	Leasehold	99 years	77 years	5 - 9 Temasek Boulevard	Commercial	99.2	99.1	2,611,000	2,455,000	60.8	62.1
Park Mall	Leasehold	99 years	57 years	9 Penang Road	Commercial	100.0	100.0	370,000	338,000	8.6	8.6
CHIJMES	Leasehold	99 years	79 years	30 Victoria Street	Commercial	100.0	99.5	-*	134,000	-	3.3
Investment properties, at valuation								4,706,000	4,452,000	109.5	112.6
Interest in jointly controlled entities (Note 7)								1,474,417	1,474,791	34.3	37.3
Investments in subsidiaries (Note 8)								649,899	535,506	15.1	13.5
Investment property held for sale*								143,700	-	3.3	-
								6,974,016	6,462,297	162.2	163.4
Other assets and liabilities (net)								(2,677,082)	(2,507,729)	(62.2)	(63.4)
Unitholders' funds								4,296,934	3,954,568	100.0	100.0

The accompanying notes form an integral part of these financial statements.

Portfolio Statements (cont'd)
As at 31 December 2011

Note:

Suntec City Office Towers comprise 15 strata lots in Suntec City Office Tower One, 7 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 as well as approximately 32,000 square feet of retail space.

Park Mall comprises a 15-storey with basement shopping cum office building.

CHIJMES comprises four retail blocks, two basement levels and a chapel.

The carrying amounts of the investment properties as at 31 December 2011 and 31 December 2010 were based on independent valuations undertaken by Knight Frank Pte Ltd ("Knight Frank"), CB Richard Ellis (Pte) Ltd ("CBRE"), Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("Colliers") and DTZ Debenham Tie Leung (SEA) Pte Ltd ("DTZ"). The independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued.

Description of property	Valuer	Valuation method	Valuation 2011 $'000	Valuation 2010 $'000
Suntec City Mall	Colliers (2010: Knight Frank)	Investment method and discounted cash flow analysis	1,725,000	1,525,000
Suntec City Office Towers	Colliers (2010: Knight Frank)	Investment method and discounted cash flow analysis	2,611,000	2,455,000
Suntec Singapore	Colliers (2010: N/A)	Investment method and discounted cash flow analysis	392,080	–

The accompanying notes form an integral part of these financial statements.

Portfolio Statements (cont'd)
As at 31 December 2011

Description of property	Valuer	Valuation method	Valuation 2011 $'000	Valuation 2010 $'000
Park Mall	Knight Frank (2010: CBRE)	Investment method and discounted cash flow analysis (2010: Capitalisation of income approach and discounted cash flow analysis)	370,000	338,000
CHIJMES	DTZ (2010: Knight Frank)	Capitalisation of income approach and discounted cash flow analysis (2010: Investment method and discounted cash flow analysis)	143,700	134,000

The Group and the Trust entered into a property sale agreement with PRE 8 Investments Pte Ltd on 27 October 2011 for the sale of CHIJMES at a price of $177,000,000. The property has been reclassified as investment property held for sale accordingly. The property sale is scheduled to be completed in January 2012.

Investment properties comprise commercial properties that are leased to external customers. Generally, the leases contain an initial non-cancellable period of three years. Subsequent renewals are negotiated with the lessee. Contingent rents recognised upon receipt in the Statement of Total Return of both the Group and the Trust amounted to $1,309,000 (2010: $1,033,000).

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows
Year ended 31 December 2011

	Note	Group 2011 $'000	Group 2010 $'000
Cash flows from operating activities			
Net income		250,328	131,463
Adjustments for:			
Allowance for doubtful receivables		384	430
Amortisation of intangible asset		39,285	20,895
Asset management fees paid/payable in Units		28,271	22,345
Depreciation of plant and equipment		1,118	38
Loss on disposal of plant and equipment		80	4
Negative goodwill on acquisition		(1,049)	–
Net finance costs		51,778	63,468
Share of profit of jointly controlled entities		(141,653)	(30,937)
Operating income before working capital changes		228,542	207,706
Changes in working capital:			
Trade and other receivables		412	466
Trade and other payables		(10,319)	4,401
Cash generated from operating activities		218,635	212,573
Income tax paid		(2,029)	(6,207)
Net cash from operating activities		216,606	206,366
Cash flows from investing activities			
Acquisition of interest in a jointly controlled entity		–	(1,414,713)
Acquisition of subsidiary, net of cash acquired	26	(92,562)	–
Adjustment to investment in jointly controlled entities		3,198	790
Capital expenditure on investment properties		(3,275)	(1,285)
Deposit received on investment property held for sale		26,550	–
Dividend income received		40,090	11,610
Interest received		22,462	15,656
Loan (to)/repaid by jointly controlled entities		(1,874)	300,000
Purchase of intangible asset		–	(84,800)
Purchase of plant and equipment		(167)	(7)
Net cash used in investing activities		(5,578)	(1,172,749)
Cash flows from financing activities			
Distributions to Unitholders		(210,319)	(185,367)
Dividends paid to non-controlling interests		(1,176)	–
Interest paid		(58,750)	(76,110)
Proceeds from interest-bearing loans		235,000	1,805,000
Proceeds from issue of units, net of expenses		–	419,125
Proceeds from medium term notes		150,000	–
Redemptions of convertible bonds		(774)	–
Repayment of interest-bearing loans		(272,500)	(975,000)
Unit issue costs paid		(600)	–
Net cash (used in)/from financing activities		(159,119)	987,648

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows (cont'd)
Year ended 31 December 2011

	Note	Group 2011 $'000	Group 2010 $'000
Net increase in cash and cash equivalents		51,909	21,265
Cash and cash equivalents at beginning of the year		52,493	31,228
Cash and cash equivalents at end of the year	11	104,402	52,493

Significant Non-Cash Transactions

The Group and the Trust had issued or will be issuing a total of 22,076,035 (2010: 15,725,881) Units to the Manager, amounting to approximately $28,271,000 (2010: $22,345,000) at unit prices ranging from $1.0834 to $1.4965 (2010: $1.3295 to $1.5039) as satisfaction of asset management fees payable in Units in respect of the year ended 31 December 2011.

In the previous year, 10,266,300 Units were issued to the Manager, amounting to approximately $14,958,000 at $1.457 per unit as satisfaction of the acquisition fee paid on the acquisition of the one-third interest in BFC Development Pte. Ltd..

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 7 March 2012.

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) (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 ("CPF") Investment Scheme 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 2011 comprise the Trust and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in jointly controlled entities.

The Trust has entered into several service agreements in relation to 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 the property 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.

APAC Investment Management Pte Ltd, the property manager of Park Mall and CHIJMES, is entitled to receive 3.0% per annum of gross revenue for provision of lease management, property management, marketing and marketing co-ordination services.

Suntec Singapore International Convention and Exhibition Services Pte Ltd, the property manager of Suntec Singapore, is entitled to received 3.0% per annum of gross revenue for provision of convention and exhibition management, lease management, property management, marketing and marketing co-ordination services.

The property management fees are payable monthly in arrears.

(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.

For a period of seven years commencing from the listing of the Units on the SGX-ST, 80.0% of the asset management fees payable to the Manager will be paid in the form of Units issued at the volume weighted average traded price for a unit for all trades on the SGX-ST on the ordinary course of trading on the SGX-ST for the last ten Business Days (as defined in the Trust Deed) of the relevant period in which the management fees accrue, and 20.0% of the management fees will be paid in the form of cash. Thereafter, the asset management fees shall be in the form of Units and/or cash as the Manager may elect. The portion of the asset management fees payable in the form of Units will be made on a quarterly basis, in arrears. The portion of the asset management fees payable in cash will be made on a monthly basis, in arrears.

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 sale price on all future acquisition or disposal 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 Certified Public Accountants of Singapore, 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 for certain financial assets and liabilities which are measured at fair value.

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 has been rounded to the nearest thousand, unless otherwise stated.

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 reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing 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 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 *Changes in accounting policies*

Identification of related party relationships and related party disclosures

From 1 January 2011, the Group has applied the revised FRS 24 *Related Party Disclosures (2010)* to identify parties that are related to the Group and to determine the disclosures to be made on transactions and outstanding balances, including commitments, between the Group and its related parties. FRS 24 (2010) improved the definition of a related party in order to eliminate inconsistencies and ensure symmetrical identification of relationships between two parties.

The adoption of FRS 24 (2010) does not result in additional parties being identified as related to the Group. Transactions and outstanding balances, including commitments, with these related parties for the current and comparative years have been disclosed accordingly in note 31 to the financial statements.

The adoption of FRS 24 (2010) affects only the disclosures made in the financial statements. There is no financial effect on the results and financial position of the Group for the current and previous financial years. Accordingly, the adoption of FRS 24 (2010) has no impact on earnings per share.

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 Group entities.

3.1 *Basis of consolidation*

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in Statement of Total Return.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in Statement of Total Return.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

Subsidiaries

Subsidiaries are entities controlled by the Group. 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 in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in Statement of Total Return. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Jointly controlled entities

Jointly controlled entities are entities whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in jointly controlled entities are accounted for using the equity method and are recognised initially at cost. The cost of the investments includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the jointly controlled entities 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 the jointly controlled entities, the carrying amount of that interest, including any long-term investments, is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the jointly controlled entities.

Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore the carrying amounts of assets and liabilities are not changed and goodwill is not recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the adjustment to non-controlling interests and the fair value of consideration paid is recognised directly in equity and presented as part of equity attributable to Unitholders of the Trust.

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 jointly controlled entities are eliminated against the investment to the extent of the Group's interest in the jointly controlled entities. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries and jointly controlled entities

Investments in subsidiaries and jointly controlled entities are stated in the Trust's Statement of Financial Position at cost less accumulated impairment losses.

3.2 Plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Gains or losses arising from the retirement or disposal of plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Total Return.

Depreciation is recognised in Statement of Total Return on a straight-line basis so as to write off items of plant and equipment over their estimated useful lives as follows:

Equipment	-	3 - 5 years
Furniture and fittings	-	5 years
Motor vehicles	-	10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

3.3 *Investment properties*

Investment properties are properties held either to earn rental income or capital appreciation or for both. Investment properties are measured at cost on initial recognition and subsequently at fair value. 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.

Fair value changes are recognised in the Statement of Total Return.

When an investment property is disposed of, the resulting gain or loss is recognised in the Statement of Total Return as the difference between net disposal proceeds and the carrying amount of the property.

For taxation purposes, the Group and the Trust may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act.

3.4 *Intangible asset*

Intangible asset acquired by the Group and the Trust is measured initially at cost. Following initial recognition, the intangible asset is measured at cost less any accumulated amortisation and accumulated impairment losses.

The intangible asset is amortised in the Statement of Total Return on a systematic basis over its estimated useful life. Intangible asset is tested for impairment as described in Note 3.7.

3.5 *Inventories*

Inventories are measured at the lower of cost and net realisable value.

Inventories consist of food and beverages, general stocks and operating supplies. Cost of food and beverages and general stocks is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Operating supplies is the amount of stocks held above the minimum level required to be maintained for the operations. Cost of operating supplies is determined on a first-in, first-out basis and comprises all costs of purchase and other costs incurred in bringing the supplies to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.6 *Financial instruments*

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through the Statement of Total Return) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash balances and bank deposits.

Non-derivative financial liabilities

The Group initially recognises all other financial liabilities (including liabilities designated at fair value through the Statement of Total Return) on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Group classifies non-derivative financial liabilities into other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise interest bearing borrowings, security deposits and trade and other payables.

Derivative financial instruments

The Group holds derivative financial instruments to hedge its interest rate risk exposure.

Derivative financial instruments are recognised initially at fair value; attributable transaction costs are recognised in the Statement of Total Return when incurred. Subsequent to initial recognition, derivatives are measured at fair value, changes therein are accounted for as described below.

Separable embedded derivatives

Changes in the fair value of separated embedded derivatives are recognised immediately in Statement of Total Return.

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 Statement of Total Return.

Convertible bonds

The convertible bonds comprise a liability for the interest and principal amount and a derivative liability. The derivative liability is recognised at fair value at inception. The carrying amount of the convertible bonds at initial recognition is the difference between the gross proceeds from the convertible bonds issue and the fair value of the derivative liability. Any directly attributable transaction costs are allocated to the convertible bonds 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 derivative liability is measured at fair value through the Statement of Total Return.

3.7 *Impairment*

Non-derivative financial assets

A financial asset not carried at fair value through total return is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include 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 or issuer will enter bankruptcy or economic conditions that correlate with defaults.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for Manager's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in Statement of Total Return and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of Total Return.

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 other assets 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.

3.8 *Non-current assets held for sale*

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in Statement of Total Return. Gains are not recognised in excess of any cumulative impairment loss.

3.9 *Issue expenses*

Issue expenses relate to expenses incurred in connection with the issue of Units. Such expenses are deducted directly against Unitholders' funds.

3.10 *Revenue recognition*

Rental income from operating leases

Rental income receivable under operating leases is recognised in the Statement of Total Return 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 on a receipt basis. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

Dividend income

Dividend income is recognised on the date that the right to receive payment is established.

3.11 *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.

Property expenses are recognised on an accrual basis.

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).

3.12 *Finance income and finance costs*

Finance income comprises interest income on funds invested, that are recognised in the Statement of Total Return. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings and amortisation of transaction costs incurred on borrowings that are recognised in the Statement of Total Return. All borrowing costs are recognised in the Statement of Total Return using the effective interest method.

3.13 *Tax*

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in the Statement of Total Return 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.

Deferred tax is recognised using the balance sheet method, providing for 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 jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the 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 (i) on the same taxable entity; or (ii) 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.

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; or
- An agent bank acting as a nominee for individuals who have purchased Units within the Central Provident Fund Investment Scheme ("CPFIS") and the distributions received from the Trust are returned to CPFIS.

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.

3.14 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share 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 share 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, for the effects of all dilutive potential units, which comprise convertible bonds.

3.15 *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 CEO, who is the Group's chief operating decision maker, to make decisions about resources to be allocated to the segment and assess the segment's performance, and for which discrete financial information is available.

3.16 *New standards and interpretations not yet adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2011, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Trust, except for FRS 111 *Joint Arrangements* and the amendments to FRS 28 *Investments in Associates and Joint Ventures* which will become mandatory for the Group and the Trust's financial statements for 2013. The new standard classifies joint arrangements into two types - joint operations and joint ventures, and requires (1) a joint operator to recognise and measure the assets and liabilities (and recognise the related revenues and expenses) in relation to its interest in the arrangement in accordance with relevant FRSs applicable to the particular assets, liabilities, revenues and expenses and (2) a joint venturer to recognise an investment and to account for that investment using the equity method in accordance with FRS 28 *Investments in Associates and Joint Ventures*, using the equity method. The adoption of the new standard and amendments would require the Group to assess its rights and obligations arising from its joint venture arrangements so as to determine the type of joint arrangement in which it is involved. The adoption of the new standard and amendments would only affect the presentation of the joint ventures in the financial statements. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per unit. The Group does not plan to adopt these amendments early.

4 Plant and equipment

Group	Note	Furniture and fittings $'000	Equipment $'000	Motor vehicles $'000	Total $'000
Cost					
At 1 January 2010		–	489	–	489
Additions		–	7	–	7
Disposal		–	(7)	–	(7)
At 31 December 2010		–	489	–	489
Acquisition through business combinations	26	8,702	223	19	8,944
Additions		73	94	–	167
Disposal		(119)	(2)	–	(121)
At 31 December 2011		8,656	804	19	9,479
Accumulated depreciation					
At 1 January 2010		–	444	–	444
Charge for the year		–	38	–	38
Disposal		–	(3)	–	(3)
At 31 December 2010		–	479	–	479
Charge for the year		1,015	98	5	1,118
Disposal		(39)	(2)	–	(41)
At 31 December 2011		976	575	5	1,556
Carrying amount					
At 1 January 2010		–	45	–	45
At 31 December 2010		–	10	–	10
At 31 December 2011		7,680	229	14	7,923

Trust	Equipment $'000
Cost	
At 1 January 2010	489
Additions	7
Disposal	(7)
At 31 December 2010	489
Additions	–
Disposal	(2)
At 31 December 2011	487

	Equipment $'000
Trust	
Accumulated depreciation	
At 1 January 2010	444
Charge for the year	38
Disposal	(3)
At 31 December 2010	479
Charge for the year	7
Disposal	(2)
At 31 December 2011	484
Carrying amount	
At 1 January 2010	45
At 31 December 2010	10
At 31 December 2011	3

5 Investment properties

	Note	Group 2011 $'000	Group 2010 $'000	Trust 2011 $'000	Trust 2010 $'000
At 1 January		4,452,000	4,202,000	4,452,000	4,202,000
Acquisition through business combinations	26	390,312	–	–	–
Capital expenditure capitalised		3,275	1,285	3,308	1,285
		4,845,587	4,203,285	4,455,308	4,203,285
Changes in fair value of investment properties		396,193	248,715	394,392	248,715
Investment property reclassified to held for sale		(143,700)	–	(143,700)	–
At 31 December		5,098,080	4,452,000	4,706,000	4,452,000

The investment properties, Suntec City Mall, part of Suntec City Office Tower 3 and Suntec Singapore, with a total carrying value of $2,383,880,000 (2010: Suntec City Mall and part of Suntec City Office Tower 3, with a total carrying value of $1,773,200,000), have been mortgaged as security for credit facilities granted to the Group (Note 12).

Following the approval of the Board and Trustee on 27 October 2011 for the sale of CHIJMES, the carrying value has been reclassified as investment property held for sale in the Statement of Financial Position.

Investment properties are stated at fair value based on valuations performed by independent professional valuers. The fair value is based on market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after property marketing wherein the parties had acted knowledgeably, prudently and without compulsion.

In determining the fair value, the valuers have used valuation methods which involve certain estimates. The valuation methods used are in the Portfolio Statements. The Manager is of the view that the valuation methods and estimates are reflective of the market condition at the date of the valuation. The key assumptions used to determine the fair value of the investment properties include estimated net cash flows expected to be received on renting out the properties, market-corroborated capitalisation yield, terminal yield and discount rate.

6 Intangible asset

	Group and Trust	
	2011	2010
	$'000	$'000
Cost		
Balance at 1 January	176,298	91,498
Addition during the year	–	84,800
Balance at 31 December	176,298	176,298
Amortisation		
Balance at 1 January	76,269	55,374
Amortisation for the year	39,285	20,895
Balance at 31 December	115,554	76,269
Carrying amounts		
At 1 January 2010		36,124
At 31 December 2010		100,029
At 31 December 2011		60,744

Intangible asset represents the unamortised income support receivable by the Group and the Trust under the Deeds of Income Support entered into with Cavell Limited and Choicewide Group Limited, the vendors of the one-third interest in One Raffles Quay Pte. Ltd. and BFC Development Pte. Ltd. respectively.

7 Interest in jointly controlled entities

	Group		Trust	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Investment in jointly controlled entities	1,481,089	1,412,332	868,195	870,443
Loans to jointly controlled entities	606,222	627,348	606,222	604,348
	2,087,311	2,039,680	1,474,417	1,474,791

The loans to jointly controlled entities are unsecured. Included in the loans is an amount of $606,222,000 (2010: $604,348,000) which bears interest between 3.0% to 3.3% (2010: 3.0% to 3.3%) per annum above the three-month Singapore Dollar Swap Offer Rate and settlement is neither planned nor likely to occur in the foreseeable future. As the amount is, in substance, a part of the Group's and the Trust's net investment in the entities it is stated at cost less accumulated impairment loss.

At Group level, the remaining amount of $23,000,000 as at 31 December 2010, bears interest at 10.0% per annum and is repayable on 30 September 2014. During the year, this amount has been reclassified to investment in subsidiaries after the Trust acquired a 51.0% interest in Harmony Partners Investment Limited on 18 August 2011 (Note 26).

Included in investment in jointly controlled entities of the Group are non-audit fees paid to auditors of the Trust capitalised of $677,000 (2010: $677,000).

Details of the jointly controlled entities are as follows:

Name of jointly controlled entities	Country of incorporation	Effective equity held by the Group	
		2011	2010
		%	%
One Raffles Quay Pte. Ltd. [1]	Singapore	33.33	33.33
BFC Development Pte. Ltd. [1]	Singapore	33.33	33.33
Harmony Investors Group Limited [2]	British Virgin Islands	–	20.00

One Raffles Quay Pte. Ltd. owns the property One Raffles Quay.

BFC Development Pte. Ltd. owns Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall.

(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 is incorporated.

Acquisition of one-third interest in BFC Development Pte. Ltd.

On 9 December 2010, the Group completed the acquisition of a one-third interest in BFC Development Pte. Ltd..

The following table summarises the proportion of the amounts of net assets recognised as of the acquisition date and the fair value of the total consideration transferred:

Identifiable assets acquired and liabilities assumed

	2010 $'000
Investment property	4,289,111
Loans	(1,677,782)
Total identifiable net assets	2,611,329
One-third interest	870,443

Fair value of total consideration transferred at acquisition date

	2010 $'000
Purchase consideration for share of net assets acquired	1,495,800
Shareholders' loan assumed	(559,261)
Acquisition fee and other related expenses	18,704
Total consideration transferred	955,243
Represented by:	
Share of identifiable net assets acquired	870,443
Intangible asset	84,800
	955,243

The summarised financial information of the Group's interest in the jointly controlled entities, adjusted for the percentage of ownership held by the Group, is as follows:

	Group	
	2011 $'000	2010 $'000
Assets and liabilities		
Non-current assets	1,890,895	1,864,598
Current assets	518,875	518,964
Total assets	2,409,770	2,383,562
Current liabilities	22,619	14,478
Non-current liabilities	906,062	956,752
Total liabilities	928,681	971,230

	Group	
	2011	**2010**
	$'000	**$'000**
Results		
Revenue	107,144	39,208
Expenses	(73,213)	(32,195)
Net change in fair value of investment properties	107,722	23,924
Net profit for the year	141,653	30,937

8 Investments in subsidiaries

	Trust	
	2011	**2010**
	$'000	**$'000**
Equity investment at cost	649,899	535,506

Details of the subsidiaries are as follows:

Name of subsidiaries	**Country of incorporation**	**Effective equity held by the Group**	
		2011	**2010**
		%	**%**
Held by the Trust			
Comina Investment Limited	British Virgin Islands	100.0	100.0
Suntec Harmony Pte. Ltd. [2]	Singapore	100.0	100.0
Held through subsidiaries			
Held by Suntec Harmony Pte. Ltd.			
Harmony Partners Investments Limited [1] [3]	British Virgin Islands	51.0	–
Held by Harmony Partners Investment Ltd.			
Harmony Investors Group Limited [1] [3]	British Virgin Islands	60.8	–
Held by Harmony Investors Group Limited			
Harmony Investors Holding Limited [1] [3]	British Virgin Islands	60.8	–

Name of subsidiaries	Country of incorporation	Effective equity held by the Group	
		2011	2010
		%	%
Held by Harmony Investors Holding Limited			
Harmony Convention Holding Pte Ltd [1][2]	Singapore	60.8	–

Harmony Convention Holding Pte Ltd owns the property Suntec Singapore.

[1] On 18 August 2011, the Group completed the acquisition of 51.0% share capital of Harmony Partners Investments Limited (Note 26), which holds 80.0% interest in Harmony Investors Group Limited, Harmony Investors Holding Limited and Harmony Convention Holding Pte Ltd.

[2] Audited by KPMG LLP Singapore.

[3] Not required to be audited under the laws of the country in which it is incorporated.

9 Financial derivatives

	Group and Trust	
	2011	2010
	$'000	$'000
Derivative assets		
- Interest rate swaps at fair value through Statement of Total Return	265	1,178
Current	265	762
Non-current	–	416
	265	1,178
Derivative liabilities		
- Interest rate swaps at fair value through Statement of Total Return	12,876	513
- Embedded derivatives relating to convertible bonds	1,098	8,459
	13,974	8,972
Current	–	8,756
Non-current	13,974	216
	13,974	8,972

The Group uses interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing term loans and short term borrowings by swapping the interest expense on a proportion of these term loans and short term borrowings from floating rates to fixed rates and vice versa.

Interest rate swaps with a total notional amount of $1,275,000,000 (2010: $675,000,000) have been entered into at the reporting date to provide fixed and floating rate funding for terms of 2 to 3 years (2010: 3 to 5 years) at an average interest rate of -0.09278% to 1.82% (2010: 0.27009% to 3.725%) per annum.

10 Trade and other receivables

	Group		Trust	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables	8,114	4,965	3,827	4,965
Impairment losses	(2,582)	(2,551)	(2,352)	(2,551)
Net receivables	5,532	2,414	1,475	2,414
Deposits	451	–	–	–
Amounts due from:				
- jointly controlled entities	1,586	3,419	–	–
- subsidiaries	–	–	1,415	3,320
Loans and receivables	7,569	5,833	2,890	5,734
Prepayments and other receivables	4,238	852	1,656	853
	11,807	6,685	4,546	6,587

The trade receivables in respect of Suntec City Mall, part of Suntec City Office Tower 3 and Suntec Singapore amounting to $7,704,000 (2010: Suntec City Mall and part of Suntec City Office Tower 3 amounting to $4,086,000) are charged or assigned by way of security for credit facilities granted to the Group (Note 12).

The amounts due from the jointly controlled entities and the subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

The exposure of the Group and the Trust to credit risk and impairment losses related to trade receivables is disclosed in Note 15.

11 Cash and cash equivalents

	Group		Trust	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Cash at bank and in hand	64,697	21,405	40,252	20,821
Fixed deposits with a financial institution	39,705	31,088	39,705	31,088
	104,402	52,493	79,957	51,909

The weighted average effective interest rate relating to cash and cash equivalents at the reporting date for the Group and the Trust is 0.0931% and 0.1185% (2010: 0.0715% and 0.0724% for both the Group and the Trust) per annum respectively. Interest rates reprice at intervals of one month.

Cash and cash equivalents in respect of Suntec City Mall, part of Suntec City Office Tower 3 and Suntec Singapore amounting to $28,887,000 (2010: Suntec City Mall and part of Suntec City Office Tower 3 amounting to $3,731,000) are charged or assigned by way of security for credit facilities granted to the Group (Note 12).

The exposure of the Group and the Trust to interest rate risk related to financial assets are disclosed in Note 15.

12 Interest-bearing borrowings

	Note	Group 2011 $'000	Group 2010 $'000	Trust 2011 $'000	Trust 2010 $'000
Term loans					
- secured		917,779	788,647	791,453	788,647
- unsecured		1,609,371	1,493,882	1,609,371	1,493,882
		2,527,150	2,282,529	2,400,824	2,282,529
Convertible bonds					
- unsecured	14	276,920	272,115	276,920	272,115
		2,804,070	2,554,644	2,677,744	2,554,644
Current		199,967	404,585	199,967	404,585
Non-current		2,604,103	2,150,059	2,477,777	2,150,059
		2,804,070	2,554,644	2,677,744	2,554,644

The exposure of the Group and the Trust to liquidity and interest rate risks related to interest-bearing borrowings are disclosed in Note 15.

Terms and debt repayment schedule

Terms and conditions of outstanding interest-bearing borrowings are as follows:

	Weighted average nominal interest rate %	Year of maturity	2011 Face value $'000	2011 Carrying amount $'000	2010 Face value $'000	2010 Carrying amount $'000
Group						
Floating rate term loans	1.54	2012 to 2016	2,302,500	2,280,650	2,105,000	2,078,524
Fixed rate term loans	4.34	2016	250,000	246,500	207,500	204,005
Convertible bonds	3.25	2013	269,250	276,920	270,000	272,115
			2,821,750	2,804,070	2,582,500	2,554,644
Trust						
Floating rate term loans	1.52	2012 to 2016	2,175,000	2,154,324	2,105,000	2,078,524
Fixed rate term loans	4.34	2016	250,000	246,500	207,500	204,005
Convertible bonds	3.25	2013	269,250	276,920	270,000	272,115
			2,694,250	2,677,744	2,582,500	2,554,644

Interest-bearing borrowings at the reporting date of $2,804,070,000 (2010: $2,554,644,000) at the Group comprise the following:

- $Nil (2010: $157,429,000) unsecured term loan from Sunshine Assets Limited;

- $1,609,371,000 (2010: $1,336,453,000) unsecured term loan from various institutional banks;

- $276,920,000 (2010: $272,115,000) convertible bonds due 2013; and

- $917,779,000 (2010: $788,647,000) secured term loan facilities from various institutional banks.

(a) Term loan facility with Sunshine Assets Limited

As at 31 December 2011, the Trust has in place a $Nil (2010: $157.5 million) term loan facility with Sunshine Assets Limited ("Sunshine"), a special purpose company.

(b) Secured term loan facilities with various institutional banks

As at 31 December 2011, the Group has in place secured facilities of $927.5 million (2010: $800 million) term loan facilities with a panel of banks.

The facilities are secured on the following:

- A first legal mortgage on Suntec City Mall, part of Suntec City Office Tower 3 and Suntec Singapore (the "Properties");

- A first fixed charge over the central rental collection account in relation to the Properties (Notes 10 and 11);

- An assignment of the Group's rights, title and interest in the tenancy documents and the proceeds in connection with the Properties;

- An assignment of the Group's rights, title and interest in the insurance policies in relation to the Properties;

- A fixed and floating charge over the assets of the Group in relation to the Properties, agreements, collateral, as required by the financial institutions granting the facilities (Note 5); and

- An assignment of any interest swap facilities, which may be entered into by the Group in relation to the term loan facilities.

The current portion of the interest-bearing borrowings comprise term loan of $200.0 million (2010: $132.5 million) which is due in 2012.

13 Trade and other payables

	Group		Trust	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Trade and other payables	13,237	3,140	6,042	3,140
Deposit received on investment property held for sale	26,550	–	26,550	–
Accrued operating expenses	11,914	11,121	8,731	11,121
Amounts due to related parties (trade)	2,724	1,393	2,079	1,393
Accrued income	14,069	16,677	7,283	16,677
Interest payable	12,435	8,772	12,431	8,772
	80,929	41,103	63,116	41,103

The amounts due to related parties are unsecured and interest-free. Included in the amounts due to related parties for the Group is an amount due to the Trustee, the Manager and related parties of the Manager of $306,000, $1,328,000 and $1,090,000 (2010: $169,000, $716,000 and $508,000) respectively. Included in the amounts due to related parties for the Trust is an amount due to the Trustee, the Manager and a related party of the Manager of $306,000, $1,328,000 and $445,000 (2010: $169,000, $716,000 and $508,000) respectively. Transactions with related parties are priced on an arm's length basis.

14 Convertible bonds – debt component

	Group and Trust	
	2011 $'000	2010 $'000
Carrying amount of debt component at 1 January	272,115	266,812
Amortisation of transaction costs	860	865
Redemption of convertible bonds	(774)	–
Interest accretion	4,719	4,438
Carrying amount of debt component at 31 December	276,920	272,115

In 2008, the Trust issued $270.0 million principal amounts of convertible bonds (the "Bonds") due 2013 which carry a coupon interest at 3.25% per annum. The Bonds are convertible by bondholders into Units at the conversion price of $1.718 (2010: $1.723) at any time on or after 30 April 2008 up to 3.00 p.m. on 13 March 2013 or, if redeemed prior to 13 March 2013, then up to 3.00 p.m. on a date no later than 7 business days prior to the date fixed for redemption thereof.

As at 31 December 2011, the Trust redeemed $750,000 of convertible bonds at an exercise price of 103.164% on the principal amount.

Based on the conversion price, the Bonds are convertible into approximately 156,722,934 Units (2010: 156,703,424 Units), representing 7.0% (2010: 7.1%) of the total number of Units of the Trust in issue as at 31 December 2011. The Trust has the option to pay cash in lieu of issuing new Units on conversion of any Bonds.

The Bonds may be redeemed, in whole or in part, at the option of the bondholder of 20 March 2011 at a put price of 103.164% together with any accrued but unpaid interest up to that date. To exercise such right, the holder of the relevant bond must, within a period of three months prior to 20 March 2011, complete, sign and deposit the notice of redemption with the payment agent.

The Bonds may also be redeemed, in whole but not in part, at the option of the Trust on or at any time not less than 7 business days prior to 20 March 2013 (subject to the satisfaction of certain conditions) having given not less than 30 nor more than 60 days' notice to the bondholders. The early redemption amount represents a gross yield to maturity of 4.25% per annum, on a semi-annual basis calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

Unless previously redeemed by the bondholders on 20 March 2011 or by the Trust at any time on or after 20 March 2011 and not less than 7 business days prior to 20 March 2013, the final redemption date of the Bonds is 20 March 2013. The redemption price upon maturity is equal to 105.5063% of the principal amount, together with any accrued but unpaid interest accrued to the date of redemption, on the final redemption date.

As at 31 December 2011, the effective interest rate for the Bonds – debt component is approximately 5.25% (2010: 5.25%) per annum.

15 Financial instruments

Credit risk

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 was:

		Group		Trust	
		Carrying amount		Carrying amount	
	Note	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Derivative assets at fair value through Statement of Total Return	9	265	1,178	265	1,178
Loans and receivables	10	7,569	5,833	2,890	5,734
Cash and cash equivalents	11	104,402	52,493	79,957	51,909
		112,236	59,504	83,112	58,821

The maximum exposure to credit risk for trade receivables at the reporting date by type of tenants is:

	Group		Trust	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Office	45	214	45	214
Retail	1,430	2,200	1,430	2,200
Convention	4,057	–	–	–
	5,532	2,414	1,475	2,414

The Group's tenants are engaged in a wide spectrum of business activities across many industry segments. The Group's most significant tenant accounts for $1,093,000 (2010: $1,093,000) of the trade receivables carrying amount as at the reporting date.

Impairment losses

The ageing of trade receivables at the reporting date is:

	Gross 2011 $'000	Impairment losses 2011 $'000	Gross 2010 $'000	Impairment losses 2010 $'000
Group				
Not past due	3,697	–	1,705	–
Past due 31 – 60 days	1,566	–	461	–
Past due 61 – 90 days	182	–	297	(49)
More than 90 days	2,669	(2,582)	2,502	(2,502)
	8,114	(2,582)	4,965	(2,551)
Trust				
Not past due	1,011	–	1,705	–
Past due 31 – 60 days	408	–	461	–
Past due 61 – 90 days	48	–	297	(49)
More than 90 days	2,360	(2,352)	2,502	(2,502)
	3,827	(2,352)	4,965	(2,551)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group		Trust	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
At 1 January	2,551	2,982	2,551	2,982
Acquisition through business combinations	20	–	–	–
Impairment loss recognised	384	430	174	430
Allowance utilised during the year	(373)	(861)	(373)	(861)
At 31 December	2,582	2,551	2,352	2,551

Based on historic default rates, 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.

The allowance account in respect of trade receivables is used to record impairment losses unless the Group and the Trust are satisfied that no recovery of the amounts owing are possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly. At 31 December 2011, the Group and the Trust do not have any collective impairment on its trade receivables (2010: nil).

Liquidity risk

The following are the 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**	**Within 1 to 5 years $'000**	**More than 5 years $'000**
Group					
2011					
Non-derivative financial liabilities					
Financial liabilities measured at amortised cost:					
- Floating rate term loans	2,280,650	(2,406,722)	(239,698)	(2,167,024)	–
- Fixed rate term loans	246,500	(299,307)	(10,880)	(288,427)	–
- Convertible bonds	276,920	(294,745)	(8,775)	(285,970)	–
- Trade and other payables*	66,860	(66,860)	(66,860)	–	–
- Security deposits	63,627	(63,627)	(19,628)	(43,999)	–
	2,934,557	(3,131,261)	(345,841)	(2,785,420)	–
Derivative financial liabilities					
Financial liabilities at fair value through Statement of Total Return					
- Interest rate swaps	12,876	(17,759)	(9,580)	(8,179)	–
	2,947,433	(3,149,020)	(355,421)	(2,793,599)	–

* *Exclude accrued income.*

	Carrying amount $'000	<---- Cash flows ----> Contractual cash flows $'000	Within 1 year $'000	Within 1 to 5 years $'000	More than 5 years $'000
Trust					
2011					
Non-derivative financial liabilities					
Financial liabilities measured at amortised cost:					
- Floating rate term loans	2,154,324	(2,272,750)	(237,230)	(2,035,520)	–
- Fixed rate term loans	246,500	(299,307)	(10,880)	(288,427)	–
- Convertible bonds	276,920	(294,745)	(8,775)	(285,970)	–
- Trade and other payables*	55,833	(55,833)	(55,833)	–	–
- Security deposits	62,653	(62,653)	(18,654)	(43,999)	–
	2,796,230	(2,985,288)	(331,372)	(2,653,916)	–
Derivative financial liabilities					
Financial liabilities at fair value through Statement of Total Return					
- Interest rate swaps	12,876	(17,759)	(9,580)	(8,179)	–
	2,809,106	(3,003,047)	(340,952)	(2,662,095)	–

* *Exclude accrued income.*

	Carrying amount $'000	<------ Cash flows ------> Contractual cash flows $'000	Within 1 year $'000	Within 1 to 5 years $'000	More than 5 years $'000
Group and Trust					
2010					
Non-derivative financial liabilities					
Financial liabilities measured at amortised cost:					
- Floating rate term loans	2,078,524	(2,225,028)	(34,156)	(2,190,872)	–
- Fixed rate term loans	204,005	(243,838)	(7,814)	(132,949)	(103,075)
- Convertible bonds	272,115	(304,340)	(8,775)	(295,565)	–
- Trade and other payables*	24,426	(24,426)	(24,426)	–	–
- Security deposits	60,691	(60,691)	(22,452)	(38,239)	–
	2,639,761	(2,858,323)	(97,623)	(2,657,625)	(103,075)
Derivative financial liabilities					
Financial liabilities at fair value through Statement of Total Return					
- Interest rate swaps	513	(4,108)	(1,672)	(2,436)	–
	2,640,274	(2,862,431)	(99,295)	(2,660,061)	(103,075)

* *Exclude accrued income.*

Interest rate risk

Cash flow sensitivity analysis for variable rate instruments

For the interest rate swaps and the other variable rate financial liabilities, a change of 30 basis points ("bp") (2010: 30 bp) in interest rate at the reporting date would increase/(decrease) total return (before any tax effects) by the amounts shown below. There is no impact on Unitholders' funds. This analysis assumes that all other variables remain constant.

	Statement of Total Return	
	30 bp increase $'000	**30 bp decrease $'000**
Group		
2011		
Interest-bearing borrowings (floating rate)	(6,908)	6,908
Interest rate swaps	4,184	(4,184)
	(2,724)	2,724
Trust		
2011		
Interest-bearing borrowings (floating rate)	(6,525)	6,525
Interest rate swaps	4,184	(4,184)
	(2,341)	2,341

	Statement of Total Return	
Group and Trust	**30 bp increase $'000**	**30 bp decrease $'000**
2010		
Interest-bearing borrowings (floating rate)	(6,315)	6,315
Interest rate swaps	2,299	(2,262)
	(4,016)	4,053

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through the Statement of Total Return, 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 the Statement of Total Return.

Classification and fair value of financial instruments

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

Group	Note	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
2011						
Financial derivatives	9	265	–	–	265	265
Loans and receivables	10	–	7,569	–	7,569	7,569
Cash and cash equivalents	11	–	104,402	–	104,402	104,402
		265	111,971	–	112,236	112,236
Financial derivatives	9	(13,974)	–	–	(13,974)	(13,974)
Interest-bearing borrowings	12	–	–	(2,527,150)	(2,527,150)	(2,533,035)
Trade and other payables	13	–	–	(80,929)	(80,929)	(80,929)
Security deposits		–	–	(63,627)	(63,627)	(62,785)
Convertible bonds	14	–	–	(276,920)	(276,920)	(280,268)
		(13,974)	–	(2,948,626)	(2,962,600)	(2,970,991)

	Note	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Group						
2010						
Financial derivatives	9	1,178	–	–	1,178	1,178
Loans and receivables	10	–	5,833	–	5,833	5,833
Cash and cash equivalents	11	–	52,493	–	52,493	52,493
		1,178	58,326	–	59,504	59,504
Financial derivatives	9	(8,972)	–	–	(8,972)	(8,972)
Interest-bearing borrowings	12	–	–	(2,282,529)	(2,282,529)	(2,296,621)
Trade and other payables	13	–	–	(41,103)	(41,103)	(41,103)
Security deposits		–	–	(60,691)	(60,691)	(59,975)
Convertible bonds	14	–	–	(272,115)	(272,115)	(283,141)
		(8,972)	–	(2,656,438)	(2,665,410)	(2,689,812)

Trust

2011

	Note	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Financial derivatives	9	265	–	–	265	265
Loans and receivables	10	–	2,890	–	2,890	2,890
Cash and cash equivalents	11	–	79,957	–	79,957	79,957
		265	82,847	–	83,112	83,112
Financial derivatives	9	(13,974)	–	–	(13,974)	(13,974)
Interest-bearing borrowings	12	–	–	(2,400,824)	(2,400,824)	(2,406,709)
Trade and other payables	13	–	–	(63,116)	(63,116)	(63,116)
Security deposits		–	–	(62,653)	(62,653)	(61,811)
Convertible bonds	14	–	–	(276,920)	(276,920)	(280,268)
		(13,974)	–	(2,803,513)	(2,817,487)	(2,825,878)

Trust

2010

	Note	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Financial derivatives	9	1,178	–	–	1,178	1,178
Loans and receivables	10	–	5,734	–	5,734	5,734
Cash and cash equivalents	11	–	51,909	–	51,909	51,909
		1,178	57,643	–	58,821	58,821
Financial derivatives	9	(8,972)	–	–	(8,972)	(8,972)
Interest-bearing borrowings	12	–	–	(2,282,529)	(2,282,529)	(2,296,621)
Trade and other payables	13	–	–	(41,103)	(41,103)	(41,103)
Security deposits		–	–	(60,691)	(60,691)	(59,975)
Convertible bonds	14	–	–	(272,115)	(272,115)	(283,141)
		(8,972)	–	(2,656,438)	(2,665,410)	(2,689,812)

Fair values

Estimation of fair values

Fair values of the financial instruments of the Group and the Trust have been determined for measurement and/or disclosure purposes based on the following methods:

Derivatives

The fair value of interest rate swaps is based on broker quotes at the reporting date. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each swap and using market interest rates for similar instruments at the measurement date.

The fair value of the embedded derivative component of the convertible bonds is the difference between the fair value of the convertible bonds based on broker quotes at the reporting date and the fair value of the liability component of the convertible bonds, determined using the discounted cash flow technique.

Non-derivative financial liabilities

The fair values of the non-current portion of security deposits, fixed interest-bearing borrowings, borrowings which reprice after three months, which are determined for disclosure purposes, are estimated using the discounted cash flow technique. Future cash flows are based on management's best estimates and the discount rate is based on a market-related rate for a similar instrument at the reporting date.

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 six months) are assumed to approximate their fair values because of the short period to maturity or repricing.

Interest rates used in determining fair values

The Group used the following interest rates to discount estimated cash flows:

	Group and Trust	
	2011	**2010**
	%	%
Non-current portion of security deposits	1.951	1.907
Fixed rate borrowings	3.87 – 4.50	1.237 – 4.50
Convertible bonds	4.01	3.34

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 2 $'000	Level 3 $'000	Total $'000
Group and Trust			
2011			
Derivative assets			
- interest rate swaps	265	–	265
Derivative liabilities			
- interest rate swaps	(12,876)	–	(12,876)
- embedded derivatives relating to convertible bonds	–	(1,098)	(1,098)
	(12,876)	(1,098)	(13,974)
	(12,611)	(1,098)	(13,709)
2010			
Derivative assets			
- interest rate swaps	1,178	–	1,178
Derivative liabilities			
- interest rate swaps	(513)	–	(513)
- embedded derivatives relating to convertible bonds	–	(8,459)	(8,459)
	(513)	(8,459)	(8,972)
	665	(8,459)	(7,794)

During the financial year ended 31 December 2011, there were no transfers between Level 1 and Level 2.

The Level 3 financial instruments measured at fair value are as follows:

	2011 $'000	2010 $'000
Group and Trust		
Embedded derivatives relating to convertible bonds		
As at 1 January	(8,459)	(14,992)
Changes in fair value recognised in Statement of Total Return	7,361	6,533
As at 31 December	(1,098)	(8,459)
Total gain for the year included in Statement of Total Return for financial instruments held at the reporting date	7,361	6,533

Gain for the year included in the Statement of Total Return is presented in net change in fair value of financial derivatives as follows:

	Group and Trust	
	2011 $'000	2010 $'000
Total gain for the year included in Statement of Total Return	7,361	6,533
Total gain for the year included in Statement of Total Return for financial instruments held at 31 December	7,361	6,533

The fair value of the embedded derivative relating to convertible bonds has been 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. If the assumptions 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 $815,000 (2010: $13,457,000) and ($812,000) (2010: ($13,451,000)) respectively. The analysis is performed on the same basis as 2010.

16 Units in issue

	Group and Trust	
	2011	2010
	'000	'000
Units in issue:		
At 1 January	2,205,128	1,797,300
Issue of Units:		
- asset management fees paid in Units	19,392	15,561
- acquisition fee paid in Units	–	10,266
- deferred consideration on investment properties acquired	–	69,001
- private placement of new Units	–	313,000
At 31 December	2,224,520	2,205,128
Units to be issued:		
- asset management fees payable in Units	6,926	4,242
Total issued and issuable Units at 31 December	2,231,446	2,209,370

During the year, the Group and the Trust had issued a total of 19,391,490 (2010: 15,561,317) Units at unit prices ranging from $1.1891 to $1.4965 (2010: $1.3072 to $1.5039) per Unit, amounting to $27,094,000 (2010: $21,347,000) in satisfaction of asset management fees payable in Units.

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 Unitholders 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.

17 Net asset value per Unit

	Note	Group 2011 $'000	Group 2010 $'000	Trust 2011 $'000	Trust 2010 $'000
Net asset value per Unit is based on:					
Net assets attributable to Unitholders		4,433,821	3,984,633	4,296,934	3,954,568
		'000	'000	'000	'000
Total issued and issuable Units at 31 December	16	2,231,446	2,209,370	2,231,446	2,209,370

18 Gross revenue

	Group 2011 $'000	Group 2010 $'000	Trust 2011 $'000	Trust 2010 $'000
Gross rental income	270,062	249,230	242,638	249,230
Dividend income from subsidiaries	–	–	39,570	11,432
Others	220	249	220	249
	270,282	249,479	282,428	260,911

19 Property expenses

	Group		Trust	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Advertising and promotion expenses	5,139	4,374	4,277	4,374
Allowance for doubtful receivables	384	430	174	430
Depreciation of plant and equipment	1,118	38	7	38
Maintenance expenses	3,078	2,169	2,172	2,169
Contributions to maintenance funds	17,770	16,534	16,534	16,534
Property management fees (including reimbursables)	16,182	7,277	7,286	7,277
Property tax	19,978	17,617	19,336	17,617
Utilities	4,208	2,378	2,557	2,378
Others	9,042	5,572	5,052	5,572
	76,899	56,389	57,395	56,389

Property expenses represent the direct operating expenses arising from rental of investment properties and sale of food and beverages.

20 Other income

Other income relates to the income support received/receivable by the Group and the Trust under the Deeds of Income Support entered with Cavell Limited and Choicewide Group Limited, the vendors of the one-third interest in One Raffles Quay Pte. Ltd. and BFC Development Pte. Ltd. respectively, and negative goodwill arising on acquisition of 51.0% interest in Harmony Partners Investments Limited. One Raffles Quay Pte. Ltd. holds One Raffles Quay and BFC Development Pte. Ltd. holds Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall.

	Group		Trust	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Income support received from:				
- Cavell Limited	13,983	20,361	13,983	20,361
- Choicewide Group Limited	32,690	2,049	32,690	2,049
	46,673	22,410	46,673	22,410
Negative goodwill on acquisition	1,049	–	–	–
Other income	47,722	22,410	46,673	22,410

21 Finance income and finance costs

	Group		Trust	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Interest income:				
- bank deposits	42	33	42	33
- interest rate swaps	895	1,958	895	1,958
- loan to jointly controlled entities	22,569	13,972	21,120	11,411
Finance income	23,506	15,963	22,057	13,402
Interest expense:				
- bank loans	(40,843)	(36,280)	(40,080)	(36,280)
- the convertible bonds	(8,775)	(8,775)	(8,775)	(8,775)
- interest rate swaps	(11,477)	(4,796)	(11,477)	(4,796)
Amortisation of transaction costs	(14,189)	(29,580)	(14,024)	(29,580)
Finance costs	(75,284)	(79,431)	(74,356)	(79,431)
Recognised in the Statement of Total Return	(51,778)	(63,468)	(52,299)	(66,029)

22 Asset management fees

Included in the asset management fees of the Group and the Trust is an aggregate of 22,076,035 (2010: 15,725,881) Units, amounting to $28,271,000 (2010: $22,345,000), that have been or will be issued to the Manager in satisfaction of the asset management fees payable in Units.

23 Other charges

Included in other charges are the following items:

	Group and Trust	
	2011	2010
	$'000	$'000
Non-audit fees paid to auditors of the Trust	57	44

24 Income tax expense

	Group		Trust	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Tax expense				
Current year	6,013	2,029	5,107	2,029
Reconciliation of effective tax rate				
Net income	250,328	131,463	141,642	109,401
Add: Net change in fair value of financial derivatives	(5,913)	7,566	(5,913)	7,566
Less: Share of profit of jointly controlled entities	(141,653)	(30,937)	–	–
Net income before share of result of jointly controlled entities and after net change in fair value of financial derivatives	102,762	108,092	135,729	116,967
Income tax using the Singapore tax rate of 17%	17,470	18,376	23,074	19,884
Non-tax deductible items	19,296	13,901	16,615	13,061
Non-taxable income	(1,727)	(2,016)	(1,302)	(1,581)
Tax exempt income	–	–	(4,254)	(1,103)
Tax transparency (Note 3.13)	(29,026)	(28,232)	(29,026)	(28,232)
	6,013	2,029	5,107	2,029

25 Earnings per Unit

Basic earnings per Unit is based on:

	Group		Trust	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Total return for the year after tax	631,836	385,715	525,014	363,653

	Number of Units			
	Group		Trust	
	2011	**2010**	**2011**	**2010**
	'000	**'000**	**'000**	**'000**
Weighted average number of Units:				
- outstanding during the year	2,216,661	1,896,610	2,216,661	1,896,610
- to be issued as payment of asset management fees payable in Units	19	12	19	12
	2,216,680	1,896,622	2,216,680	1,896,622

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 dilutive effect arising from the dilutive Bonds, with the potential Units weighted for the year outstanding.

	Group		Trust	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Total return for the year after tax	631,836	385,715	525,014	363,653
Profit impact of conversion of the dilutive potential Units	6,974	7,545	6,974	7,545
Adjusted total return for the year after tax	638,810	393,260	531,988	371,198

	Number of Units			
	Group		Trust	
	2011	**2010**	**2011**	**2010**
	'000	**'000**	**'000**	**'000**
Weighted average number of Units used in calculation of basic earnings per Unit	2,216,680	1,896,622	2,216,680	1,896,622
Weighted average number of Units to be issued assuming conversion of the Bonds	156,723	156,703	156,723	156,703
Weighted average number of Units used in calculation of diluted earnings per Unit	2,373,403	2,053,325	2,373,403	2,053,325

As at 31 December 2011, the Group and the Trust had Bonds which were convertible into approximately 156,722,934 (2010: 156,703,424) Units.

26 Acquisition of subsidiary

Acquisitions in the year ended 31 December 2011

On 18 August 2011, a subsidiary of the Group acquired of 51.0% of the issued ordinary share capital of Harmony Partners Investments Limited, which holds 80.0% interest in Harmony Investors Group Limited, Harmony Investors Holding Limited and Harmony Convention Holding Pte Ltd. As a result, the Group's interest in Suntec Singapore increase from 20.0% to 60.8%.

The Manager believes that the acquisition will benefit the Unitholders in the long term as the acquisition fits the Manager's principal investment strategy for the Group to invest in quality income-producing assets. The Manager believes that the increase in the Group's interest in Suntec Singapore will be a strategic addition to the Group's existing portfolio, providing opportunities to integrate and enlarge the Group's existing interest in the entire Suntec City development and to unlock the underlying value of the assets.

From 19 August 2011 to 31 December 2011, Suntec Singapore contributed revenue of $27,424,000 and profit of $5,287,000 to the Group's results. If the acquisition had occured on 1 January 2011, the Manager estimates that consolidated revenue would have been $309,114,000 and consolidated Statement of Total Return attributable to Unitholders for the year would have been $665,000,000. In determining these amount, the Manager has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2011.

The following table summaries the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration transferred

	2011 $'000
Cash	114,750

Identifiable assets acquired and liabilities assumed

	Note	2011 $'000
Investment property	5	390,312
Property, plant and equipment	4	8,944
Trade and other receivables		11,861
Cash and cash equivalents		22,188
Trade and other payables		(21,875)
Interest bearing borrowings		(126,161)
Deferred tax liabilities		(1,447)
Non-controlling interests		(56,764)
Total identifiable net assets		227,058

The following fair values have been determined on a provisional basis:

- Fair value of investment property.

Negative goodwill

Negative goodwill was recognised as a result of the acquisition as follows:

	2011 **$'000**
Total consideration transferred	114,750
Non-controlling interests, that are present ownership interests and entitle the holders to a proportionate share of the acquiree's net assets on liquidation, based on their proportionate interest in the recognised amounts of the asset and liabilities of the acquiree	111,259
Fair value of identifiable net assets	(227,058)
Negative goodwill	(1,049)

The negative goodwill has been recognised in other income in the Statement of Total Return (Note 20) and is expected to be non-deductible for tax purposes.

Acquisition-related costs

The Group incurred acquisition-related costs of approximately $1,319,000 relating to professional fees and have been included in professional fees in the Group's Statements of Total Return.

27 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 and office business segments. The nature of the leases (lease of retail, office or other space) is the factor used to determine the reportable segments. As the retail and office segments 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 to form the retail and office reportable segments. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

Other operations segment, which relates to leasing of advertising space and car park, does not meet any of the quantitative thresholds for determining reportable segments for both 2011 and 2010.

Segment revenue comprises mainly of 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 income tax expense.

Information regarding the Group's reportable segments is presented in the tables below.

Segment information in respect of the Group's geographical segments is not presented as the Group's activities for the year ended 31 December 2011 and 31 December 2010 related wholly to properties located in Singapore.

Information about reportable segments

	Office $'000	Retail $'000	Others $'000	Total $'000
2011				
Gross revenue	114,842	118,347	37,093	270,282
Property expenses	(24,499)	(27,871)	(24,529)	(76,899)
Reportable segment net property income	90,343	90,476	12,564	193,383
2010				
Gross revenue	117,334	122,871	9,274	249,479
Property expenses	(22,982)	(28,493)	(4,914)	(56,389)
Reportable segment net property income	94,352	94,378	4,360	193,090

Reconciliation of reportable segment net property income

	Group	
	2011 $'000	2010 $'000
Total return		
Reportable segment net property income	180,819	188,730
Other net property income	12,564	4,360
	193,383	193,090
Unallocated amounts:		
- Other income	47,722	22,410
- Net finance costs	(51,778)	(63,468)
- Amortisation of intangible assets	(39,285)	(20,895)
- Asset management fees	(36,078)	(27,932)
- Other trust expenses	(5,289)	(2,679)
- Net change in fair value of financial derivatives	(5,913)	7,566
- Net change in fair value of investment properties	396,193	248,715
Share of profit of jointly controlled entities	141,653	30,937
Consolidated total return for the year before tax	640,608	387,744

28 Commitments

	Group and Trust 2011 $'000	Group and Trust 2010 $'000
(a) Capital commitments		
Capital expenditure contracted but not provided for	2,798	1,359
Loan facilities to jointly controlled entities	560,778	562,652

(b) The Group and the Trust lease out their investment properties. Non-cancellable operating lease rentals receivable are as follows:

	Group 2011 $'000	Group 2010 $'000	Trust 2011 $'000	Trust 2010 $'000
Within 1 year	209,414	208,147	207,719	208,147
After 1 year but within 5 years	206,741	236,209	206,741	236,209
	416,155	444,356	414,460	444,356

29 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 (2010: $500,000) or 1.0% (2010: 1.0%) of the taxable income of the Trust for the year ended 31 December 2011. 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.

30 Financial ratios

	Group 2011 %	Group 2010 %	Trust 2011 %	Trust 2010 %
Expenses to weighted average net assets [1]				
- including performance component of asset management fees	2.00	1.52	1.97	1.52
- excluding performance component of asset management fees	1.66	1.20	1.63	1.20
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.*

31 Significant related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability to directly or indirectly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to a common significant influence. Related parties may be individuals or other entities.

During the financial year, other than the transactions disclosed elsewhere in the financial statements, there were the following related party transactions:

	Group	
	2011	2010
	$'000	$'000
Acquisition fees paid to the Manager	1,148	14,958
Asset manager fees paid/payable to a related corporation of the Manager	740	–
Financial advisory fee paid to a related corporation of the Manager	–	1,071
Agency commission paid/payable to a related corporation of the Manager	3,058	3,298
Rental income received/receivable from related corporations of the Manager	1,553	1,548
Property management fees payable (including reimbursable) to related corporations of the Manager	15,199	6,500

	Trust	
	2011	**2010**
	$'000	**$'000**
Acquisition fees paid to the Manager	1,148	14,958
Financial advisory fee paid to a related corporation of the Manager	–	1,071
Agency commission paid/payable to a related corporation of the Manager	3,058	3,298
Rental income received/receivable from related corporations of the Manager	1,553	1,548
Property management fees payable (including reimbursable) to a related corporation of the Manager	6,303	6,500

32 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 financial 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 and monitors their balances on an on-going basis. Credit evaluations are performed by the Manager before lease agreements are entered into with tenants. The Group establishes an allowance for impairment, based on a specific loss component that relates to individually significant exposures, that represents its estimate of incurred losses in respect of trade and other receivables.

Cash and fixed deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are allowed only with counterparties that are credit worthy.

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 the CIS Code issued by the MAS concerning limits on total borrowings.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, which 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 on risk.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. 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.

As at 31 December 2011, the Group has entered into interest rate swaps with a total notional amount of $1,275 million (2010: $675 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 secured and unsecured term loans.

The fair value of the above swaps at 31 December 2011 is a net liability of $12,611,000 (2010: net asset of $665,000), comprising assets of $265,000 (2010: $1,178,000) and liabilities of $12,876,000 (2010: $513,000) (Note 9).

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 37.3% (2010: 38.4%) as at 31 December 2011.

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 35.0% of the fund's deposited property. The aggregate leverage of a property fund may exceed 35.0% of the fund's deposited property (up to a maximum of 60.0%) only if a credit rating of the property fund from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. The property fund should continue to maintain and disclose a credit rating so long as its aggregate leverage exceeds 35.0% of the fund's deposited property.

In the previous year, the Group's corporate family rating and unsecured debt rating is Baa2 and Baa3 respectively.

The Group has complied with the Aggregate Leverage limit of 60.0% and there were no changes in the Group's approach to capital management during the financial year.

33 Subsequent events

Subsequent to 31 December 2011, the divestment of an investment property "CHIJMES" was completed for a cash consideration of $177 million, giving rise to an estimated gain of $29.8 million, which include a divestment fee of $0.9 million paid to the Manager.

FILE OF ACCOUNTS
Please return this copy after completion to KPMG for their record.
8

Suntec Real Estate Investment Trust
and its Subsidiaries

(Constituted in the Republic of Singapore pursuant to a trust deed dated 1 November 2004 (as amended))

Financial Statements
Year ended 31 December 2012

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.

Report of the Trustee

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Suntec Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). In accordance with the Securities and Futures Act, Chapter 289, of Singapore, its subsidiary legislation, and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of ARA Trust Management (Suntec) Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 1 November 2004 (as amended) (the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the period covered by these financial statements, set out on pages FS1 to FS62 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee,
HSBC Institutional Trust Services (Singapore) Limited

Antony Wade Lewis
Director

Singapore

8 March 2013

Statement by the Manager

In the opinion of the directors of ARA Trust Management (Suntec) Limited, the accompanying financial statements set out on pages FS1 to FS62, comprising the Statements of Financial Position, Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds, Portfolio Statements, Consolidated Statement of Cash Flows and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position of Suntec Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") as at 31 December 2012, the total return, distributable income, movements in Unitholders' funds and cash flows of the Group and the total return, distributable income and movements in Unitholders' funds of the Trust for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Certified Public Accountants of Singapore and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Trust will be able to meet its financial obligations as and when they materialise.

For and on behalf of the Manager,
ARA Trust Management (Suntec) Limited

Lim Hwee Chiang, John
Director

Yeo See Kiat
Director and Chief Executive Officer

Singapore

8 March 2013

KPMG LLP
16 Raffles Quay #22-00
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Internet www.kpmg.com.sg

Independent Auditors' Report

Unitholders of Suntec Real Estate Investment Trust
(Constituted under a Trust Deed in the Republic of Singapore)

Report on the financial statements

We have audited the accompanying 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 2012, and the Statement of Total Return, Distribution Statement, Statement of Movements in Unitholders' Funds and Consolidated Statement of Cash Flows of the Group and the Statement of Total Return, Distribution Statement and Statement of Movements in Unitholders' Funds of the Trust for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS62.

Manager's responsibility for the financial statements

The Manager of the Trust 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 Certified Public Accountants of Singapore, and for such internal control as the Manager of the Trust determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements 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 Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager of the Trust, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

Opinion

In our opinion, the consolidated financial statements of the Group and the 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 of the Group and of the Trust as at 31 December 2012 and the total return, distributable income, movements in Unitholders' funds and cash flows of the Group, and the total return, distributable income and movements in Unitholders' funds of the Trust for the year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Certified Public Accountants of Singapore.

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore

8 March 2013

Statements of Financial Position
As at 31 December 2012

	Note	Group		Trust	
		2012	2011	2012	2011
		$'000	$'000	$'000	$'000
Non-current assets					
Plant and equipment	4	1,979	7,923	37	3
Investment properties	5	5,313,058	5,098,080	4,848,000	4,706,000
Intangible asset	6	39,433	60,744	39,433	60,744
Interest in jointly controlled entities	7	2,196,206	2,087,311	1,474,417	1,474,417
Investments in subsidiaries	8	–	–	649,899	649,899
Derivative assets	9	16	–	–	–
		7,550,692	7,254,058	7,011,786	6,891,063
Current assets					
Derivative assets	9	–	265	–	265
Investment property held for sale	5	–	143,700	–	143,700
Inventories		31	2,494	–	–
Trade and other receivables	10	5,246	11,807	5,406	4,546
Cash and cash equivalents	11	199,681	104,402	184,686	79,957
		204,958	262,668	190,092	228,468
Total assets		7,755,650	7,516,726	7,201,878	7,119,531
Current liabilities					
Interest-bearing borrowings	12	681,861	199,967	681,861	199,967
Trade and other payables	13	49,804	80,929	40,422	63,116
Derivative liabilities	9	2,563	–	2,563	–
Current portion of security deposits		28,955	19,628	28,298	18,654
Provision for taxation		4,062	5,110	4,062	5,110
		767,245	305,634	757,206	286,847
Non-current liabilities					
Interest-bearing borrowings	12	2,161,087	2,604,103	2,008,055	2,477,777
Non-current portion of security deposits		37,517	43,999	33,610	43,999
Derivative liabilities	9	5,693	13,974	5,693	13,974
Deferred tax liabilities		19	2,353	–	–
		2,204,316	2,664,429	2,047,358	2,535,750
Total liabilities		2,971,561	2,970,063	2,804,564	2,822,597
Net assets		4,784,089	4,546,663	4,397,314	4,296,934

The accompanying notes form an integral part of these financial statements.

Statements of Financial Position (cont'd)
As at 31 December 2012

	Note	Group		Trust	
		2012	**2011**	**2012**	**2011**
		$'000	**$'000**	**$'000**	**$'000**
Represented by:					
Unitholders' funds		4,660,205	4,433,821	4,397,314	4,296,934
Non-controlling interests		123,884	112,842	–	–
		4,784,089	4,546,663	4,397,314	4,296,934
Units in issue ('000)	16	2,247,824	2,224,520	2,247,824	2,224,520
Net asset value per Unit (S$)	17	2.069	1.987	1.952	1.926

The accompanying notes form an integral part of these financial statements.

Statements of Total Return
Year ended 31 December 2012

	Note	Group 2012 $'000	Group 2011 $'000	Trust 2012 $'000	Trust 2011 $'000
Gross revenue	18	261,883	270,282	279,956	282,428
Property expenses	19	(98,454)	(76,899)	(52,290)	(57,395)
Net property income		163,429	193,383	227,666	225,033
Other income	20	36,585	47,722	36,562	46,673
Share of profit of jointly controlled entities	7	164,245	141,653	–	–
Finance income	21	23,973	23,506	23,967	22,057
Finance costs	21	(80,574)	(75,284)	(77,132)	(74,356)
Net finance costs		(56,601)	(51,778)	(53,165)	(52,299)
Amortisation of intangible asset	6	(21,311)	(39,285)	(21,311)	(39,285)
Asset management fees	22	(38,960)	(36,078)	(36,834)	(35,339)
Professional fees		(983)	(2,525)	(700)	(529)
Trustee's fees		(1,227)	(1,135)	(1,227)	(1,135)
Audit fees		(339)	(309)	(262)	(269)
Other charges	23	(1,384)	(1,320)	(1,269)	(1,208)
Net income		243,454	250,328	149,460	141,642
Net change in fair value of financial derivatives		5,453	(5,913)	5,453	(5,913)
Gain on disposal of investment property		29,745	–	29,745	–
Net change in fair value of investment properties		148,370	396,193	103,249	394,392
Total return for the year before tax		427,022	640,608	287,907	530,121
Income tax expense	24	(1,724)	(6,013)	(4,059)	(5,107)
Total return for the year after tax		425,298	634,595	283,848	525,014
Attributable to:					
Unitholders of the Trust		413,164	631,836	283,848	525,014
Non-controlling interests		12,134	2,759	–	–
		425,298	634,595	283,848	525,014
Earnings per Unit (cents)					
Basic	25	18.445	28.504	12.672	23.685
Diluted	25	17.779	26.915	12.392	22.415

The accompanying notes form an integral part of these financial statements.

Distribution Statements
Year ended 31 December 2012

	Group		Trust	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Amount available for distribution to Unitholders at the beginning of the year	55,180	44,799	55,180	44,799
Total return attributable to Unitholders	413,164	631,836	283,848	525,014
Net tax adjustments (Note A)	(253,847)	(450,706)	(70,801)	(304,314)
Taxable income	214,497	225,929	268,227	265,499
Add: Tax exempt dividend income (Note B)	53,730	39,570	–	–
Amount available for distribution to Unitholders	268,227	265,499	268,227	265,499
Distributions to Unitholders:				
Distribution of 2.479 cents per Unit for period from 1/10/2011 to 31/12/2011	(55,318)	–	(55,318)	–
Distribution of 2.453 cents per Unit for period from 1/1/2012 to 31/3/2012	(54,884)	–	(54,884)	–
Distribution of 2.361 cents per Unit for period from 1/4/2012 to 30/6/2012	(52,951)	–	(52,951)	–
Distribution of 2.350 cents per Unit for period from 1/7/2012 to 30/9/2012	(49,783)	–	(49,783)	–
Distribution of 1.723 cents per Unit for period from 1/10/2010 to 8/12/2010	–	(31,830)	–	(31,830)
Distribution of 0.593 cents per Unit for period from 9/12/2010 to 31/12/2010	–	(13,102)	–	(13,102)
Distribution of 2.388 cents per Unit for period from 1/1/2011 to 31/3/2011	–	(52,867)	–	(52,867)
Distribution of 2.532 cents per Unit for period from 1/4/2011 to 30/6/2011	–	(56,173)	–	(56,173)
Distribution of 2.533 cents per Unit for period from 1/7/2011 to 30/9/2011	–	(56,347)	–	(56,347)
	(212,936)	(210,319)	(212,936)	(210,319)
Income available for distribution to Unitholders at end of the year	55,291	55,180	55,291	55,180

The accompanying notes form an integral part of these financial statements.

Distribution Statements (cont'd)
Year ended 31 December 2012

Note A

	Group		Trust	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Net tax adjustments comprise:				
- Amortisation of intangible asset	21,311	39,285	21,311	39,285
- Amortisation of transaction costs	14,503	14,024	14,503	14,024
- Asset management fees paid/payable in Units	29,468	28,271	29,468	28,271
- Interest income	–	(1,449)	–	–
- Professional fees	399	489	399	489
- Net profit from subsidiaries and/or jointly-controlled entities	(137,923)	(143,143)	–	–
- Trustee's fees	1,227	1,135	1,227	1,135
- Net surplus on revaluation of investment properties	(148,370)	(396,193)	(103,249)	(394,392)
- Net change in fair value of financial derivatives	(5,453)	5,913	(5,453)	5,913
- Gain on disposal of investment property	(29,745)	–	(29,745)	–
- Other items	736	962	738	961
Net tax adjustments	(253,847)	(450,706)	(70,801)	(304,314)

Note B

This relates to the dividend income received from Comina Investment Limited ("CIL"), Suntec Harmony Pte. Ltd. ("SHPL") and BFC Development Pte. Ltd. ("BFCDPL") up to 14 June 2012 and distributions from BFC Development LLP ("BFCD LLP") from 15 June 2012 to 31 December 2012.

The accompanying notes form an integral part of these financial statements.

Statements of Movements in Unitholders' Funds
Year ended 31 December 2012

	Group		Trust	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Balance at the beginning of the year	4,433,821	3,984,633	4,296,934	3,954,568
Operations				
Total return for the year after tax attributable to Unitholders of the Trust	413,164	631,836	283,848	525,014
Net increase in Unitholders' funds resulting from operations	413,164	631,836	283,848	525,014
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges[1]	(3,312)	–	–	–
Unitholders' transactions				
Creation of Units:				
- asset management fees paid in Units	22,006	20,767	22,006	20,767
Units to be issued:				
- asset management fees payable in Units	7,462	7,504	7,462	7,504
Unit issue expenses	–	(600)	–	(600)
Distributions to Unitholders	(212,936)	(210,319)	(212,936)	(210,319)
Net decrease in Unitholders' funds resulting from Unitholders' transactions	(183,468)	(182,648)	(183,468)	(182,648)
Unitholders' funds at end of the year	4,660,205	4,433,821	4,397,314	4,296,934

[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 jointly controlled entity.

The accompanying notes form an integral part of these financial statements.

Portfolio Statements
As at 31 December 2012

Group

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed Occupancy Rate 2012 %	Committed Occupancy Rate 2011 %	Carrying Value 2012 $'000	Carrying Value 2011 $'000	Percentage of Unitholders' funds 2012 %	Percentage of Unitholders' funds 2011 %
Investment properties in Singapore											
Suntec City Mall	Leasehold	99 years	76 years	3 Temasek Boulevard	Commercial	97.6	96.7	1,800,000	1,725,000	38.6	38.9
Suntec City Office Towers	Leasehold	99 years	76 years	5 - 9 Temasek Boulevard	Commercial	100.0	99.2	2,670,000	2,611,000	57.3	58.9
Park Mall	Leasehold	99 years	56 years	9 Penang Road	Commercial	97.5	100.0	378,000	370,000	8.1	8.3
Suntec Singapore ^	Leasehold	99 years	76 years	1 Raffles Boulevard	Commercial	n/m	n/m	465,058	392,080	10.0	8.8
Investment properties, at valuation								5,313,058	5,098,080	114.0	114.9
Investment property held for sale								–	143,700	–	3.2
Interest in jointly controlled entities (Note 7)								2,196,206	2,087,311	47.1	47.1
								7,509,264	7,329,091	161.1	165.2
Other assets and liabilities (net)								(2,725,175)	(2,782,428)	(58.5)	(62.7)
Net assets								4,784,089	4,546,663	102.6	102.5
Non-controlling interests								(123,884)	(112,842)	(2.6)	(2.5)
Unitholders' funds								4,660,205	4,433,821	100.0	100.0

^ denotes Suntec Singapore International Convention and Exhibition Centre.
n/m denotes not meaningful.

The accompanying notes form an integral part of these financial statements.

Portfolio Statements (cont'd)
As at 31 December 2012

Trust

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed Occupancy Rate 2012 %	Committed Occupancy Rate 2011 %	Carrying Value 2012 $'000	Carrying Value 2011 $'000	Percentage of Unitholders' funds 2012 %	Percentage of Unitholders' funds 2011 %
Investment properties in Singapore											
Suntec City Mall	Leasehold	99 years	76 years	3 Temasek Boulevard	Commercial	97.6	96.7	1,800,000	1,725,000	40.9	40.1
Suntec City Office Towers	Leasehold	99 years	76 years	5 - 9 Temasek Boulevard	Commercial	100.0	99.2	2,670,000	2,611,000	60.7	60.8
Park Mall	Leasehold	99 years	56 years	9 Penang Road	Commercial	97.5	100.0	378,000	370,000	8.6	8.6
Investment properties, at valuation								4,848,000	4,706,000	110.2	109.5
Investment property held for sale								–	143,700	–	3.3
Interest in jointly controlled entities (Note 7)								1,474,417	1,474,417	33.5	34.3
Investments in subsidiaries (Note 8)								649,899	649,899	14.8	15.1
								6,972,316	6,974,016	158.5	162.2
Other assets and liabilities (net)								(2,575,002)	(2,677,082)	(58.5)	(62.2)
Unitholders' funds								4,397,314	4,296,934	100.0	100.0

The accompanying notes form an integral part of these financial statements.

Portfolio Statements (cont'd)
As at 31 December 2012

Note:

Suntec City Office Towers comprise 15 strata lots in Suntec City Office Tower One, 7 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 as well as approximately 32,000 square feet of retail space.

Park Mall comprises a 15-storey with basement shopping cum office building.

The carrying amounts of the investment properties as at 31 December 2012 and 31 December 2011 were based on independent valuations undertaken by Knight Frank Pte Ltd ("Knight Frank") and Colliers International Consultancy & Valuation (Singapore) Pte Ltd ("Colliers"). The independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued.

Description of property	Valuer	Valuation method	Valuation 2012 $'000	Valuation 2011 $'000
Suntec City Mall	Colliers (2011: Colliers)	Investment method and discounted cash flow analysis	1,800,000	1,725,000
Suntec City Office Towers	Colliers (2011: Colliers)	Investment method and discounted cash flow analysis	2,670,000	2,611,000

The accompanying notes form an integral part of these financial statements.

Portfolio Statements (cont'd)
As at 31 December 2012

Description of property	Valuer	Valuation method	Valuation 2012 $'000	Valuation 2011 $'000
Suntec Singapore	Colliers (2011: Colliers)	Investment method and discounted cash flow analysis	465,058	392,080
Park Mall	Knight Frank (2011: Knight Frank)	Investment method and discounted cash flow analysis	378,000	370,000
CHIJMES	N/A (2011: Knight Frank)	N/A (2011: Capitalisation of income approach and discounted cash flow analysis)	–	143,700

The Group and the Trust entered into a property sale agreement with PRE 8 Investments Pte Ltd on 27 October 2011 for the sale of CHIJMES at a price of $177,000,000. The property has been reclassified as investment property held for sale accordingly. The property sale was completed on 20 January 2012.

Investment properties comprise commercial properties that are leased to external customers. Generally, the leases contain an initial non-cancellable period of three years. Subsequent renewals are negotiated with the lessee. Contingent rents recognised upon receipt in the Statement of Total Return of both the Group and the Trust amounted to $1,274,000 (2011: $1,309,000).

N/A denotes not applicable.

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows
Year ended 31 December 2012

	Note	Group 2012 $'000	Group 2011 $'000
Cash flows from operating activities			
Net income		243,454	250,328
Adjustments for:			
(Write-back)/Allowance for doubtful receivables (net)		(54)	384
Amortisation of intangible asset		21,311	39,285
Asset management fees paid/payable in Units		29,468	28,271
Depreciation of plant and equipment		2,785	1,118
Loss on disposal of plant and equipment		3,281	80
Inventory written off		1,406	–
Negative goodwill on acquisition		–	(1,049)
Net finance costs		56,601	51,778
Share of profit of jointly controlled entities		(164,245)	(141,653)
Operating income before working capital changes		194,007	228,542
Changes in working capital:			
Inventories		1,057	–
Trade and other receivables		4,281	412
Trade and other payables		(562)	(10,319)
Cash generated from operating activities		198,783	218,635
Income tax paid		(5,108)	(2,029)
Net cash from operating activities		193,675	216,606
Cash flows from investing activities			
Net proceeds from sale of investment property		146,936	–
Acquisition of subsidiary, net of cash acquired	26	–	(92,562)
Adjustment to investment in jointly controlled entities		–	3,198
Capital expenditure on investment properties		(66,650)	(3,275)
Deposit received on investment property held for sale		–	26,550
Dividend income received		53,730	40,090
Interest received		23,714	22,462
Loan to jointly controlled entities		–	(1,874)
Proceeds from sale of plant and equipment		110	–
Purchase of plant and equipment		(232)	(167)
Net cash from/(used in) investing activities		157,608	(5,578)
Cash flows from financing activities			
Distributions to Unitholders		(212,936)	(210,319)
Dividends paid to non-controlling interests		(1,098)	(1,176)
Interest paid		(70,116)	(58,750)
Proceeds from interest-bearing loans		228,146	235,000
Proceeds from medium term notes		–	150,000
Redemptions of convertible bonds		–	(774)
Repayment of interest-bearing loans		(200,000)	(272,500)
Unit issue costs paid		–	(600)
Net cash used in financing activities		(256,004)	(159,119)

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows (cont'd)
Year ended 31 December 2012

	Note	Group 2012 $'000	Group 2011 $'000
Net increase in cash and cash equivalents		95,279	51,909
Cash and cash equivalents at beginning of the year		104,402	52,493
Cash and cash equivalents at end of the year	11	199,681	104,402

Significant Non-Cash Transactions

The Group and the Trust had issued or will be issuing a total of 20,907,821 (2011: 22,076,035) Units to the Manager, amounting to approximately $29,468,000 (2011: $28,271,000) at unit prices ranging from $1.2456 to $1.6471 (2011: $1.0834 to $1.4965) as satisfaction of asset management fees payable in Units in respect of the year ended 31 December 2012.

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 8 March 2013.

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) (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 ("CPF") Investment Scheme 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 2012 comprise the Trust and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in jointly controlled entities.

The Trust has entered into several service agreements in relation to 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 Tower, 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 the property 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.

APAC Investment Management Pte Ltd, the property manager of Park Mall and CHIJMES, is entitled to receive 3.0% per annum of gross revenue for provision of lease management, property management, marketing and marketing co-ordination services, for the period from 1 January 2012 to 30 June 2012 for Park Mall and for the period from 1 January 2012 to 19 January 2012 for CHIJMES.

With effect from 1 July 2012, APM became the property manager of Park Mall, and is entitled to receive 3.0% per annum of gross revenue for provision of lease management, property management, marketing and marketing co-ordination services.

Suntec Singapore International Convention and Exhibition Services Pte Ltd, the property manager of Suntec Singapore, is entitled to received 3.0% per annum of gross revenue for provision of convention and exhibition management, lease management, property management, marketing and marketing co-ordination services.

The property management fees are payable monthly in arrears.

(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.

For a period of seven years commencing from the listing of the Units on the SGX-ST, 80.0% of the asset management fees payable to the Manager will be paid in the form of Units issued at the volume weighted average traded price for a unit for all trades on the SGX-ST on the ordinary course of trading on the SGX-ST for the last ten Business Days (as defined in the Trust Deed) of the relevant period in which the management fees accrue, and 20.0% of the management fees will be paid in the form of cash. Thereafter, the asset management fees shall be in the form of Units and/or cash as the Manager may elect. The portion of the asset management fees payable in the form of Units will be made on a quarterly basis, in arrears. The portion of the asset management fees payable in cash will be made on a monthly basis, in arrears.

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 sale price on all future acquisition or disposal 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 Certified Public Accountants of Singapore, 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 for certain financial assets and liabilities which are measured at fair value.

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 has been rounded to the nearest thousand, unless otherwise stated.

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 reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing 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 within the next financial year are included in the following notes:

- Note 5 – Valuation of investment properties
- Note 15 – Valuation of financial instruments

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 Group entities.

Certain comparative amounts have been reclassified to conform with the current year's presentation (see Note 34).

3.1 *Basis of consolidation*

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in Statement of Total Return.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in Statement of Total Return.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on a transaction-by-transaction basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

Subsidiaries

Subsidiaries are entities controlled by the Group. 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 in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in Statement of Total Return. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Jointly controlled entities

Jointly controlled entities are entities whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Investments in jointly controlled entities are accounted for using the equity method and are recognised initially at cost. The cost of the investments includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the jointly controlled entities 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 the jointly controlled entities, the carrying amount of that interest, including any long-term investments, is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the jointly controlled entities.

Acquisition of non-controlling interests

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore the carrying amounts of assets and liabilities are not changed and goodwill is not recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the adjustment to non-controlling interests and the fair value of consideration paid is recognised directly in equity and presented as part of equity attributable to Unitholders of the Trust.

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 jointly controlled entities are eliminated against the investment to the extent of the Group's interest in the jointly controlled entities. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries and jointly controlled entities

Investments in subsidiaries and jointly controlled entities are stated in the Trust's Statement of Financial Position at cost less accumulated impairment losses.

3.2 Plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Gains or losses arising from the retirement or disposal of plant and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Total Return.

Depreciation is recognised in Statement of Total Return on a straight-line basis so as to write off items of plant and equipment over their estimated useful lives as follows:

Equipment	3 - 5 years
Furniture and fittings	5 years
Motor vehicles	10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting period and adjusted if appropriate.

3.3 Investment properties

Investment properties are properties held either to earn rental income or capital appreciation or for both. Investment properties are measured at cost on initial recognition and subsequently at fair value. 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.

Fair value changes are recognised in the Statement of Total Return.

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.

When an investment property is disposed of, the resulting gain or loss is recognised in the Statement of Total Return as the difference between net disposal proceeds and the carrying amount of the property.

For taxation purposes, the Group and the Trust may claim capital allowances on assets that qualify as plant and machinery under the Income Tax Act.

3.4 *Intangible asset*

Intangible asset acquired by the Group and the Trust is measured initially at cost. Following initial recognition, the intangible asset is measured at cost less any accumulated amortisation and accumulated impairment losses.

The intangible asset is amortised in the Statement of Total Return on a systematic basis over its estimated useful life. The estimated useful life for the intangible asset is approximately 5 years. Intangible asset is tested for impairment as described in Note 3.7.

3.5 *Inventories*

Inventories are measured at the lower of cost and net realisable value.

Inventories consist of food and beverages, general stocks and operating supplies. Cost of food and beverages and general stocks is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Operating supplies is the amount of stocks held above the minimum level required to be maintained for the operations. Cost of operating supplies is determined on a first-in, first-out basis and comprises all costs of purchase and other costs incurred in bringing the supplies to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.6 *Financial instruments*

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through the Statement of Total Return) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial assets: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash balances and bank deposits.

Non-derivative financial liabilities

The Group initially recognises all other financial liabilities (including liabilities designated at fair value through the Statement of Total Return) on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Group classifies non-derivative financial liabilities into other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise interest bearing borrowings, security deposits and trade and other payables.

Derivative financial instruments, including 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 economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be "highly effective" in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80%-125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in Statement of Total Return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in Statement of Total Return.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases, the amount accumulated in equity is reclassified to Statement of Total Return in the same period that the hedged item affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to Statement of Total Return.

Separable embedded derivatives

Changes in the fair value of separated embedded derivatives are recognised immediately in Statement of Total Return.

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 Statement of Total Return.

Convertible bonds

The convertible bonds comprise a liability for the interest and principal amount and a derivative liability. The derivative liability is recognised at fair value at inception. The carrying amount of the convertible bonds at initial recognition is the difference between the gross proceeds from the convertible bonds issue and the fair value of the derivative liability. Any directly attributable transaction costs are allocated to the convertible bonds 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 derivative liability is measured at fair value through the Statement of Total Return.

3.7 *Impairment*

Non-derivative financial assets

A financial asset not carried at fair value through total return is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include 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 or issuer will enter bankruptcy or economic conditions that correlate with defaults.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for Manager's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in Statement of Total Return and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the Statement of Total Return.

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 other assets 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.

3.8 *Non-current assets held for sale*

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, the assets, or disposal group, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in Statement of Total Return. Gains are not recognised in excess of any cumulative impairment loss.

3.9 *Issue expenses*

Issue expenses relate to expenses incurred in connection with the issue of Units. Such expenses are deducted directly against Unitholders' funds.

3.10 *Revenue recognition*

Rental income from operating leases

Rental income receivable under operating leases is recognised in the Statement of Total Return 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 on a receipt basis. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

Dividend income

Dividend income is recognised on the date that the right to receive payment is established.

3.11 *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.

Property expenses are recognised on an accrual basis.

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).

3.12 *Finance income and finance costs*

Finance income comprises interest income on funds invested, that are recognised in the Statement of Total Return. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense on borrowings and amortisation of transaction costs incurred on borrowings that are recognised in the Statement of Total Return. All borrowing costs are recognised in the Statement of Total Return using the effective interest method.

3.13 *Tax*

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in the Statement of Total Return 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.

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 jointly controlled entities 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. 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 is measured at the tax rates that are expected to be applied to the 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 (i) on the same taxable entity; or (ii) 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.

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; or

- An agent bank acting as a nominee for individuals who have purchased Units within the Central Provident Fund Investment Scheme ("CPFIS") and the distributions received from the Trust are returned to CPFIS.

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.

3.14 *Earnings per share*

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share 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 share 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, for the effects of all dilutive potential units, which comprise convertible bonds.

3.15 *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 CEO, who is the Group's chief operating decision maker, to make decisions about resources to be allocated to the segment and assess the segment's performance, and for which discrete financial information is available.

3.16 *New standards, interpretations and revised recommended accounting practice not yet adopted*

On 29 June 2012, ICPAS issued a revised version of RAP 7. RAP 7(2012) will become effective for the Group's financial statements for the year ending 31 December 2013, and the Group has not applied the revised RAP 7(2012) in preparing these financial statements. The Manager does not expect the revised RAP 7(2012) to have significant impact on the financial statements of the Group.

A number of new FRS standards, amendments to FRS standards and interpretations are effective for annual periods beginning after 1 January 2012, and have not been applied in preparing these financial statements. Those new standards, amendments to standards and interpretations that are expected to have a significant effect on the financial statements of the Group and the Trust in future financial periods, and which the Group does not plan to early adopt except as otherwise indicated below, are set out below.

Applicable for the Group's 2013 financial statements

FRS 113 Fair Value Measurement replaces the existing guidance on fair value measurement in different FRSs with a single definition of fair value. The standard also establishes a framework for measuring fair values and sets out the disclosure requirements for fair value measurements.

The adoption of this standard will require the Group to re-assess the bases used for determining the fair values computed for both measurement and disclosures purposes and would result in more extensive disclosures on fair value measurements. On initial application of the standard, the Group does not expect substantial changes to the bases used for determining the fair values.

In accordance with the transitional provisions, the Group will apply FRS 113 prospectively as of 1 January 2013. As a result, prior periods in the Group's 2013 financial statements will not be restated for any adjustments arising from the changes in valuation bases as set out above; any such adjustments will be recorded in the Statement of Total Return in 2013.

Applicable for the Group's 2014 financial statements

FRS 111 Joint Arrangements classifies joint arrangements into two types - joint operations and joint ventures, and requires (1) a joint operator to recognise and measure the assets and liabilities (and recognise the related revenues and expenses) in relation to its interest in the arrangement in accordance with relevant FRSs applicable to the particular assets, liabilities, revenues and expenses and (2) a joint venturer to recognise an investment and to account for that investment using the equity method in accordance with FRS 28 Investments in Associates and Joint Ventures, using the equity method. The adoption of the new standard and amendments would require the Group to assess its rights and obligations arising from its joint venture arrangements so as to determine the type of joint arrangement in which it is involved.

The Group has investments in joint arrangements. It holds one-third interest in One Raffles Quay Pte. Ltd. ("ORQPL") and BFCD LLP. The Group has re-evaluated the rights and obligations of the parties to these joint arrangement. For ORQPL, the parties in this joint arrangement have rights to the net assets of the arrangement. Accordingly, this joint arrangement will be classified as a joint venture under FRS 111 and will be accounted for using the equity method. Currently, ORQPL is accounted for as a jointly-controlled entity under FRS 31 *Interests in Joint Ventures* using the equity method. As the Group is already applying the equity method of accounting, there will be no impact to the Group's financial statements when the Group adopts FRS 111. For BFCD LLP, the parties in this joint arrangement have rights to the assets and obligations for the liabilities. Accordingly, this joint arrangement will be classified as a joint operation under FRS 111 and will be accounted by recognising its own assets, liabilities and transactions, including its share of those incurred jointly. Currently, BFCD LLP is accounted for as a jointly-controlled entity under FRS 31 *Interests in Joint Ventures* using the equity method.

The adoption of FRS 111 will be applied retrospectively and prior periods in the Group's 2014 financial statements will be restated. As at 31 December 2012, if FRS 111 was effective, the Group's total assets and total liabilities would have increased by $10,843,000 each respectively.

4 Plant and equipment

	Note	Furniture and fittings $'000	Equipment $'000	Motor vehicles $'000	Total $'000
Group					
Cost					
At 1 January 2011		–	489	–	489
Acquisition through business combinations	26	8,702	223	19	8,944
Additions		73	94	–	167
Disposal		(119)	(2)	–	(121)
At 31 December 2011		8,656	804	19	9,479
Additions		104	128	–	232
Disposal		(5,720)	(29)	–	(5,749)
At 31 December 2012		3,040	903	19	3,962
Accumulated depreciation					
At 1 January 2011		–	479	–	479
Charge for the year		1,015	98	5	1,118
Disposal		(39)	(2)	–	(41)
At 31 December 2011		976	575	5	1,556
Charge for the year		2,658	120	7	2,785
Disposal		(2,332)	(26)	–	(2,358)
At 31 December 2012		1,302	669	12	1,983
Carrying amount					
At 1 January 2011		–	10	–	10
At 31 December 2011		7,680	229	14	7,923
At 31 December 2012		1,738	234	7	1,979

	Equipment $'000
Trust	
Cost	
At 1 January 2011	489
Additions	–
Disposal	(2)
At 31 December 2011	487
Additions	43
Disposal	(22)
At 31 December 2012	508

	Equipment $'000
Accumulated depreciation	
At 1 January 2011	479
Charge for the year	7
Disposal	(2)
At 31 December 2011	484
Charge for the year	8
Disposal	(21)
At 31 December 2012	471
Carrying amount	
At 1 January 2011	10
At 31 December 2011	3
At 31 December 2012	37

5 Investment properties

	Note	Group 2012 $'000	Group 2011 $'000	Trust 2012 $'000	Trust 2011 $'000
At 1 January		5,098,080	4,452,000	4,706,000	4,452,000
Acquisition through business combinations	26	–	390,312	–	–
Capital expenditure capitalised		66,608	3,275	38,751	3,308
		5,164,688	4,845,587	4,744,751	4,455,308
Changes in fair value of investment properties		148,370	396,193	103,249	394,392
Investment property reclassified to held for sale		–	(143,700)	–	(143,700)
At 31 December		5,313,058	5,098,080	4,848,000	4,706,000

The investment properties, Suntec City Mall, part of Suntec City Office Tower 3 and Suntec Singapore, with a total carrying value of $2,536,308,000 (2011: $2,383,880,000), have been mortgaged as security for credit facilities granted to the Group (Note 12).

As at 31 December 2011, the investment property held for sale relates to CHIJMES,which was divested on 20 January 2012.

Investment properties are stated at fair value based on valuations performed by independent professional valuers. The fair value is based on market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after property marketing wherein the parties had acted knowledgeably, prudently and without compulsion.

In determining the fair value, the valuers have used valuation methods which involve certain estimates. The valuation methods used are in the Portfolio Statements. The Manager is of the view that the valuation methods and estimates are reflective of the market condition at the date of the valuation. The key assumptions used to determine the fair value of the investment properties include estimated net cash flows expected to be received on renting out the properties, market-corroborated capitalisation yield, terminal yield and discount rate.

6 Intangible asset

	Group and Trust	
	2012	**2011**
	$'000	**$'000**
Cost		
Balance at 1 January and 31 December	176,298	176,298
Amortisation		
Balance at 1 January	115,554	76,269
Amortisation for the year	21,311	39,285
Balance at 31 December	136,865	115,554
Carrying amounts		
At 1 January 2011		100,029
At 31 December 2011		60,744
At 31 December 2012		39,433

Intangible asset represents the unamortised income support receivable by the Group and the Trust under the Deeds of Income Support entered into with Cavell Limited and Choicewide Group Limited, the vendors of the one-third interest in ORQPL and BFCD LLP respectively.

7 Interest in jointly controlled entities

	Group		Trust	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Investment in jointly controlled entities	1,589,984	1,481,089	868,195	868,195
Loans to jointly controlled entities	606,222	606,222	606,222	606,222
	2,196,206	2,087,311	1,474,417	1,474,417

The loans to jointly controlled entities are unsecured. Included in the loans is an amount of $606,222,000 (2011: $606,222,000) which bears interest between 3.0% to 3.3% (2011: 3.0% to 3.3%) per annum above the three-month Singapore Dollar Swap Offer Rate and settlement is neither planned nor likely to occur in the foreseeable future. As the amount is, in substance, a part of the Group's and the Trust's net investment in the entities it is stated at cost less accumulated impairment loss.

Included in investment in jointly controlled entities of the Group are non-audit fees paid to auditors of the Trust capitalised of $677,000 (2011: $677,000).

Details of the jointly controlled entities are as follows:

Name of jointly controlled entities	Country of incorporation	Ownership Interest	
		2012	2011
		%	%
One Raffles Quay Pte. Ltd. [1]	Singapore	33.33	33.33
BFC Development LLP [1]	Singapore	33.33	33.33

One 15 June 2012, BFC Development Pte. Ltd. was converted from a private limited company to a limited liability partnership under the name BFC Development LLP pursuant to Section 21 of the Limitied Liability Partnership Act (Chapter 163A of Singapore).

One Raffles Quay Pte. Ltd. owns the property One Raffles Quay.

BFC Development LLP owns Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall.

(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.

The summarised financial information of the Group's interest in the jointly controlled entities, adjusted for the percentage of ownership held by the Group, is as follows:

	Group	
	2012	2011
	$'000	$'000
Assets and liabilities		
Non-current assets	1,973,102	1,890,895
Current assets	546,142	518,875
Total assets	2,519,244	2,409,770
Current liabilities	19,899	22,619
Non-current liabilities	909,361	906,062
Total liabilities	929,260	928,681
Results		
Revenue	114,030	107,144
Expenses	(67,185)	(73,213)
Net change in fair value of investment properties	117,400	107,722
Net profit for the year	164,245	141,653

8 Investments in subsidiaries

	Trust	
	2012	**2011**
	$'000	**$'000**
Equity investment at cost	649,899	649,899

Details of the subsidiaries are as follows:

Name of subsidiaries	**Country of incorporation**	**Ownership Interest 2012 %**	**2011 %**
Held by the Trust			
Comina Investment Limited. [3]	British Virgin Islands	100.0	100.0
Suntec Harmony Pte. Ltd. [2]	Singapore	100.0	100.0
Held through subsidiaries			
Held by Suntec Harmony Pte. Ltd.			
Harmony Partners Investments Limited [1] [3]	British Virgin Islands	51.0	51.0
Held by Harmony Partners Investments Ltd.			
Harmony Investors Group Limited [1] [3]	British Virgin Islands	60.8	60.8
Held by Harmony Investors Group Limited			
Harmony Investors Holding Limited [1] [3]	British Virgin Islands	60.8	60.8
Held by Harmony Investors Holding Limited			
Harmony Convention Holding Pte Ltd [1] [2]	Singapore	60.8	60.8

Harmony Convention Holding Pte Ltd owns the property Suntec Singapore.

[1] On 18 August 2011, the Group completed the acquisition of 51.0% share capital of Harmony Partners Investments Limited (Note 26), which holds 80.0% interest in Harmony Investors Group Limited, Harmony Investors Holding Limited and Harmony Convention Holding Pte Ltd.

[2] Audited by KPMG LLP Singapore.

[3] Not required to be audited under the laws of the country in which it is incorporated.

9 Financial derivatives

	Group		Trust	
	2012	**2011**	**2012**	**2011**
	$'000	**$'000**	**$'000**	**$'000**
Derivative assets				
- Interest rate swaps				
- Used for hedging	16	–	–	–
- At fair value through Statement of Total Return	–	265	–	265
	16	265	–	265
Current	–	265	–	265
Non-current	16	–	–	–
	16	265	–	265
Derivative liabilities				
- Interest rate swaps at fair value through Statement of Total Return	8,204	12,876	8,204	12,876
- Embedded derivatives relating to convertible bonds	52	1,098	52	1,098
	8,256	13,974	8,256	13,974
Current	2,563	–	2,563	–
Non-current	5,693	13,974	5,693	13,974
	8,256	13,974	8,256	13,974

The Group uses interest rate swaps to manage its exposure to interest rate movements on its floating rate interest-bearing term loans and short term borrowings by swapping the interest expense on a proportion of these term loans and short term borrowings from floating rates to fixed rates and vice versa.

Interest rate swaps with a total notional amount of $1,497,500,000 (2011: $1,275,000,000) have been entered into at the reporting date to provide fixed and floating rate funding for terms of 2 to 3 years (2011: 2 to 3 years) at an average interest rate of 0.48% to 1.26% (2011: -0.09278% to 1.82%) per annum.

10 Trade and other receivables

	Group		Trust	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Trade receivables	2,795	8,114	2,160	3,827
Impairment losses	(629)	(2,582)	(629)	(2,352)
Net receivables	2,166	5,532	1,531	1,475
Deposits	20	451	–	–
Amounts due from:				
- jointly controlled entities	–	1,586	–	–
- subsidiaries	–	–	1,415	1,415
Loans and receivables	2,186	7,569	2,946	2,890
Prepayments and other receivables	3,060	4,238	2,460	1,656
	5,246	11,807	5,406	4,546

The trade receivables in respect of Suntec City Mall, part of Suntec City Office Tower 3 and Suntec Singapore amounting to $2,169,000 (2011: Suntec City Mall and part of Suntec City Office Tower 3 amounting to $7,704,000) are charged or assigned by way of security for credit facilities granted to the Group (Note 12).

The amounts due from the jointly controlled entities and the subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand.

The exposure of the Group and the Trust to credit risk and impairment losses related to trade receivables is disclosed in Note 15.

11 Cash and cash equivalents

	Group		Trust	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Cash at bank and in hand	199,681	64,697	184,686	40,252
Fixed deposits with a financial institution	–	39,705	–	39,705
	199,681	104,402	184,686	79,957

The weighted average effective interest rate relating to cash and cash equivalents at the reporting date for the Group and the Trust is 0.4406% and 0.4644% (2011: 0.0931% and 0.1185% for both the Group and the Trust) per annum respectively. Interest rates reprice at intervals of one month.

Cash and cash equivalents in respect of Suntec City Mall, part of Suntec City Office Tower 3 and Suntec Singapore amounting to $27,891,000 (2011: $28,887,000) are charged or assigned by way of security for credit facilities granted to the Group (Note 12).

The exposure of the Group and the Trust to interest rate risk related to financial assets are disclosed in Note 15.

12 Interest-bearing borrowings

	Note	Group 2012 $'000	Group 2011 $'000	Trust 2012 $'000	Trust 2011 $'000
Term loans					
- secured		947,261	917,779	794,229	791,453
- unsecured		1,612,883	1,609,371	1,612,883	1,609,371
		2,560,144	2,527,150	2,407,112	2,400,824
Convertible bonds					
- unsecured	14	282,804	276,920	282,804	276,920
		2,842,948	2,804,070	2,689,916	2,677,744
Current		681,861	199,967	681,861	199,967
Non-current		2,161,087	2,604,103	2,008,055	2,477,777
		2,842,948	2,804,070	2,689,916	2,677,744

The exposure of the Group and the Trust to liquidity and interest rate risks related to interest-bearing borrowings are disclosed in Note 15.

Terms and debt repayment schedule

Terms and conditions of outstanding interest-bearing borrowings are as follows:

				2012		2011	
	Currency	Weighted average nominal interest rate %	Year of maturity	Face value $'000	Carrying amount $'000	Face value $'000	Carrying amount $'000
Group							
Floating rate term loans	SGD	1.662	2013 to 2017	2,330,646	2,312,842	2,302,500	2,280,650
Fixed rate term loans	SGD	4.34	2016	250,000	247,302	250,000	246,500
Convertible bonds	SGD	3.25	2013	269,250	282,804	269,250	276,920
				2,849,896	2,842,948	2,821,750	2,804,070
Trust							
Floating rate term loans	SGD	1.656	2013 to 2017	2,175,000	2,159,810	2,175,000	2,154,324
Fixed rate term loans	SGD	4.34	2016	250,000	247,302	250,000	246,500
Convertible bonds	SGD	3.25	2013	269,250	282,804	269,250	276,920
				2,694,250	2,689,916	2,694,250	2,677,744

Interest-bearing borrowings at the reporting date of $2,842,948,000 (2011: $2,804,070,000) at the Group comprise the following:

- $1,612,883,000 (2011: $1,609,371,000) unsecured term loan from various institutional banks;

- $282,804,000 (2011: $276,920,000) convertible bonds due 2013; and

- $947,261,000 (2011: $917,779,000) secured term loan facilities from various institutional banks.

Secured term loan facilities with various institutional banks

As at 31 December 2012, the Group has in place secured facilities of $1,119.5 million (2011: $927.5 million) term loan facilities with a panel of banks. As at 31 December 2012, the Group has drawndown $955.6 million (2011: $927.5 million) of secured facilities.

The facilities are secured on the following:

- A first legal mortgage on Suntec City Mall, part of Suntec City Office Tower 3 and Suntec Singapore (the "Properties");

- A first fixed charge over the central rental collection account in relation to the Properties (Notes 10 and 11);

- An assignment of the Group's rights, title and interest in the tenancy documents and the proceeds in connection with the Properties;

- An assignment of the Group's rights, title and interest in the insurance policies in relation to the Properties;

- A fixed and floating charge over the assets of the Group in relation to the Properties, agreements, collateral, as required by the financial institutions granting the facilities (Note 5); and

- An assignment of any interest swap facilities, which may be entered into by the Group in relation to the term loan facilities.

The current portion of the interest-bearing borrowings comprise term loan facilities of $400.0 million and convertible loans of $269.3 million (2011: $200.0 million) which is due in 2013.

13 Trade and other payables

	Group		Trust	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Trade and other payables	10,904	13,237	8,474	6,042
Deposit received on investment property held for sale	–	26,550	–	26,550
Accrued operating expenses	14,710	11,914	10,711	8,731
Amounts due to related parties (trade)	2,541	2,724	1,847	2,079
Accrued income	10,560	14,069	8,647	7,283
Interest payable	11,089	12,435	10,743	12,431
	49,804	80,929	40,422	63,116

The amounts due to related parties are unsecured and interest-free. Included in the amounts due to related parties for the Group is an amount due to the Trustee, the Manager and related parties of the Manager of $320,000, $1,356,000 and $865,000 (2011: $306,000, $1,328,000 and $1,090,000) respectively. Included in the amounts due to related parties for the Trust is an amount due to the Trustee, the Manager and a related party of the Manager of $320,000, $1,356,000 and $171,000 (2011: $306,000, $1,328,000 and $445,000) respectively. Transactions with related parties are priced on an arm's length basis.

14 Convertible bonds – debt component

	Group and Trust	
	2012	2011
	$'000	$'000
Carrying amount of debt component at 1 January	276,920	272,115
Amortisation of transaction costs	865	860
Redemption of convertible bonds	–	(774)
Interest accretion	5,019	4,719
Carrying amount of debt component at 31 December	282,804	276,920

In 2008, the Trust issued $270.0 million principal amounts of convertible bonds (the "Bonds") due 2013 which carry a coupon interest at 3.25% per annum. The Bonds are convertible by bondholders into Units at the conversion price of $1.678 (2011: $1.718) at any time on or after 30 April 2008 up to 3.00 p.m. on 13 March 2013 or, if redeemed prior to 13 March 2013, then up to 3.00 p.m. on a date no later than 7 business days prior to the date fixed for redemption thereof.

In the previous financial year, the Trust redeemed $750,000 of convertible bonds at an exercise price of 103.164% on the principal amount.

Based on the conversion price, the Bonds are convertible into approximately 160,458,879 Units (2011: 156,722,934 Units), representing 7.2% (2011: 7.0%) of the total number of Units of the Trust in issue as at 31 December 2012. The Trust has the option to pay cash in lieu of issuing new Units on conversion of any Bonds.

The Bonds may be redeemed, in whole but not in part, at the option of the Trust on or at any time not less than 7 business days prior to 20 March 2013 (subject to the satisfaction of certain conditions) having given not less than 30 nor more than 60 days' notice to the bondholders. The early redemption amount represents a gross yield to maturity of 4.25% per annum, on a semi-annual basis calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

Unless previously redeemed by the bondholders on 20 March 2011 or by the Trust at any time on or after 20 March 2011 and not less than 7 business days prior to 20 March 2013, the final redemption date of the Bonds is 20 March 2013. The redemption price upon maturity is equal to 105.5063% of the principal amount, together with any accrued but unpaid interest accrued to the date of redemption, on the final redemption date.

As at 31 December 2012, the effective interest rate for the Bonds – debt component is approximately 5.25% (2011: 5.25%) per annum.

15 Financial instruments

Credit risk

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 was:

		Group		Trust	
		Carrying amount		Carrying amount	
	Note	2012	2011	2012	2011
		$'000	$'000	$'000	$'000
Derivative assets at fair value through Statement of Total Return	9	16	265	–	265
Loans and receivables	10	2,186	7,569	2,946	2,890
Cash and cash equivalents	11	199,681	104,402	184,686	79,957
		201,883	112,236	187,632	83,112

The maximum exposure to credit risk for trade receivables at the reporting date by type of tenants is:

	Group		Trust	
	Carrying amount		Carrying amount	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Office	311	45	311	45
Retail	1,220	1,430	1,220	1,430
Convention	635	4,057	–	–
	2,166	5,532	1,531	1,475

The Group's tenants are engaged in a wide spectrum of business activities across many industry segments. The Group's most significant tenant accounts for $189,000 (2011: $1,093,000) of the trade receivables carrying amount as at the reporting date.

Impairment losses

The ageing of trade receivables at the reporting date is:

	Gross 2012 $'000	Impairment losses 2012 $'000	Gross 2011 $'000	Impairment losses 2011 $'000
Group				
Not past due	1,153	–	3,697	–
Past due 31 – 60 days	650	–	1,566	–
Past due 61 – 90 days	321	–	182	–
More than 90 days	671	(629)	2,669	(2,582)
	2,795	(629)	8,114	(2,582)
Trust				
Not past due	795	–	1,011	–
Past due 31 – 60 days	480	–	408	–
Past due 61 – 90 days	176	–	48	–
More than 90 days	709	(629)	2,360	(2,352)
	2,160	(629)	3,827	(2,352)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group Carrying amount		Trust Carrying amount	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
At 1 January	2,582	2,551	2,352	2,551
Acquisition through business combinations (Note 26)	–	20	–	–
Impairment loss recognised	6	384	6	174
Write-back of impairment loss	(60)	–	–	–
Allowance utilised during the year	(1,899)	(373)	(1,729)	(373)
At 31 December	629	2,582	629	2,352

Based on historic default rates, 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.

The allowance account in respect of trade receivables is used to record impairment losses unless the Group and the Trust are satisfied that no recovery of the amounts owing are possible; at that point the amounts are considered irrecoverable and are written off against the financial asset directly. At 31 December 2012, the Group and the Trust do not have any collective impairment on its trade receivables (2011: nil).

Liquidity risk

The following are the 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**	**Within 1 to 5 years** **\$'000**	**More than 5 years** **\$'000**
Group					
2012					
Non-derivative financial liabilities					
Financial liabilities measured at amortised cost:					
- Floating rate term loans	2,312,842	(2,570,082)	(438,232)	(2,131,850)	–
- Fixed rate term loans	247,302	(288,427)	(10,850)	(277,577)	–
- Convertible bonds	282,804	(285,970)	(285,970)	–	–
- Trade and other payables*	39,244	(39,244)	(39,244)	–	–
- Security deposits	66,472	(66,472)	(28,955)	(34,452)	(3,065)
	2,948,664	(3,250,195)	(803,251)	(2,443,879)	(3,065)
Derivative financial liabilities					
Financial liabilities at fair value through Statement of Total Return					
- Interest rate swaps	8,204	(9,155)	(8,341)	(814)	–
	2,956,868	(3,259,350)	(811,592)	(2,444,693)	(3,065)

* *Exclude accrued income.*

	Carrying amount $'000	<---- Cash flows ----> Contractual cash flows $'000	Within 1 year $'000	Within 1 to 5 years $'000	More than 5 years $'000
Group					
2011					
Non-derivative financial liabilities					
Financial liabilities measured at amortised cost:					
- Floating rate term loans	2,280,650	(2,406,722)	(239,698)	(2,167,024)	–
- Fixed rate term loans	246,500	(299,307)	(10,880)	(288,427)	–
- Convertible bonds	276,920	(294,745)	(8,775)	(285,970)	–
- Trade and other payables*	66,860	(66,860)	(66,860)	–	–
- Security deposits	63,627	(63,627)	(19,628)	(43,999)	–
	2,934,557	(3,131,261)	(345,841)	(2,785,420)	–
Derivative financial liabilities					
Financial liabilities at fair value through Statement of Total Return					
- Interest rate swaps	12,876	(17,759)	(9,580)	(8,179)	–
	2,947,433	(3,149,020)	(355,421)	(2,793,599)	–

* *Exclude accrued income.*

	Carrying amount $'000	<---- Cash flows ----> Contractual cash flows $'000	Within 1 year $'000	Within 1 to 5 years $'000	More than 5 years $'000
Trust					
2012					
Non-derivative financial liabilities					
Financial liabilities measured at amortised cost:					
- Floating rate term loans	2,159,810	(2,251,588)	(434,341)	(1,817,247)	–
- Fixed rate term loans	247,302	(288,427)	(10,850)	(277,577)	–
- Convertible bonds	282,804	(285,970)	(285,970)	–	–
- Trade and other payables*	31,775	(31,775)	(31,775)	–	–
- Security deposits	61,908	(61,908)	(28,298)	(32,525)	(1,085)
	2,783,599	(2,919,668)	(791,234)	(2,127,349)	(1,085)
Derivative financial liabilities					
Financial liabilities at fair value through Statement of Total Return					
- Interest rate swaps	8,204	(9,155)	(8,341)	(814)	–
	2,791,803	(2,928,823)	(799,575)	(2,128,163)	(1,085)

* *Exclude accrued income.*

	Carrying amount $'000	<---- Cash flows ----> Contractual cash flows $'000	Within 1 year $'000	Within 1 to 5 years $'000	More than 5 years $'000
Trust					
2011					
Non-derivative financial liabilities					
Financial liabilities measured at amortised cost:					
- Floating rate term loans	2,154,324	(2,272,750)	(237,230)	(2,035,520)	–
- Fixed rate term loans	246,500	(299,307)	(10,880)	(288,427)	–
- Convertible bonds	276,920	(294,745)	(8,775)	(285,970)	–
- Trade and other payables*	55,833	(55,833)	(55,833)	–	–
- Security deposits	62,653	(62,653)	(18,654)	(43,999)	–
	2,796,230	(2,985,288)	(331,372)	(2,653,916)	–
Derivative financial liabilities					
Financial liabilities at fair value through Statement of Total Return					
- Interest rate swaps	12,876	(17,759)	(9,580)	(8,179)	–
	2,809,106	(3,003,047)	(340,952)	(2,662,095)	–

* *Exclude accrued income.*

Interest rate risk

Cash flow sensitivity analysis for variable rate instruments

For the interest rate swaps and the other variable rate financial liabilities, a change of 30 basis points ("bp") (2011: 30 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 30 bp increase $'000	30 bp decrease $'000	Unitholders' Funds 30 bp increase $'000	30 bp decrease $'000
Group				
2012				
Interest-bearing borrowings (floating rate)	(7,892)	7,892	–	–
Interest rate swaps	5,459	(5,459)	106	(106)
	(2,433)	2,433	106	(106)
2011				
Interest-bearing borrowings (floating rate)	(7,808)	7,808	–	–
Interest rate swaps	4,184	(4,184)	–	–
	(3,624)	3,624	–	–

	Statement of Total Return	
	30 bp increase $'000	**30 bp decrease $'000**
Trust		
2012		
Interest-bearing borrowings (floating rate)	(6,525)	6,525
Interest rate swaps	4,627	(4,627)
	(1,898)	1,898
2011		
Interest-bearing borrowings (floating rate)	(6,525)	6,525
Interest rate swaps	4,184	(4,184)
	(2,341)	2,341

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through the Statement of Total Return, 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 the Statement of Total Return.

Classification and fair value of financial instruments

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

Group	Note	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
2012						
Financial derivatives	9	16	–	–	16	16
Loans and receivables	10	–	2,186	–	2,186	2,186
Cash and cash equivalents	11	–	199,681	–	199,681	199,681
		16	201,867	–	201,883	201,883
Financial derivatives	9	(8,256)	–	–	(8,256)	(8,256)
Interest-bearing borrowings	12	–	–	(2,560,144)	(2,560,144)	(2,573,163)
Trade and other payables	13	–	–	(49,804)	(49,804)	(49,804)
Security deposits		–	–	(66,472)	(66,472)	(65,720)
Convertible bonds	14	–	–	(282,804)	(282,804)	(286,834)
		(8,256)	–	(2,959,224)	(2,967,480)	(2,983,777)
2011						
Financial derivatives	9	265	–	–	265	265
Loans and receivables	10	–	7,569	–	7,569	7,569
Cash and cash equivalents	11	–	104,402	–	104,402	104,402
		265	111,971	–	112,236	112,236
Financial derivatives	9	(13,974)	–	–	(13,974)	(13,974)
Interest-bearing borrowings	12	–	–	(2,527,150)	(2,527,150)	(2,533,035)
Trade and other payables	13	–	–	(80,929)	(80,929)	(80,929)
Security deposits		–	–	(63,627)	(63,627)	(62,785)
Convertible bonds	14	–	–	(276,920)	(276,920)	(280,268)
		(13,974)	–	(2,948,626)	(2,962,600)	(2,970,991)

Trust	Note	Designated at fair value $'000	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
2012						
Financial derivatives	9	–	–	–	–	–
Loans and receivables	10	–	2,946	–	2,946	2,946
Cash and cash equivalents	11	–	184,686	–	184,686	184,686
		–	187,632	–	187,632	187,632
Financial derivatives	9	(8,256)	–	–	(8,256)	(8,256)
Interest-bearing borrowings	12	–	–	(2,407,112)	(2,407,112)	(2,420,131)
Trade and other payables	13	–	–	(40,422)	(40,422)	(40,422)
Security deposits		–	–	(61,908)	(61,908)	(61,228)
Convertible bonds	14	–	–	(282,804)	(282,804)	(286,834)
		(8,256)	–	(2,792,246)	(2,800,502)	(2,816,871)
2011						
Financial derivatives	9	265	–	–	265	265
Loans and receivables	10	–	2,890	–	2,890	2,890
Cash and cash equivalents	11	–	79,957	–	79,957	79,957
		265	82,847	–	83,112	83,112
Financial derivatives	9	(13,974)	–	–	(13,974)	(13,974)
Interest-bearing borrowings	12	–	–	(2,400,824)	(2,400,824)	(2,406,709)
Trade and other payables	13	–	–	(63,116)	(63,116)	(63,116)
Security deposits		–	–	(62,653)	(62,653)	(61,811)
Convertible bonds	14	–	–	(276,920)	(276,920)	(280,268)
		(13,974)	–	(2,803,513)	(2,817,487)	(2,825,878)

Fair values

Estimation of fair values

Fair values of the financial instruments of the Group and the Trust have been determined for measurement and/or disclosure purposes based on the following methods:

Derivatives

The fair value of interest rate swaps is based on broker quotes at the reporting date. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each swap and using market interest rates for similar instruments at the measurement date.

The fair value of the embedded derivative component of the convertible bonds is the difference between the fair value of the convertible bonds based on broker quotes at the reporting date and the fair value of the liability component of the convertible bonds, determined using the discounted cash flow technique.

Non-derivative financial liabilities

The fair values of the non-current portion of security deposits, fixed interest-bearing borrowings, borrowings which reprice after three months, which are determined for disclosure purposes, are estimated using the discounted cash flow technique. Future cash flows are based on management's best estimates and the discount rate is based on a market-related rate for a similar instrument at the reporting date.

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 six months) are assumed to approximate their fair values because of the short period to maturity or repricing.

Interest rates used in determining fair values

The Group used the following interest rates to discount estimated cash flows:

	Group and Trust	
	2012	**2011**
	%	%
Non-current portion of security deposits	2.047	1.951
Fixed rate borrowings	2.95 – 3.65	3.87 – 4.50
Convertible bonds	1.13	4.01

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 2 $'000	Level 3 $'000	Total $'000
Group			
2012			
Derivative assets			
- interest rate swaps	16	–	16
Derivative liabilities			
- interest rate swaps	(8,204)	–	(8,204)
- embedded derivatives relating to convertible bonds	–	(52)	(52)
	(8,204)	(52)	(8,256)
	(8,188)	(52)	(8,240)
Trust			
2012			
Derivative assets			
- interest rate swaps	–	–	–
Derivative liabilities			
- interest rate swaps	(8,204)	–	(8,204)
- embedded derivatives relating to convertible bonds	–	(52)	(52)
	(8,204)	(52)	(8,256)
	(8,204)	(52)	(8,256)

	Level 2 $'000	Level 3 $'000	Total $'000
Group and Trust			
2011			
Derivative assets			
- interest rate swaps	265	–	265
Derivative liabilities			
- interest rate swaps	(12,876)	–	(12,876)
- embedded derivatives relating to convertible bonds	–	(1,098)	(1,098)
	(12,876)	(1,098)	(13,974)
	(12,611)	(1,098)	(13,709)

During the financial year ended 31 December 2012, there were no transfers between Level 1 and Level 2.

The Level 3 financial instruments measured at fair value are as follows:

	Group and Trust 2012 $'000	Group and Trust 2011 $'000
Embedded derivatives relating to convertible bonds		
As at 1 January	(1,098)	(8,459)
Changes in fair value recognised in Statement of Total Return	1,046	7,361
As at 31 December	(52)	(1,098)
Total gain for the year included in Statement of Total Return for financial instruments held at the reporting date	1,046	7,361

Gain for the year included in the Statement of Total Return is presented in net change in fair value of financial derivatives as follows:

	Group and Trust 2012 $'000	Group and Trust 2011 $'000
Total gain for the year included in Statement of Total Return	1,046	7,361
Total gain for the year included in Statement of Total Return for financial instruments held at 31 December	1,046	7,361

The fair value of the embedded derivative relating to convertible bonds has been 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. If the assumptions 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 $80,000 (2011: $815,000) and ($80,000) (2011: ($812,000)) respectively. The analysis is performed on the same basis as 2011.

16 Units in issue

	Group and Trust	
	2012	2011
	'000	'000
Units in issue:		
At 1 January	2,224,520	2,205,128
Issue of Units:		
- asset management fees paid in Units	23,304	19,392
At 31 December	2,247,824	2,224,520
Units to be issued:		
- asset management fees payable in Units	4,530	6,926
Total issued and issuable Units at 31 December	2,252,354	2,231,446

During the year, the Group and the Trust had issued a total of 23,303,983 (2011: 19,391,490) Units at unit prices ranging from \$1.0834 to \$1.4748 (2011: \$1.1891 to \$1.4965) per Unit, amounting to \$29,510,000 (2011: \$27,094,000) in satisfaction of asset management fees payable in Units.

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 Unitholders 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.

17 Net asset value per Unit

	Note	Group 2012 $'000	Group 2011 $'000	Trust 2012 $'000	Trust 2011 $'000
Net asset value per Unit is based on:					
Net assets attributable to Unitholders		4,660,205	4,433,821	4,397,314	4,296,934
		'000	'000	'000	'000
Total issued and issuable Units at 31 December	16	2,252,354	2,231,446	2,252,354	2,231,446

18 Gross revenue

	Group 2012 $'000	Group 2011 $'000	Trust 2012 $'000	Trust 2011 $'000
Gross rental income	261,655	270,062	225,998	242,638
Dividend income from subsidiaries	–	–	53,730	39,570
Others	228	220	228	220
	261,883	270,282	279,956	282,428

19 Property expenses

	Group 2012 $'000	Group 2011 $'000	Trust 2012 $'000	Trust 2011 $'000
Advertising and promotion expenses	6,674	5,139	3,959	4,277
(Write-back)/Allowance for doubtful receivables (net)	(54)	384	6	174
Depreciation of plant and equipment	2,785	1,118	8	7
Loss on disposal of plant and equipment	3,281	80	–	–
Inventory written off	1,406	–	–	–
Maintenance expenses	3,945	3,078	1,552	2,172
Contributions to maintenance funds	19,890	17,770	16,534	16,534
Property management fees (including reimbursables)	24,269	16,182	6,787	7,286
Property tax	20,815	19,978	19,041	19,336
Utilities	4,462	4,208	1,584	2,557
Others	10,981	8,962	2,819	5,052
	98,454	76,899	52,290	57,395

Property expenses represent the direct operating expenses arising from rental of investment properties and sale of food and beverages.

20 Other income

Other income relates to the income support received/receivable by the Group and the Trust under the Deeds of Income Support entered with Cavell Limited and Choicewide Group Limited, the vendors of the one-third interest in ORQPL and BFCD LLP respectively, negative goodwill arising on acquisition of 51.0% interest in Harmony Partners Investments Limited and miscellaneous income.

	Group		Trust	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Income support in relation to:				
- One Raffles Quay	10,608	13,983	10,608	13,983
- MBFC Properties	25,954	32,690	25,954	32,690
	36,562	46,673	36,562	46,673
Negative goodwill on acquisition	–	1,049	–	–
Miscellaneous income	23	–	–	–
Other income	36,585	47,722	36,562	46,673

21 Finance income and finance costs

	Group		Trust	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Interest income:				
- bank deposits	699	42	693	42
- interest rate swaps	755	895	755	895
- loan to jointly controlled entities	22,519	22,569	22,519	21,120
Finance income	23,973	23,506	23,967	22,057
Interest expense:				
- bank loans	(47,241)	(40,843)	(44,787)	(40,080)
- the convertible bonds	(8,775)	(8,775)	(8,775)	(8,775)
- interest rate swaps	(9,147)	(11,477)	(9,067)	(11,477)
Amortisation of transaction costs	(15,411)	(14,189)	(14,503)	(14,024)
Finance costs	(80,574)	(75,284)	(77,132)	(74,356)
Recognised in the Statement of Total Return	(56,601)	(51,778)	(53,165)	(52,299)

22 Asset management fees

Included in the asset management fees of the Group and the Trust is an aggregate of 20,907,821 (2011: 22,076,035) Units, amounting to $29,468,000 (2011: $28,271,000), that have been or will be issued to the Manager in satisfaction of the asset management fees payable in Units.

23 Other charges

Included in other charges are the following items:

	Group and Trust	
	2012	2011
	$'000	$'000
Non-audit fees paid to auditors of the Trust	53	57

24 Income tax expense

	Group		Trust	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Tax expense				
Current year	1,724	6,013	4,059	5,107

Reconciliation of effective tax rate

	Note	2012	2011	2012	2011
		$'000	$'000	$'000	$'000
Total return for the year before tax		427,022	640,608	287,907	530,121
Less: Share of profit of jointly controlled entities		(164,245)	(141,653)	–	–
		262,777	498,955	287,907	530,121
Income tax using the Singapore tax rate of 17%		44,672	84,822	48,944	90,121
Non-tax deductible items		16,911	17,995	11,523	15,313
Non-taxable income		(32,888)	(67,778)	(25,688)	(67,047)
Tax exempt income		–	–	(3,749)	(4,254)
Tax transparency	3.13	(26,971)	(29,026)	(26,971)	(29,026)
		1,724	6,013	4,059	5,107

25 Earnings per Unit

Basic earnings per Unit is based on:

	Group		Trust	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Total return for the year after tax attributable to Unitholders	413,164	631,836	283,848	525,014

	Number of Units			
	Group		Trust	
	2012	2011	2012	2011
	'000	'000	'000	'000
Weighted average number of Units:				
- outstanding during the year	2,239,974	2,216,661	2,239,974	2,216,661
- to be issued as payment of asset management fees payable in Units	12	19	12	19
	2,239,986	2,216,680	2,239,986	2,216,680

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 dilutive effect arising from the dilutive Bonds, with the potential Units weighted for the year outstanding.

	Group		Trust	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Total return for the year after tax attributable to Unitholders	413,164	631,836	283,848	525,014
Profit impact of conversion of the dilutive potential Units	13,612	6,974	13,612	6,974
Adjusted total return for the year after tax	426,776	638,810	297,460	531,988

	Number of Units			
	Group		Trust	
	2012	2011	2012	2011
	'000	'000	'000	'000
Weighted average number of Units used in calculation of basic earnings per Unit	2,239,986	2,216,680	2,239,986	2,216,680
Weighted average number of Units to be issued assuming conversion of the Bonds	160,459	156,723	160,459	156,723
Weighted average number of Units used in calculation of diluted earnings per Unit	2,400,445	2,373,403	2,400,445	2,373,403

As at 31 December 2012, the Group and the Trust had Bonds which were convertible into approximately 160,458,879 (2011: 156,722,934) Units.

26 Acquisition of subsidiary

Acquisitions in the year ended 31 December 2011

On 18 August 2011, a subsidiary of the Group acquired of 51.0% of the issued ordinary share capital of Harmony Partners Investments Limited, which holds 80.0% interest in Harmony Investors Group Limited, Harmony Investors Holding Limited and Harmony Convention Holding Pte Ltd. As a result, the Group's interest in Suntec Singapore increase from 20.0% to 60.8%.

The Manager believes that the acquisition will benefit the Unitholders in the long term as the acquisition fits the Manager's principal investment strategy for the Group to invest in quality income-producing assets. The Manager believes that the increase in the Group's interest in Suntec Singapore will be a strategic addition to the Group's existing portfolio, providing opportunities to integrate and enlarge the Group's existing interest in the entire Suntec City development and to unlock the underlying value of the assets.

From 19 August 2011 to 31 December 2011, Suntec Singapore contributed revenue of $27,424,000 and profit of $5,287,000 to the Group's results. If the acquisition had occured on 1 January 2011, the Manager estimates that consolidated revenue would have been $309,114,000 and consolidated Statement of Total Return attributable to Unitholders for the year would have been $665,000,000. In determining these amounts, the Manager has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2011.

The following table summaries the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Consideration transferred

	2011 $'000
Cash	114,750

Identifiable assets acquired and liabilities assumed

	Note	2011 $'000
Investment property	5	390,312
Plant and equipment	4	8,944
Trade and other receivables		11,861
Cash and cash equivalents		22,188
Trade and other payables		(21,875)
Interest bearing borrowings		(126,161)
Deferred tax liabilities		(1,447)
Non-controlling interests		(56,764)
Total identifiable net assets		227,058

The following fair values have been determined on a provisional basis:

- Fair value of investment property.

Negative goodwill

Negative goodwill was recognised as a result of the acquisition as follows:

	2011 $'000
Total consideration transferred	114,750
Non-controlling interests, that are present ownership interests and entitle the holders to a proportionate share of the acquiree's net assets on liquidation, based on their proportionate interest in the recognised amounts of the asset and liabilities of the acquiree	111,259
Fair value of identifiable net assets	(227,058)
Negative goodwill	(1,049)

The negative goodwill has been recognised in other income in the Statement of Total Return (Note 20) and is expected to be non-deductible for tax purposes.

Acquisition-related costs

The Group incurred acquisition-related costs of approximately $1,319,000 relating to professional fees and have been included in professional fees in the Group's Statements of Total Return.

27 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 and office business segments. The nature of the leases (lease of retail, office or other space) is the factor used to determine the reportable segments. As the retail and office segments 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 to form the retail and office reportable segments. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

Other operations segment, which relates to leasing of advertising space and car park, does not meet any of the quantitative thresholds for determining reportable segments for both 2012 and 2011.

Segment revenue comprises mainly of 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 income tax expense.

Information regarding the Group's reportable segments is presented in the tables below.

Segment information in respect of the Group's geographical segments is not presented as the Group's activities for the year ended 31 December 2012 and 31 December 2011 related wholly to properties located in Singapore.

Information about reportable segments

	Office S$'000	Retail S$'000	Others S$'000	Total S$'000
2012				
Gross revenue	123,259	94,973	43,651	261,883
Property expenses	(24,615)	(23,013)	(50,826)	(98,454)
Reportable segment net property income/(loss)	98,644	71,960	(7,175)	163,429
2011				
Gross revenue	114,842	118,347	37,093	270,282
Property expenses	(24,499)	(27,871)	(24,529)	(76,899)
Reportable segment net property income	90,343	90,476	12,564	193,383

Reconciliation of reportable segment net property income

	Group	
	2012 S$'000	2011 S$'000
Total return		
Reportable segment net property income	170,604	180,819
Other net property (loss)/income	(7,175)	12,564
	163,429	193,383
Unallocated amounts:		
- Other income	36,585	47,722
- Net finance costs	(56,601)	(51,778)
- Amortisation of intangible assets	(21,311)	(39,285)
- Asset management fees	(38,960)	(36,078)
- Other trust expenses	(3,933)	(5,289)
- Net change in fair value of financial derivatives	5,453	(5,913)
- Net change in fair value of investment properties	148,370	396,193
- Share of profit of jointly controlled entities	164,245	141,653
- Gain on disposal of investment property	29,745	–
Consolidated total return for the year before tax	427,022	640,608

28 Commitments

	Group		Trust	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
(a) Capital commitments				
Capital expenditure contracted but not provided for	298,915	2,798	161,205	2,798
Loan facilities to jointly controlled entities	560,778	560,778	560,778	560,778

(b) The Group and the Trust lease out their investment properties. Non-cancellable operating lease rentals receivable are as follows:

	Group		Trust	
	2012	2011	2012	2011
	$'000	$'000	$'000	$'000
Receivables:				
Within 1 year	185,993	209,414	175,736	207,719
After 1 year but within 5 years	264,110	206,741	213,265	206,741
More than 5 years	20,327	–	10,206	–
	470,430	416,155	399,207	414,460

29 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 (2011: $500,000) or 1.0% (2011: 1.0%) of the taxable income of the Trust for the year ended 31 December 2012. 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.

30 Financial ratios

	Group		Trust	
	2012	2011	2012	2011
	%	%	%	%
Expenses to weighted average net assets [1]				
- including performance component of asset management fees	1.44	2.00	1.07	1.97
- excluding performance component of asset management fees	1.15	1.66	0.76	1.63
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.*

31 Significant related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability to directly or indirectly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to a common significant influence. Related parties may be individuals or other entities.

During the financial year, other than the transactions disclosed elsewhere in the financial statements, there were the following related party transactions:

	Group	
	2012	2011
	$'000	$'000
Acquisition fees paid to the Manager	–	1,148
Asset manager fees paid/payable to a related corporation of the Manager	2,125	740
Agency commission paid/payable to a related corporation of the Manager	1,296	3,058
Rental income received/receivable from an associate of the Manager	1,333	1,201
Rental income received/receivable from related corporations of the Manager	352	352
Property management fees payable (including reimbursable) to related corporations of the Manager	23,970	15,199

	Trust	
	2012	**2011**
	$'000	**$'000**
Acquisition fees paid to the Manager	–	1,148
Agency commission paid/payable to a related corporation of the Manager	1,296	3,058
Rental income received/receivable from an associate of the Manager	1,333	1,201
Rental income received/receivable from related corporations of the Manager	352	352
Property management fees payable (including reimbursable) to a related corporation of the Manager	6,425	6,303

32 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 financial 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 and monitors their balances on an on-going basis. Credit evaluations are performed by the Manager before lease agreements are entered into with tenants. The Group establishes an allowance for impairment, based on a specific loss component that relates to individually significant exposures, that represents its estimate of incurred losses in respect of trade and other receivables.

Cash and fixed deposits are placed with financial institutions which are regulated. Transactions involving derivative financial instruments are allowed only with counterparties that are credit worthy.

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 the CIS Code issued by the MAS concerning limits on total borrowings.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, which 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 on risk.

Interest rate risk

The Group's exposure to changes in interest rates relates primarily to interest-bearing financial liabilities. 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.

As at 31 December 2012, the Group has entered into interest rate swaps with a total notional amount of $1,497.5 million (2011: $1,275.0 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 secured and unsecured term loans.

The fair value of the above swaps at 31 December 2012 is a net liability of $8,188,000 (2011: net asset of $12,611,000), comprising assets of $16,000 (2011: $265,000) and liabilities of $8,204,000 (2011: $12,876,000) (Note 9).

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% (2011: 37.3%) as at 31 December 2012.

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 35.0% of the fund's deposited property. The aggregate leverage of a property fund may exceed 35.0% of the fund's deposited property (up to a maximum of 60.0%) only if a credit rating of the property fund from Fitch Inc., Moody's or Standard and Poor's is obtained and disclosed to the public. The property fund should continue to maintain and disclose a credit rating so long as its aggregate leverage exceeds 35.0% of the fund's deposited property.

The Group's corporate family rating is Baa2.

The Group has complied with the Aggregate Leverage limit of 60.0% and there were no changes in the Group's approach to capital management during the financial year.

33 Subsequent events

Subsequent to year end, the Group propose to issue $280.0 million convertible bonds of five year maturity at an interest rate of 1.40% per annum.

34 Comparative figures

The Distribution Statements for the year shall disclose reconciliation between the amount attributable for distribution to unitholders at the beginning and at the end of the year. In addition, it also separately discloses the changes resulting from the statements of total return, net tax adjustment, taxable income and tax exempt income. During the year, the changes resulting from statements of total return for the year was modified by replacing "Net income" with "Total return attributable to unitholders" in the Distribution Statement. As a result of the revised presentation, additional line items were included in the Distribution Statements and the comparatives were re-presented to be consistent with the current year's presentation. The revised presentation did not have any effects on the Statements of Financial Position, Statements of Total Return and Consolidated Statement of Cash Flows.

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ARA Trust Management (Suntec) Limited
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19 July 2013

Dear Sirs

Suntec Real Estate Investment Trust and its Subsidiaries
Review of Interim Financial Information

Introduction

We have reviewed the accompanying Interim Financial Information ("Financial Information") of Suntec Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") for the quarter and six-month period ended 30 June 2013. The Financial Information consists of the following:

- Statements of financial position of the Group and the Trust as at 30 June 2013;
- Portfolio statements of the Group and the Trust as at 30 June 2013;
- Statements of total return of the Group and the Trust for the three-month period ended 30 June 2013;
- Statements of total return of the Group and the Trust for the six-month period ended 30 June 2013;
- Statement of Distribution of the Group for the three-month period ended 30 June 2013;
- Statement of Distribution of the Group for the six-month period ended 30 June 2013;
- Statements of movements in unitholders' funds of the Group and the Trust for the six-month period ended 30 June 2013; and
- Statement of cash flow of the Group for the six-month period ended 30 June 2013.

The management of ARA Trust Management (Suntec) Limited (the "Manager" of the Trust) is responsible for the preparation and presentation of this Financial Information in accordance with the recommendation of the Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* relevant to interim financial information. Our responsibility is to express a conclusion on this 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 Financial Information consists of making enquiries, 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 Financial Information is not prepared, in all material respects, in accordance with the recommendations of RAP 7 *Reporting Framework for Unit Trusts* relevant to interim financial information, issued by the Institute of Singapore Chartered Accountants.

Restriction on use

Our report is provided on the basis that it is solely for the private information of the directors of the Manager and for the inclusion of our report in the Trust's announcement to its unitholders and should not be quoted or referred to, in whole or in part, without our prior written permission, for any other purposes. We do not assume any responsibility or liability for losses occasioned to the directors of the Manager, the Trust or any other parties as a result of the circulation, publication, reproduction or use of the report contrary to the provisions of this paragraph.

Yours faithfully

KPMG LLP

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
19 July 2013

Suntec Real Estate Investment Trust
2013 First Half and Second Quarter Unaudited Financial Statements & Distribution Announcement

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

Suntec REIT was listed on the Singapore Exchange Securities Trading Limited on 9 December 2004.

Suntec REIT owns Suntec City Mall and certain office units in Suntec Towers One, Two and Three and the whole of Suntec Towers Four and Five, which form part of the integrated commercial development known as "Suntec City". The property portfolio also comprises Park Mall, 60.8 per cent effective interest in Suntec Singapore International Convention & Exhibition Centre ("Suntec Singapore"), a one-third interest in One Raffles Quay ("ORQ") and a one-third interest in Marina Bay Financial Centre Towers 1 and 2, and the Marina Bay Link Mall (collectively known as "MBFC Properties").

The financial information for the period from 1 January 2013 to 30 June 2013 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					
	1/4/13 to 30/6/13	1/4/12 to 30/6/12	Change	1/1/13 to 30/6/13	1/1/12 to 30/6/12	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue	**46,935**	**70,997**	**-33.9%**	**96,597**	**144,292**	**-33.1%**
Net property income	**27,956**	**45,430**	**-38.5%**	**58,635**	**94,428**	**-37.9%**
Total amount available for distribution	**50,857**	**52,961**	**-4.0%**	**101,127**	**107,838**	**-6.2%**
- from operations	*43,057*	*52,961*	*-18.7%*	*90,627*	*107,838*	*-16.0%*
- from capital (a)	*7,800*	-	*n.m.*	*10,500*	-	*n.m.*
Distribution per unit (cents) (b)	**2.249**	**2.361**	**-4.7%**	**4.477**	**4.814**	**-7.0%**
- from operations	*1.904*	*2.361*	*-19.4%*	*4.012*	*4.814*	*-16.7%*
- from capital (a)	*0.345*	-	*n.m.*	*0.465*	-	*n.m.*
Annualised distribution per unit (cents)	**9.021**	**9.496**	**-5.0%**	**9.028**	**9.681**	**-6.7%**

n.m. – not meaningful

Footnote:

(a) *This relates to a portion of the sale proceeds from disposal of CHIJMES in January 2012 and is classified as capital distribution from a tax perspective. Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who hold the Units as trading assets, the amount of capital gain distribution will be applied to reduce the cost base of their Units for the purpose of calculating the amount of taxable trading gains arising from the disposal of the Units*

(b) *Please refer to Page 12 for the distribution per unit computation.*

Financial Statements Announcement
For First Half and Second Quarter ended 30 June 2013

1 (a)(i) Statements of Total Return and Statement of Distribution for the First Half and Second Quarter ended 30 June 2013

Statement of total return	Group					
	1/4/13 to 30/6/13	1/4/12 to 30/6/12	Change	1/1/13 to 30/6/13	1/1/12 to 30/6/12	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Gross revenue [(a)]	**46,935**	**70,997**	**-33.9%**	**96,597**	**144,292**	**-33.1%**
Maintenance charges	(4,972)	(4,972)	0.0%	(9,945)	(9,945)	0.0%
Property management fees [(b)]	(1,538)	(2,130)	27.8%	(3,229)	(4,329)	25.4%
Property tax [(b)]	(3,446)	(4,855)	29.0%	(7,776)	(10,320)	24.7%
Other property expenses [(c)]	(9,023)	(13,610)	33.7%	(17,012)	(25,270)	32.7%
Property expenses	**(18,979)**	**(25,567)**	**25.8%**	**(37,962)**	**(49,864)**	**23.9%**
Net property income	**27,956**	**45,430**	**-38.5%**	**58,635**	**94,428**	**-37.9%**
Other income [(d)]	4,522	8,455	-46.5%	8,742	16,899	-48.3%
Share of profit of jointly-controlled entities [(e)]	16,173	10,862	48.9%	30,370	22,092	37.5%
Net financing costs [(f)]	(13,521)	(14,333)	5.7%	(27,405)	(27,849)	1.6%
Amortisation of intangible asset [(g)]	(3,366)	(3,577)	5.9%	(6,507)	(10,856)	40.1%
Asset management fees - base fee [(h)]	(6,827)	(6,327)	-7.9%	(13,381)	(12,663)	-5.7%
Asset management fees - performance fee [(i)]	(2,722)	(3,302)	17.6%	(5,620)	(6,770)	17.0%
Trust expenses	(760)	(972)	21.8%	(1,518)	(1,724)	11.9%
Net income	**21,455**	**36,236**	**-40.8%**	**43,316**	**73,557**	**-41.1%**
Net change in fair value of financial derivatives [(j)]	990	5,046	-80.4%	5,067	2,497	102.9%
Gain on disposal of investment property [(k)]	-	-	n.m.	-	29,745	-100.0%
Net surplus from revaluation of investment property [(l)]	47,513	-	n.m.	47,513	-	n.m.
Total return for the period before tax	**69,958**	**41,282**	**69.5%**	**95,896**	**105,799**	**-9.4%**
Income tax credit/(expense) [(m)]	1,405	(745)	288.6%	5,926	(1,949)	404.1%
Total return for the period after tax	**71,363**	**40,537**	**76.0%**	**101,822**	**103,850**	**-2.0%**
Attributable to:						
Unitholders for the Trust	55,090	40,838	34.9%	86,986	103,445	-15.9%
Non-controlling interests	16,273	(301)	n.m.	14,836	405	n.m.
Total return for the period after tax	**71,363**	**40,537**	**76.0%**	**101,822**	**103,850**	**-2.0%**

Statement of distribution	Group					
	1/4/13 to 30/6/13	1/4/12 to 30/6/12	Change	1/1/13 to 30/6/13	1/1/12 to 30/6/12	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Total return for the period attributable to Unitholders before distribution	**55,090**	**40,838**	**34.9%**	**86,986**	**103,445**	**-15.9%**
Non-tax deductible/(chargeable) items [(n)]	(28,758)	(500)	n.m.	(28,761)	(21,297)	-35.0%
Taxable income	**26,332**	**40,338**	**-34.7%**	**58,225**	**82,148**	**-29.1%**
Dividend income [(o)]	16,725	12,623	32.5%	32,402	25,690	26.1%
Income available for distribution to Unitholders	**43,057**	**52,961**	**-18.7%**	**90,627**	**107,838**	**-16.0%**
Unitholders' distribution:						
- from operations	43,057	52,961	-18.7%	90,627	107,838	-16.0%
- from capital [(p)]	7,800	-	n.m.	10,500	-	n.m.
Distributable amount to Unitholders	**50,857**	**52,961**	**-4.0%**	**101,127**	**107,838**	**-6.2%**

n.m. – not meaningful

Footnotes:

(a) *Gross revenue comprises mainly rental income from retail mall and offices, convention revenue and income from rentals of atrium spaces, push carts and media spaces. The decrease in Gross revenue for the current quarter and half year ended 30 June 2013 was attributable to the partial closure of Suntec City Mall and Suntec Singapore for asset enhancement works. Please refer to Note 8(i) for breakdown in Gross revenue.*

(b) *Property management fees and property tax for the current quarter and half year ended 30 June 2013 were lower compared to the corresponding periods mainly due to the lower revenue.*

(c) *Other property expenses for the current quarter and half year ended 30 June 2013 were lower compared to corresponding periods due to lower operating costs from Suntec Singapore's closure since October 2012 for asset enhancement works.*

(d) *Included in the Other income were the following:*

	Group					
	1/4/13 to 30/6/13	1/4/12 to 30/6/12	Change	1/1/13 to 30/6/13	1/1/12 to 30/6/12	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Income support in relation to						
- One Raffles Quay (1)	-	3,697	-100.0%	-	7,535	-100.0%
- MBFC Properties (2)	4,522	4,740	-4.6%	8,742	9,346	-6.5%
	4,522	8,437	-46.4%	8,742	16,881	-48.2%
Miscelleanous income	-	18	-100.0%	-	18	-100.0%
Other Income	**4,522**	**8,455**	**-46.5%**	**8,742**	**16,899**	**-48.3%**

(1) Relates to final tranche of income support received from Cavell Limited and Goods and Services Tax refund in 2012.
(2) Relates to income support received from Choicewide Group Limited.

(e) *This relates to the Group's one-third interest in One Raffles Quay Pte Ltd ("ORQPL") and one-third interest in BFC Development LLP ("BFCD LLP").*

(f) *Included in the net financing costs are the following:*

	Group					
	1/4/13 to 30/6/13	1/4/12 to 30/6/12	Change	1/1/13 to 30/6/13	1/1/12 to 30/6/12	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Finance income:						
Interest income						
- fixed deposits and current account	141	183	-23.0%	362	294	23.1%
- interest rate swaps	-	76	-100.0%	-	689	-100.0%
- loans to jointly-controlled entities	5,300	5,500	-3.6%	10,723	11,290	-5.0%
	5,441	5,759	-5.5%	11,085	12,273	-9.7%
Finance expenses:						
Interest expense						
- bank loans and convertible bonds	(12,961)	(14,066)	7.9%	(26,302)	(28,320)	7.1%
- interest rate swaps	(2,383)	(2,209)	-7.9%	(4,842)	(4,271)	-13.4%
Amortisation and transaction costs (1)	(3,618)	(3,817)	5.2%	(7,346)	(7,531)	2.5%
	(18,962)	(20,092)	5.6%	(38,490)	(40,122)	4.1%
Net financing costs	**(13,521)**	**(14,333)**	**5.7%**	**(27,405)**	**(27,849)**	**1.6%**

(1) Amortisation and transaction costs includes amortisation of bank loan transaction costs, cost on conversion of convertible bonds and accrual/(write-back) on redemption premium on convertible bonds.

(g) *This relates to the amortisation of the intangible asset relating to the income support receivable by Suntec REIT (please refer to note (d) above).*

(h) *The asset management fees – base fees were higher compared to corresponding period mainly due to higher deposited properties.*

(i) *The asset management fees – performance fees were lower compared to corresponding period due to lower net property income achieved as a result of asset enhancement works in parts of Suntec City Mall and Suntec Singapore.*

(j) *This relates to the net gain arising from fair value remeasurement of the interest rate swaps and convertible bonds. This has no impact on distributable income.*

(k) *This relates to gain arising from the disposal of CHIJMES which was completed on 20 January 2012.*

(l) *This relates to net surplus from revaluation of Suntec Singapore as at 30 June 2013.*

(m) *This relates to deferred tax benefit on tax losses and unutilised capital allowances carried forward in a subsidiary.*

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

	Group					
	1/4/13 to 30/6/13	1/4/12 to 30/6/12	Change	1/1/13 to 30/6/13	1/1/12 to 30/6/12	Change
Non-tax deductible/(chargeable) items	S$'000	S$'000	%	S$'000	S$'000	%
Amortisation of intangible asset	3,366	3,577	-5.9%	6,507	10,856	-40.1%
Amortisation and transaction costs	3,332	3,612	-7.8%	6,776	7,215	-6.1%
Asset management fees paid/payable in units	7,011	7,304	-4.0%	14,145	14,748	-4.1%
Net change in fair value of financial derivatives	(990)	(5,046)	-80.4%	(5,067)	(2,497)	102.9%
Gain on disposal of investment property	-	-	n.m.	-	(29,745)	-100.0%
Temporary differences and other adjustments [(1)]	(69)	442	-115.6%	2,248	836	168.9%
Net surplus from revaluation of investment property	(47,513)	-	n.m.	(47,513)	-	n.m.
Net loss/(profit) from subsidiaries and/or jointly-controlled entities	6,105	(10,389)	-158.8%	(5,857)	(22,710)	-74.2%
Total	**(28,758)**	**(500)**	**n.m.**	**(28,761)**	**(21,297)**	**35.0%**

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

(o) *This relates to the dividend income received from:*

	Group					
	1/4/13 to 30/6/13	1/4/12 to 30/6/12	Change	1/1/13 to 30/6/13	1/1/12 to 30/6/12	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Wholly-owned subsidiaries:						
Comina Investment Limited [(1)]	7,519	6,906	8.9%	14,782	12,958	14.1%
Suntec Harmony Pte Ltd [(2)]	-	426	-100.0%	-	851	-100.0%
	7,519	7,332	2.6%	14,782	13,809	7.0%
Jointly-controlled entity:						
BFC Development LLP [(3)]	9,206	5,291	74.0%	17,620	11,881	48.3%
	16,725	**12,623**	**32.5%**	**32,402**	**25,690**	**26.1%**

(1) Comina Investment Limited has a one-third interest in ORQ.
(2) Suntec Harmony Pte Ltd (“SHPL”) has a 60.8% effective interest in Suntec Singapore.
(3) Includes dividend income from BFC Development Pte Ltd (“BFCD PL”) up to 14 June 2012 and distribution from BFCD LLP with effect from 15 June 2012.

(p) *This relates to a portion of the sale proceeds from disposal of CHIJMES in January 2012 and is classified as capital distribution from a tax perspective.*

1 (b)(i) Statements of Financial Position as at 30 June 2013

	Group		Trust	
	30/6/13	**31/12/12**	**30/6/13**	**31/12/12**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Non-current assets				
Plant and equipment	1,479	1,979	30	37
Investment properties [(a)]	5,521,127	5,313,058	4,892,575	4,848,000
Intangible asset [(b)]	32,926	39,433	32,926	39,433
Interest in jointly-controlled entities [(c)]	2,194,967	2,196,206	1,474,417	1,474,417
Investments in subsidiaries [(d)]	-	-	649,899	649,899
Deferred tax asset	5,907	-	-	-
Derivative assets [(e)]	514	16	270	-
Total non-current assets	**7,756,920**	**7,550,692**	**7,050,117**	**7,011,786**
Current assets				
Inventories	32	31	-	-
Trade and other receivables [(f)]	34,097	5,246	39,775	5,406
Cash and cash equivalents	63,164	199,681	47,878	184,686
Total current assets	**97,293**	**204,958**	**87,653**	**190,092**
Total assets	**7,854,213**	**7,755,650**	**7,137,770**	**7,201,878**
Current liabilities				
Interest-bearing borrowings [(g)]	1,120,002	681,861	1,120,002	681,861
Trade and other payables [(h)]	100,264	49,804	61,459	40,422
Derivative liabilities [(e)]	4,264	2,563	4,264	2,563
Current portion of security deposits	22,972	28,955	22,972	28,298
Provision for taxation	2,000	4,062	2,000	4,062
Total current liabilities	**1,249,502**	**767,245**	**1,210,697**	**757,206**
Non-current liabilities				
Interest-bearing borrowings [(g)]	1,745,779	2,161,087	1,497,831	2,008,055
Derivative liabilities [(e)]	20,037	5,693	20,037	5,693
Non-current portion of security deposits	43,520	37,517	37,433	33,610
Deferred tax liabilities	-	19	-	-
Total non-current liabilities	**1,809,336**	**2,204,316**	**1,555,301**	**2,047,358**
Total liabilities	**3,058,838**	**2,971,561**	**2,765,998**	**2,804,564**
Net assets	**4,795,375**	**4,784,089**	**4,371,772**	**4,397,314**
Represented by:				
Unitholders' funds [(i)]	4,656,565	4,660,205	4,371,772	4,397,314
Non-controlling interests	138,810	123,884	-	-
Total Equity	**4,795,375**	**4,784,089**	**4,371,772**	**4,397,314**

Footnotes:

(a) *The increase in Investment Properties for both the Group and the Trust were mainly due to the capital expenditure on asset enhancement during the period and net surplus from revaluation of Suntec Singapore as at 30 June 2013.*

(b) *This represents the unamortised income support provided by Choicewide Group Limited, the vendor of the one-third interest in BFCD LLP. The intangible asset will be amortised in accordance with the Deed of Income Support.*

(c) *In respect of the Group's jointly-controlled entities, this relates to the one-third interest in ORQPL and one-third interest in BFCD LLP.*

(d) *This relates to Comina Investment Limited and SHPL, which are wholly-owned subsidiaries of Suntec REIT.*

(e) *This relates to the interest rate swaps at fair value through statement of total return and embedded derivative relating to convertible bonds.*

(f) *The increase in trade and other receivables for both the Group and Trust were mainly due to amount owing from jointly-controlled entities.*

(g) *The interest-bearing borrowings are stated at amortised cost. The current portion of the interest-bearing borrowings includes S$350m club loan due in 2013 and S$773.5m club loan due in 2014. The S$350m club loan will be refinanced via a 5-year term loan facility signed on 19 July 2013 and the S$773.5m club loan will be refinance in due course.*

(h) *The increase in trade and other payables for both the Group and Trust were mainly due to accrued construction costs payable.*

(i) *Please refer to statement of movements in unitholders' funds item 1(d)(i) for details.*

1 (b)(ii) Aggregate amount of borrowings and debt securities

	Group		Trust	
	30/6/13	31/12/12	30/6/13	31/12/12
	S$'000	S$'000	S$'000	S$'000
Amount repayable in one year or less, or on demand				
- Secured [a]	349,680	349,103	349,680	349,103
- Unsecured [b]	770,322	332,758	770,322	332,758
	1,120,002	681,861	1,120,002	681,861
Amount repayable after one year				
- Secured [a]	693,899	598,158	445,951	445,126
- Unsecured [b]	1,051,880	1,562,929	1,051,880	1,562,929
	1,745,779	2,161,087	1,497,831	2,008,055
	2,865,781	2,842,948	2,617,833	2,689,916

Details of borrowings and collaterals

(a) *The Group has in place secured facilities of S$1,119.5 million Term Loan Facilities with a panel of banks, comprising a S$669.5 million loan for a term of 3 years, S$350.0 million loan for a term of 5 years and a S$100.0 million fixed-rate loan for a term of seven years. As at 30 June 2013, the Group has drawn down S$1,050.0 million of secured facilities.*

The facilities are secured on the following:

- *A first legal mortgage on Suntec City Mall, part of Suntec City Office Tower 3 and Suntec Singapore (the "Properties");*
- *A first fixed charge over the central rental collection account in relation to the Properties;*
- *An assignment of the Group's rights, title and interest in the tenancy documents and the proceeds in connection with the Properties;*
- *An assignment of the Group's rights, title and interest in the insurance policies in relation to the Properties;*
- *A fixed and floating charge over the assets of the Group in relation to the Properties, agreements, collateral, as required by the financial institution granting the facilities; and*
- *An assignment of any interest swaps facility, which may be entered into by the Group in relation to the term loan facilities*

(b) *The interest-bearing borrowings (unsecured) comprise S$1,425.0 million from various institutional banks, S$150.0 million from Suntec REIT's medium term notes and S$280.0 million of convertible bonds.*

1 (c) Statements of Cash Flow

	Group			
	1/4/13 to 30/6/13	1/4/12 to 30/6/12	1/1/13 to 30/6/13	1/1/12 to 30/6/12
	S$'000	S$'000	S$'000	S$'000
Operating activities				
Net income	21,455	36,236	43,316	73,557
Adjustments for:				
Depreciation of plant and equipment	250	713	501	1,440
Loss on disposal of plant and equipment	-	58	-	83
Asset management fees paid/payable in units [(a)]	7,011	7,304	14,145	14,748
Net financing costs [(b)]	13,521	14,333	27,405	27,849
Amortisation of intangible asset	3,366	3,577	6,507	10,856
Allowance for doubtful receivables	94	84	385	90
Share of profit of jointly-controlled entities	(16,173)	(10,862)	(30,370)	(22,092)
Operating income before working capital changes	29,524	51,443	61,889	106,531
Changes in working capital				
Inventories	(1)	77	(1)	169
Trade and other receivables	(5,395)	877	(10,514)	2,633
Trade and other payables	6,175	(4,324)	12,076	(10,836)
Cash flows generated from operations	**30,303**	**48,073**	**63,450**	**98,497**
Income tax paid	**(2,030)**	**(1,915)**	**(2,062)**	**(1,915)**
Net cash flow from operating activities	**28,273**	**46,158**	**61,388**	**96,582**
Investing activities				
Interest received	5,468	5,842	11,116	11,797
Dividend received	15,678	13,069	15,678	13,495
Capital expenditure on investment properties	(80,196)	(32,779)	(125,699)	(36,826)
Purchase of plant and equipment	-	(97)	(1)	(98)
Proceeds from sale of plant and equipment	-	33	-	39
Net proceeds from sale of Investment Property	-	-	-	146,936
Net cash flow (used in)/from investing activities	**(59,050)**	**(13,932)**	**(98,906)**	**135,343**
Financing activities				
Proceeds from interest-bearing loans	64,769	-	94,368	-
Proceeds from convertible bonds	-	-	280,000	-
Repayment of interest-bearing loans	(50,000)	-	(50,000)	-
Financing costs paid	(15,042)	(17,220)	(36,804)	(35,652)
Repayment/conversion of convertible bonds	(53,645)	-	(283,900)	-
Dividend paid to non-controlling interest	-	(274)	-	(549)
Distributions to unitholders	(49,183)	(54,884)	(102,663)	(110,202)
Net cash flow used in financing activities	**(103,101)**	**(72,378)**	**(98,999)**	**(146,403)**
Net (decrease)/increase in cash and cash equivalents	**(133,878)**	**(40,152)**	**(136,517)**	**85,522**
Cash and cash equivalents at beginning of the period	**197,042**	**230,076**	**199,681**	**104,402**
Cash and cash equivalents at end of the period	**63,164**	**189,924**	**63,164**	**189,924**

Footnotes:

The significant non-cash transactions for the quarter ended 30 June 2013 were as follows:

(a) the Group will be issuing a total of 4,514,183 units to the Manager amounting to S$7.0 million as satisfaction of asset management fees payable in units in respect of the financial quarter ended 30 June 2013.

(b) Please refer to footnote (f) under note 1(a)(i) Statement of Total Return and Statement of Distribution for the financial quarter ended 30 June 2013 on page 4.

The significant non-cash transactions for the half year ended 30 June 2013 were as follows:

(a) the Group will be issuing a total of 8,593,126 units to the Manager amounting to S$14.1 million as satisfaction of asset management fees payable in units in respect of the half year ended 30 June 2013.

(b) Please refer to footnote (f) under note 1(a)(i) Statement of Total Return and Statement of Distribution for the half year ended 30 June 2013 on page 4.

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

	Group			
	1/4/13 to 30/6/13	1/4/12 to 30/6/12	1/1/13 to 30/6/13	1/1/12 to 30/6/12
	S$'000	S$'000	S$'000	S$'000
Balance at the beginning of the period	**4,643,707**	**4,445,655**	**4,660,205**	**4,433,821**
Operations				
Total return for the period attributable to unitholders	55,090	40,838	86,986	103,445
Net increase in net assets resulting from operations	**55,090**	**40,838**	**86,986**	**103,445**
Hedging reserves [(a)]	1,030	(314)	933	(3,213)
Unitholders' transactions				
Creation of units - asset management fee paid in units	-	-	7,134	7,444
Units to be issued - asset management fee payable in units [(b)]	7,011	7,304	7,011	7,304
Distributions paid/payable to unitholders	(50,273)	(54,884)	(105,704)	(110,202)
Net decrease in net assets resulting from unitholders' transactions	**(43,262)**	**(47,580)**	**(91,559)**	**(95,454)**
Unitholders' funds as at end of period	**4,656,565**	**4,438,599**	**4,656,565**	**4,438,599**

	Trust			
	1/4/13 to 30/6/13	1/4/12 to 30/6/12	1/1/13 to 30/6/13	1/1/12 to 30/6/12
	S$'000	S$'000	S$'000	S$'000
Balance at the beginning of the period	**4,384,628**	**4,312,415**	**4,397,314**	**4,296,934**
Operations				
Total return for the period attributable to unitholders	30,406	43,070	66,017	106,425
Net increase in net assets resulting from operations	**30,406**	**43,070**	**66,017**	**106,425**
Unitholders' transactions				
Creation of units - asset management fee paid in units	-	-	7,134	7,444
Units to be issued - asset management fee payable in units [(b)]	7,011	7,304	7,011	7,304
Distributions paid/payable to unitholders	(50,273)	(54,884)	(105,704)	(110,202)
Net decrease in net assets resulting from unitholders' transactions	**(43,262)**	**(47,580)**	**(91,559)**	**(95,454)**
Unitholders' funds as at end of period	**4,371,772**	**4,307,905**	**4,371,772**	**4,307,905**

Footnotes:
<u>Group</u>

(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 jointly-controlled entity.

<u>Group and Trust</u>

(b) This represents the value of units issued and to be issued to the Manager as partial satisfaction of the asset management fee incurred for the quarter. The units for the quarter are to be issued within 30 days from quarter end.

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

	Group and Trust			
	1/4/13 to 30/6/13	1/4/12 to 30/6/12	1/1/13 to 30/6/13	1/1/12 to 30/6/12
	Units	Units	Units	Units
Issued units at the beginning of the period	2,252,354,234	2,231,446,413	2,247,823,916	2,224,519,933
Creation of units:				
- as payment for asset management fee	4,078,943	5,976,296	8,609,261	12,902,776
Issued units at the end of the period	2,256,433,177	2,237,422,709	2,256,433,177	2,237,422,709
Units to be issued:				
- asset management fee payable in units [a]	4,514,183	5,480,341	4,514,183	5,480,341
Issuable units at the end of the period	4,514,183	5,480,341	4,514,183	5,480,341
Total issued and issuable units	**2,260,947,360**	**2,242,903,050**	**2,260,947,360**	**2,242,903,050**

Footnotes:

(a) These are units to be issued to the Manager as partial satisfaction of asset management fee incurred for the quarter.

<u>Convertible Bonds – Group & Trust</u>

Suntec REIT has issued the following convertible bonds, which remained outstanding as at 30 June 2013:

- *S$280,000,000 of Convertible Bonds due in 2018 which are convertible by holders into units of Suntec REIT at any time on or after 28 April 2013 at a conversion price of S$2.154 per unit (30 June 2012: S$269,250,000 of Convertible Bonds due in 2013 which are convertible by holders into units of Suntec REIT at any time on or after 30 April 2008 at an adjusted conversion price of S$1.678 per unit).*

There has been no conversion of any of the above convertible bonds since the date of their issue.

Assuming the bonds are fully converted based on the adjusted conversion price, the number of new units to be issued would be 129,990,714 (30 June 2012: 160,458,879), representing 5.8% (30 June 2012: 7.2%) of the total number of units of Suntec REIT in issue as at 30 June 2013.

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 ended 30 June 2013 have not been audited but have been reviewed by the auditors in accordance with Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Please see attached review report.

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

The Group has applied the same accounting policies and methods of computation as in the audited financial statements for the year ended 31 December 2012.

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

On 1 January 2013, the Group adopted the revised Statement of Recommended Accounting Practice 7 (2012) issued by the Institute of Singapore Chartered Accountants which has no significant impact to the financial statements of the Group.

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 2012.

6. Earnings per unit ("EPU") and Distribution per unit ("DPU")

Earnings per unit

	Group			
	1/4/13 to 30/6/13	**1/4/12 to 30/6/12**	**1/1/13 to 30/6/13**	**1/1/12 to 30/6/12**
Weighted average number of issued units	2,256,482,783	2,237,482,933	2,254,452,449	2,234,497,510
Earnings per unit for the period based on the weighted average number of units in issue (cents) [(a)]	2.441	1.825	3.858	4.629
Weighted average number of units on the fully diluted basis	2,256,482,783	2,397,941,812	2,384,443,163	2,394,956,389
Earnings per unit for the period based on the fully diluted basis (cents) [(b)]	2.441	1.710	3.717	4.537

Footnote

(a) The EPU for the half year ended 30 June 2012 included the gain on disposal of investment property relating to the divestment of CHIJMES. Excluding the gain on disposal of investment property, the EPU for half year ended 30 June 2012 was 3.298 cents. The EPU for the quarter and half year ended 30 June 2013 included net surplus on revaluation of a investment property. Excluding the revaluation surplus, the EPU for the quarter and half year was 1.161 cents and 2.577 cents respectively.

(b) For the purpose of calculating the diluted EPU, the weighted average number of units in issue is adjusted to take into the account the dilutive effect arising from full conversion of convertible bonds to units, with the potential units weighted for the period outstanding. For the financial quarter ended 30 June 2013, the convertible bonds were anti-dilutive and were excluded from the calculation of diluted EPU.

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			
	1/4/13 to 30/6/13	1/4/12 to 30/6/12	1/1/13 to 30/6/13	1/1/12 to 30/6/12
Number of issued and issuable units at end of period entitled to distribution [(a)]	2,260,947,360	2,242,903,050	2,260,947,360	2,242,903,050
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	2.249 [(1)]	2.361	4.477 [(2)]	4.814

(1) *The distribution per unit for the quarter ended 30 June 2013 of **2.249** cents per unit (30 June 2012: **2.361** cents per unit) comprised a taxable income component of **1.691** cents per unit (30 June 2012: **1.866** cents per unit), a tax exempt income component of **0.213** cents per unit (30 June 2012: **0.495** cents per unit) and a capital distribution of **0.345** cents per unit (30 June 2012: NIL).*

(2) *The distribution per unit for the half year ended 30 June 2013 of **4.477** cents per unit (30 June 2012: **4.814** cents per unit) comprised a taxable income component of **3.552** cents per unit (30 June 2012: **3.747** cents per unit), a tax exempt income component of **0.460** cents per unit (30 June 2012: **1.067** cents per unit) and a capital distribution of **0.465** cents per unit (30 June 2012: NIL).*

Footnotes:

(a) The computation of actual DPU for the period from 1 April 2013 to 30 June 2013 is based on the number of units entitled to the distribution:

(i) The number of units in issue as at 30 June 2013 of 2,256,433,177.

(ii) The units issuable to the Manager by 30 July 2013 as partial satisfaction of management fee incurred for the period from 1 April 2013 to 30 June 2013 of 4,514,183.

7. Net asset value ("NAV") per unit as at 30 June 2013

	Group		Trust	
	30/6/13 [(a)]	31/12/12	30/6/13 [(a)]	31/12/12
NAV per unit (S$)	2.060	2.069	1.934	1.952

Footnotes:

(a) The number of units used for computation of actual NAV per unit is 2,260,947,360. This comprised:

(i) The number of units in issue as at 30 June 2013 of 2,256,433,177; and

(ii) The units issuable to the Manager by 30 July 2013 as partial satisfaction of management fee incurred for the period from 1 April 2013 to 30 June 2013 of 4,514,183.

8. Review of the performance for the First Half and Second Quarter ended 30 June 2013

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

Properties	Group					
	1/4/13 to 30/6/13	1/4/12 to 30/6/12	Change	1/1/13 to 30/6/13	1/1/12 to 30/6/12	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Gross Revenue:						
Suntec City	38,446	52,036	-26.1%	82,363	104,399	-21.1%
Park Mall	6,035	5,755	4.9%	11,766	11,478	2.5%
Chijmes [(a)]	-	-	n.m.	-	575	-100.0%
	44,481	57,791	-23.0%	94,129	116,452	-19.2%
Suntec Singapore	2,454	13,206	-81.4%	2,468	27,840	-91.1%
Total gross revenue	**46,935**	**70,997**	**-33.9%**	**96,597**	**144,292**	**-33.1%**
Net Property Income:						
Suntec City	29,125	40,462	-28.0%	62,126	81,353	-23.6%
Park Mall	4,468	4,392	1.7%	8,795	8,752	0.5%
Chijmes [(a)]	-	-	n.m.	-	418	-100.0%
	33,593	44,854	-25.1%	70,921	90,523	-21.7%
Suntec Singapore	(5,637)	576	-1078.6%	(12,286)	3,905	-414.6%
Total net property income	**27,956**	**45,430**	**-38.5%**	**58,635**	**94,428**	**-37.9%**

Footnotes:
(a) Contribution from CHIJMES relates to the period up to 19 January 2012. CHIJMES was subsequently divested on 20 January 2012.

8(ii) Income contribution from jointly-controlled entities

	Group					
	1/4/13 to 30/6/13	1/4/12 to 30/6/12	Change	1/1/13 to 30/6/13	1/1/12 to 30/6/12	Change
	S$'000	S$'000	%	S$'000	S$'000	%
Jointly-controlled entities:						
One-third interest in ORQ:						
- Income support	-	3,697	-100.0%	-	7,535	-100.0%
- Interest income	362	377	-4.0%	733	775	-5.4%
- Dividend income	7,519	6,906	8.9%	14,782	12,958	14.1%
	7,881	10,980	-28.2%	15,515	21,268	-27.1%
One-third interest in MBFC Properties:						
- Income support	4,522	4,740	-4.6%	8,742	9,346	-6.5%
- Interest income	4,938	5,123	-3.6%	9,990	10,515	-5.0%
- Dividend income [(a)]	9,206	5,291	74.0%	17,620	11,881	48.3%
	18,666	15,154	23.2%	36,352	31,742	14.5%
Total income contribution	**26,547**	**26,134**	**1.6%**	**51,867**	**53,010**	**-2.2%**

Footnotes:
(a) Relates to dividend income from BFCD PL up to 14 June 2012 and distribution of profits in BFCD LLP with effect from 15 June 2012.

Review of performance 2Q FY13 vs 2Q FY12

Gross revenue for 2Q FY13 was S$46.9 million, a decrease of S$24.1 million or 33.9% over 2Q FY12. The decrease was due to the partial closure of Suntec City Mall and Suntec Singapore for asset enhancement works, which was partially offset by higher revenue from Suntec City Office.

Gross office revenue for the quarter was S$32.0 million, which was S$1.0 million or 3.2% higher than in 2Q FY12 due to positive rental reversions. Suntec City Office contributed approximately S$29.8 million in revenue whist Park Mall Office contributed S$2.2 million in revenue for the quarter.

Gross retail revenue for the quarter was S$12.5 million, which was S$14.3 million or 53.5% lower than in 2Q FY12. This was due to the asset enhancement works at Suntec City Mall. Suntec City Mall contributed approximately S$8.7 million in revenue, whilst Park Mall contributed S$3.8 million in revenue for the quarter.

Property operating expenses incurred for the quarter was S$19.0 million, which was S$6.6 million or 25.8% lower than the corresponding period last year. This was mainly due to the closure of Suntec Singapore.

The net property income for the quarter of S$28.0 million, was a decrease of S$17.5 million or 38.5% year-on-year due mainly to the partial closure of Suntec City Mall and Suntec Singapore for the asset enhancement works, which was partially mitigated by higher office income.

The income contribution from ORQ and MBFC Properties for the quarter of S$26.5 million was S$0.4 million higher than 2Q FY12. This was mainly attributable to the higher dividend income from ORQ and MBFC Properties which was offset by the income support for ORQ which ended in 2012.

Net financing costs for the quarter was S$13.5 million, a decrease of S$0.8 million or 5.7% lower year-on-year. This was mainly due to lower interest expense from the new convertible bonds.

The overall all-in financing cost for Suntec REIT averaged 2.68% for the quarter, and the consolidated gearing ratio stood at 36.5% as at 30 June 2013.

Total income distribution for the quarter was S$50.9 million, S$2.1 million or 4.0% lower year-on-year. The distribution per unit (“DPU”) for the quarter was 2.249 cents, which was 4.7% lower year-on-year. This includes a capital distribution of S$7.8 million from part of the sale proceeds from the divestment of CHIJMES. The capital distribution is to mitigate the temporary dip of the DPU resulting from the execution of the AEI.

For the office portfolio, Suntec City Office committed occupancy stood at 99.4% as at 30 June 2013. Park Mall office maintained 100% committed occupancy as at 30 June 2013.

For the retail portfolio, the committed occupancy of Suntec City Mall for the areas not affected by the asset enhancement works was 99.3%, whilst committed occupancy of Suntec City Mall Phase 1 was 99.6% as at 30 June 2013. Park Mall committed occupancy achieved 100% as at 30 June 2013.

Suntec Singapore and Suntec City Mall Phase 1 have commenced operations in June 2013.

For the jointly-controlled entities, ORQ committed occupancy stood at 99.8%, whilst MBFC Properties maintained 100% committed occupancy as at 30 June 2013.

The overall committed occupancy for the office and retail portfolio stood at 99.7% and 99.6% respectively as at 30 June 2013.

Review of performance 1H FY13 vs 1H FY12

Gross revenue for 1H FY13 was S$96.6 million, a decrease of S$47.7 million or 33.1% over 1H FY12. The decrease was due to the partial closure of Suntec City Mall and Suntec Singapore for asset enhancement works, which was partially offset by higher revenue from Suntec City Office.

Gross office revenue for 1H FY13 was S$63.9 million, which was S$3.3 million or 5.4% higher than in 1H FY12 due to positive rental reversions. Suntec City Office contributed approximately S$59.6 million in revenue whist Park Mall Office contributed S$4.3 million in revenue for the period.

Gross retail revenue for 1H FY13 was S$30.2 million, which was S$25.6 million or 45.9% lower than in 1H FY12. This was due to the asset enhancement works at Suntec City Mall. Suntec City Mall contributed approximately S$22.7 million in revenue, whilst Park Mall contributed S$7.5 million in revenue for the period.

Property operating expenses incurred for 1H FY13 was S$38.0 million, which was S$11.9 million or 23.9% lower than the corresponding period last year. This was mainly due to the closure of Suntec Singapore.

The net property income for 1H FY13 of S$58.6 million, was a decrease of S$35.8 million or 37.9% year-on-year.

The income contribution from ORQ and MBFC Properties for 1H FY13 of S$51.9 million was S$1.1 million lower than the corresponding period last year. This was mainly attributable to the cessation of income support for ORQ in 2012 and partially mitigated by higher dividend income from ORQ and MBFC Properties.

Net financing costs for 1H FY13 was S$27.4 million, a decrease of S$0.4 million or 1.6% lower year-on-year. This was mainly due to lower interest expense from the new convertible bonds.

The overall all-in financing cost for Suntec REIT averaged 2.73% for 1H FY13.

Total income distribution for 1H FY13 was S$101.1 million, S$6.7 million or 6.2% lower year-on-year. This includes a capital distribution of S$10.5 million from part of the sale proceeds from the divestment of CHIJMES. The distribution per unit (“DPU”) for the period was 4.477 cents, which was 7.0% lower year-on-year.

9. Variance between the forecast and actual results

Not applicable.

10. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Singapore economy improved in the second quarter of 2013. Based on advance estimates released by the Ministry of Trade and Industry on 12 July 2013, the economy grew 3.7% on a year-on-year basis. This was supported by growth in the construction sector and services producing industries which grew by 5.6% and 5.0% respectively.

The Singapore office market remained stable in the second quarter of 2013. According to Property Consultants[1], CBD Grade A occupancy was 94.3% in 2Q 2013 with leasing deals mainly from the financial and business services industries who require single-floor space or less. Leasing activities were focused on flight to quality as tenants took the opportunity to take up better quality office space. Average monthly gross rents for both Premium and Grade A office space in the CBD remained relatively unchanged at S$8.42 psf/mth. Looking ahead, Grade A office rents are expected to be flat.

The Manager is cautiously optimistic on the performance of its office portfolio. With Suntec REIT's high committed occupancy of 99.7% coupled with a balance of only 6.3% of its office leases due to expire in 2013, Suntec REIT is well positioned to ride out the challenges of the office market.

The Singapore retail sector remained resilient in the second quarter of 2013 on the back of healthy leasing demand from international brand-name retailers looking to increase their exposure within the south-east Asian region. Looking ahead, Property Consultants[1] are expecting retail rents to remain stable over the next six months. On the remaking of Suntec City Mall, the committed occupancy of Suntec City Mall Phase 1 was 99.6%, whilst the committed occupancy of Phase 2 now stands at 70.1%.

Looking ahead, barring any unforeseen circumstances, the Manager is optimistic that the office portfolio for 2013 would outperform that of the preceding year. In addition, the Manager will continue to focus on proactive lease management and the smooth execution of the asset enhancement initiatives for Suntec City Mall.

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[1] Colliers International Singapore Research 2Q 2013 Office and Retail Market Reports.

11. Distributions

(a) Current financial period

Any distribution declared for the current period? — Yes

Name of distribution — Distribution for the period from 1 April 2013 to 30 June 2013

Distribution Rate

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

Distribution Type

i) Taxable income
ii) Tax-exempt income
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

(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 2012 to 30 June 2012
Distribution Rate	(see table below)

Distribution Type	Distribution Rate Per Unit (cents)
Taxable income	1.866
Tax-exempt income	0.495
Total	2.361

Distribution Type	i) Taxable income ii) Tax-exempt income
Par value of units	Not meaningful
Tax Rate	**Taxable income** These distributions are made out of Suntec REIT's taxable income. Unitholders receiving distributions will be assessable to Singapore income tax on the distributions received except for individuals where these distributions are exempt from tax (unless they hold their units through partnership or as trading assets). **Tax-exempt income** Tax-exempt income distribution is exempt from tax in the hands of all Unitholders.
Remark	Nil

(c) Date payable: 23 August 2013

(d) Books Closure Date: 29 July 2013

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 2013, statement of total return & distribution statement, cash flow statement and statement of changes in unitholders' funds for the quarter ended on that date), together with their accompanying notes, to be false or misleading, in any material aspect.

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

Lim Hwee Chiang, John Director	Yeo See Kiat Director and Chief Executive Officer

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

The Manager hereby certifies that in relation to the distribution to the Unitholders of Suntec REIT for the quarter ended 30 June 2013:

a. Suntec REIT will declare a distribution which is classified as capital distribution from a tax perspective, being derived from a portion of the sales proceeds from the sale of CHIJMES in January 2012, in addition to the income available for distribution for the financial quarter ended 30 June 2013,

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 2013 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.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current views of management on future events.

The value of units in Suntec REIT ("**Units**") and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, ARA Trust Management (Suntec) Limited (as the manager of Suntec REIT) (the "**Manager**") or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Suntec REIT is not necessarily indicative of the future performance of Suntec REIT.

BY ORDER OF THE BOARD
ARA TRUST MANAGEMENT (SUNTEC) LIMITED
AS MANAGER OF SUNTEC REAL ESTATE INVESTMENT TRUST
(Company registration no. 200410976R)

Yeo See Kiat
Director
19 July 2013

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