



**Suntec Real Estate Investment Trust  
2010 Half Year 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, Chijmes, one-third interest in One Raffles Quay and 20 per cent interest in a joint venture company which owns Suntec Singapore International Convention & Exhibition Centre.

The financial information for the period from 1 January 2010 to 30 June 2010 has not been audited but has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements 2410.

**Financial Statements Announcement  
For Half Year ended 30 June 2010**

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

	Group					
	1/4/10 to 30/6/10	1/4/09 to 30/6/09	Change	YTD 1/1/10 to 30/6/10	YTD 1/1/09 to 30/6/09	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross Revenue	62,393	64,513	-3.3%	124,844	129,438	-3.5%
Net property Income	47,423	48,793	-2.8%	95,246	97,966	-2.8%
Income available for distribution	45,934	47,699	-3.7%	91,305	94,049	-2.9%
<b>Distribution per unit (cents) <sup>1</sup></b>	<b>2.528</b>	<b>2.977</b>	<b>-15.1%</b>	<b>5.041</b>	<b>5.895</b>	<b>-14.5%</b>
<b>Annualised distribution per unit (cents)</b>	<b>10.140</b>	<b>11.941</b>	<b>-15.1%</b>	<b>10.166</b>	<b>11.888</b>	<b>-14.5%</b>

**Footnote:**

1. Please refer to Page 12 for the distribution per unit computation.

**Financial Statements Announcement  
For Half Year ended 30 June 2010**

**1 (a)(i) Statement of Total Return and Distribution statement for the Half Year ended 30 June 2010**

<b>Statement of total return</b>	<b>Group</b>					
	<b>1/4/10 to 30/6/10</b>	<b>1/4/09 to 30/6/09</b>	<b>Change</b>	<b>YTD 1/1/10 to 30/6/10</b>	<b>YTD 1/1/09 to 30/6/09</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Gross revenue</b> <sup>(a)</sup>	<b>62,393</b>	<b>64,513</b>	<b>-3.3%</b>	<b>124,844</b>	<b>129,438</b>	<b>-3.5%</b>
Maintenance charges	(4,134)	(4,134)	0.0%	(8,267)	(8,267)	0.0%
Property management fees	(1,872)	(1,842)	-1.6%	(3,745)	(3,705)	-1.1%
Property tax	(5,200)	(5,791)	10.2%	(10,617)	(11,421)	7.0%
Other property expenses <sup>(b)</sup>	(3,764)	(3,953)	4.8%	(6,969)	(8,079)	13.7%
<b>Property expenses</b>	<b>(14,970)</b>	<b>(15,720)</b>	<b>4.8%</b>	<b>(29,598)</b>	<b>(31,472)</b>	<b>6.0%</b>
<b>Net property income</b>	<b>47,423</b>	<b>48,793</b>	<b>-2.8%</b>	<b>95,246</b>	<b>97,966</b>	<b>-2.8%</b>
Other income <sup>(c)</sup>	5,652	6,819	-17.1%	11,242	13,562	-17.1%
Net financing costs <sup>(d)</sup>	(16,349)	(18,780)	12.9%	(18,458)	(28,068)	34.2%
Amortisation expense <sup>(e)</sup>	(5,347)	(6,451)	17.1%	(10,636)	(12,832)	17.1%
Asset management fees	(6,568)	(6,872)	4.4%	(13,136)	(13,723)	4.3%
Trust expenses	(647)	(622)	-4.0%	(1,353)	(1,180)	-14.7%
<b>Net income before share of profit of jointly controlled entities</b>	<b>24,164</b>	<b>22,887</b>	<b>5.6%</b>	<b>62,905</b>	<b>55,725</b>	<b>12.9%</b>
Share of profit of jointly controlled entities	1,897	928	104.4%	3,048	4,045	-24.6%
<b>Total return for the period before taxation</b>	<b>26,061</b>	<b>23,815</b>	<b>9.4%</b>	<b>65,953</b>	<b>59,770</b>	<b>10.3%</b>
Income tax expense <sup>(f)</sup>	(537)	(623)	13.8%	(1,065)	(1,327)	19.7%
<b>Total return for the period after taxation</b>	<b>25,524</b>	<b>23,192</b>	<b>10.1%</b>	<b>64,888</b>	<b>58,443</b>	<b>11.0%</b>

<b>Distribution statement</b>	<b>Group</b>					
	<b>1/4/10 to 30/6/10</b>	<b>1/4/09 to 30/6/09</b>	<b>Change</b>	<b>YTD 1/1/10 to 30/6/10</b>	<b>YTD 1/1/09 to 30/6/09</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Net income before share of profit of jointly controlled entities</b>	<b>24,164</b>	<b>22,887</b>	<b>5.6%</b>	<b>62,905</b>	<b>55,725</b>	<b>12.9%</b>
Net effect of non-tax deductible items <sup>(g)</sup>	19,330	24,490	-21.1%	23,596	35,606	-33.7%
<b>Taxable income</b>	<b>43,494</b>	<b>47,377</b>	<b>-8.2%</b>	<b>86,501</b>	<b>91,331</b>	<b>-5.3%</b>
Dividend income <sup>(h)</sup>	2,977	945	215.0%	5,869	4,045	45.1%
Income tax expenses <sup>(f)</sup>	(537)	(623)	13.8%	(1,065)	(1,327)	19.7%
<b>Income available for distribution to Unitholders at end of the period</b>	<b>45,934</b>	<b>47,699</b>	<b>-3.7%</b>	<b>91,305</b>	<b>94,049</b>	<b>-2.9%</b>

**Financial Statements Announcement  
For Half Year ended 30 June 2010**

**Footnotes:**

- (a) Gross revenue comprises mainly base rentals, service charges from retail mall and offices, promotion fund from retail mall and income from rentals of atrium spaces, push carts, kiosks and media spaces.
- (b) The other property expenses for both quarter and year-to-date were lower as compared to the corresponding period mainly due to lower advertising & promotion expense and allowance for doubtful receivables.
- (c) This relates to the income support received from the vendor, Cavell Limited in relation to the acquisition of a one-third interest in One Raffles Quay Pte Ltd.
- (d) Included in the net financing costs are the following:

	Group					
	1/4/10 to 30/6/10	1/4/09 to 30/6/09	Change	YTD 1/1/10 to 30/6/10	YTD 1/1/09 to 30/6/09	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Finance income:</b>						
Gain arising from remeasurement of interest rate swaps (1)	771	-	Nm	1,311	1,820	-28.0%
Gain arising from remeasurement of convertible bonds (1)	-	-	Nm	6,411	-	Nm
Interest income						
- fixed deposits and current account	9	18	-50.0%	14	88	-84.1%
- interest rate swaps	491	473	3.8%	947	1,167	-18.9%
- loans to jointly controlled entities	3,547	4,345	-18.4%	7,463	6,237	19.7%
	4,818	4,836	-0.4%	16,146	9,312	73.4%
<b>Finance expenses:</b>						
Loss arising from remeasurement of interest rate swaps (1)	(721)	(463)	-55.7%	(1,276)	(401)	-218.2%
Loss arising from remeasurement of convertible bonds (1)	(3,859)	(9,779)	60.5%	-	(8,916)	Nm
Amortisation of transaction costs	(3,982)	(2,331)	-70.8%	(7,951)	(4,421)	-79.8%
Interest expense						
- bank loans and convertible bonds	(11,382)	(8,908)	-27.8%	(23,178)	(19,579)	-18.4%
- interest rate swaps	(1,223)	(2,135)	42.7%	(2,199)	(4,063)	45.9%
	(21,167)	(23,616)	10.4%	(34,604)	(37,380)	7.4%
<b>Net financing costs</b>	<b>(16,349)</b>	<b>(18,780)</b>	<b>12.9%</b>	<b>(18,458)</b>	<b>(28,068)</b>	<b>34.2%</b>

Nm– not meaningful

- (1) This relates to the gain/(loss) arising from remeasurement of the interest rate swaps and convertible bonds. This has no impact on distributable income.
- (e) This relates to the amortisation of the intangible asset relating to the income support receivable by Suntec REIT (please refer to note(c) above and note 1(b)(i) below). This amortisation does not have any impact on distributable income.
- (f) This relates to income tax provision on the income support received (see note (c) above).

**Financial Statements Announcement  
For Half Year ended 30 June 2010**

(g) *Included in the net tax adjustments are the following:*

	Group					
	1/4/10 to 30/6/10	1/4/09 to 30/6/09	Change	YTD 1/1/10 to 30/6/10	YTD 1/1/09 to 30/6/09	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Non-tax deductible / (chargeable) items:</b>						
Amortisation costs	9,329	8,782	6.2%	18,587	17,252	7.7%
Asset management fees payable in units	5,254	5,498	-4.4%	10,509	10,979	-4.3%
Non-tax deductible/(chargeable):						
- interest income	-	(561)	100.0%	-	(1,116)	100.0%
- (gain)/loss arising from remeasurement of interest rate swaps and convertible bonds	3,809	10,242	62.8%	(6,446)	7,497	186.0%
Temporary differences and other adjustments	938	529	77.3%	946	994	-4.8%
<b>Net tax adjustments</b>	<b>19,330</b>	<b>24,490</b>	<b>-21.1%</b>	<b>23,596</b>	<b>35,606</b>	<b>-33.7%</b>

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

**Financial Statements Announcement  
For Half Year ended 30 June 2010**

**1 (b)(i) Balance sheet as at 30 June 2010**

	Group		Trust	
	30/06/10	31/12/09	30/06/10	31/12/09
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Plant and equipment	31	45	31	45
Investment properties	4,202,923	4,202,000	4,202,923	4,202,000
Intangible asset <sup>(a)</sup>	25,488	36,124	25,488	36,124
Interest in jointly controlled entities <sup>(b)</sup>	886,743	880,953	344,946	344,946
Investment in subsidiaries <sup>(c)</sup>	-	-	535,540	511,329
Derivative asset	357	1,762	357	1,762
<b>Total non-current assets</b>	<b>5,115,542</b>	<b>5,120,884</b>	<b>5,109,285</b>	<b>5,096,206</b>
<b>Current assets</b>				
Derivative asset	1,286	-	1,286	-
Trade and other receivables	3,852	5,970	3,839	5,970
Amounts due from jointly controlled entities <sup>(d)</sup>	2,604	11,824	-	-
Amounts due from subsidiaries	-	-	2,992	28,499
Cash and cash equivalents	28,180	31,228	27,480	31,228
<b>Total current assets</b>	<b>35,922</b>	<b>49,022</b>	<b>35,597</b>	<b>65,697</b>
<b>Total assets</b>	<b>5,151,464</b>	<b>5,169,906</b>	<b>5,144,882</b>	<b>5,161,903</b>
<b>Current liabilities</b>				
Interest bearing borrowings <sup>(e)</sup>	800,409	-	800,409	-
Trade and other payables	32,978	35,381	32,978	35,381
Derivative liabilities <sup>(f)</sup>	10,558	1,581	10,558	1,581
Current portion of security deposits	25,080	23,374	25,080	23,374
Provision for taxation	5,914	6,210	5,914	6,210
<b>Total current liabilities</b>	<b>874,939</b>	<b>66,546</b>	<b>874,939</b>	<b>66,546</b>
<b>Non-current liabilities</b>				
Interest bearing borrowings <sup>(e)</sup>	929,152	1,721,722	929,152	1,721,722
Derivative liabilities <sup>(f)</sup>	-	15,542	-	15,542
Non-current portion of security deposits	37,321	38,239	37,321	38,239
<b>Total non-current liabilities</b>	<b>966,473</b>	<b>1,775,503</b>	<b>966,473</b>	<b>1,775,503</b>
<b>Total liabilities</b>	<b>1,841,412</b>	<b>1,842,049</b>	<b>1,841,412</b>	<b>1,842,049</b>
<b>Net assets</b>	<b>3,310,052</b>	<b>3,327,857</b>	<b>3,303,470</b>	<b>3,319,854</b>
<b>Unitholders' funds <sup>(g)</sup></b>	<b>3,310,052</b>	<b>3,327,857</b>	<b>3,303,470</b>	<b>3,319,854</b>

**Financial Statements Announcement  
For Half Year ended 30 June 2010**

**Footnotes:**

- (a) This represents the unamortised income support provided by Cavell Limited, the vendor of the one-third interest in One Raffles Quay Pte Ltd, the Group's jointly controlled entity. The income support is amortised over 53 months commencing 31 October 2007.
- (b) In respect of the Group, this relates to the one-third interest in One Raffles Quay Pte Ltd and 20 per cent interest in Harmony Investors Group Limited, the Group's jointly controlled entities. In respect of the Trust, this relates to advances to One Raffles Quay Pte Ltd.
- (c) This relates to Comina Investment Limited and Suntec Harmony Pte. Ltd., which are wholly-owned subsidiaries of Suntec REIT.
- (d) The movement in amounts due from jointly controlled entities is mainly due to the reclassification of the amount to interest in jointly controlled entities.
- (e) The interest-bearing borrowings are stated at amortised cost. The current portion of the interest-bearing borrowings include \$132.5 million medium term notes and \$400.0 million club loan which are due in 2011, and \$270.0 million convertible bonds with a put option exercisable on 20 March 2011 which may be redeemed. The \$132.5 million medium term notes are under the \$500.0 million medium term note program, which is expected to be refinanced under the program. The \$400.0 million club loan is likely to be refinanced before due date. A standby facility will be arranged to cater for any redemption exercisable on 20 March 2011.
- (f) This relates to the interest rate swaps at fair value through statement of total return and embedded derivative relating to convertible bonds.
- (g) 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	
	30/06/10	31/12/09	30/06/10	31/12/09
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand				
- Unsecured <sup>(b)</sup>	800,409	-	800,409	-
	800,409	-	800,409	-
Amount repayable after one year				
- Secured <sup>(a)</sup>	655,153	650,849	655,153	650,849
- Unsecured <sup>(b)</sup>	273,999	1,070,873	273,999	1,070,873
	929,152	1,721,722	929,152	1,721,722
	1,729,561	1,721,722	1,729,561	1,721,722

**Details of borrowings and collaterals**

- (a) Suntec REIT has in place secured facilities of S\$675.0 million Term Loan Facility with a panel of banks, comprising a \$575.0 million loan for a term of 3 years and a \$100.0 million fixed-rate loan for a term of seven years.

The facility is secured on the following:

- A first legal mortgage on Suntec City Mall, Suntec City Office Tower 3 and Tower 4 (the "Properties");
- A first fixed charge over the central rental collection account in relation to the Properties;
- An assignment of Suntec REIT's rights, title and interest in the property management agreement in relation to the Properties;
- An assignment of Suntec REIT's rights, title and interest in the tenancy documents and the proceeds in connection with the Properties;
- An assignment of Suntec REIT's rights, title and interest in the insurance policies in relation to the Properties;
- A fixed and floating charge over the assets of Suntec REIT in relation to the Properties, agreements, collateral, as required by the financial institution granting the facilities; and

**Financial Statements Announcement  
For Half Year ended 30 June 2010**

- *An assignment of any interest swaps facility, which may be entered into by Suntec REIT in relation to the term loan facility*
- (b) *The interest-bearing borrowings (unsecured) comprise S\$157.5 million from Sunshine Assets Limited via a medium term note programme, S\$650.0 million from various institutional banks and S\$270.0 million of convertible bonds.*

**1 (c) Cash flow statement**

	GROUP			
	1/4/10 to 30/6/10	1/4/09 to 30/6/09	YTD 1/1/10 to 30/6/10	YTD 1/1/09 to 30/6/09
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>				
Net income	26,061	23,815	65,953	59,770
Adjustments for:				
Depreciation	11	16	21	32
Asset management fees paid in units	5,254	5,498	10,509	10,979
Net finance cost	16,349	18,780	18,458	28,068
Amortisation expense	5,347	6,451	10,636	12,832
Allowance for doubtful receivables	142	484	515	1,199
Share of profit of jointly controlled entities	(1,897)	(928)	(3,048)	(4,045)
Operating income before working capital changes	51,267	54,116	103,044	108,835
Changes in working capital				
Trade and other receivables	(385)	(976)	828	(1,413)
Trade and other payables	(2,692)	2,738	(2,299)	(2,854)
<b>Cash flow from operating activities</b>	<b>48,190</b>	<b>55,878</b>	<b>101,573</b>	<b>104,568</b>
<b>Income tax paid</b>	<b>(1,361)</b>	<b>-</b>	<b>(1,361)</b>	<b>-</b>
<b>Net cash flow from operating activities</b>	<b>46,829</b>	<b>55,878</b>	<b>100,212</b>	<b>104,568</b>
<b>Investing activities</b>				
Interest received	4,344	5,879	8,496	7,584
Dividend received	2,892	3,100	6,392	5,860
Capital expenditure on investment properties	(525)	(504)	(923)	(706)
Purchase of plant and equipment	-	-	(7)	-
Loan repayment from a jointly controlled entity	-	-	-	4,000
Interest in jointly controlled entities	(13)	-	790	-
<b>Cash flow from investing activities</b>	<b>6,698</b>	<b>8,475</b>	<b>14,748</b>	<b>16,738</b>
<b>Financing activities</b>				
Proceeds from interest-bearing loans	-	100,000	-	100,000
Financing costs paid	(11,469)	(14,159)	(24,806)	(29,795)
Repayment of interest-bearing loans	-	(125,000)	-	(125,000)
Distributions to unitholders	(45,365)	(46,341)	(93,202)	(90,716)
<b>Cash flow from financing activities</b>	<b>(56,834)</b>	<b>(85,500)</b>	<b>(118,008)</b>	<b>(145,511)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,307)</b>	<b>(21,147)</b>	<b>(3,048)</b>	<b>(24,205)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>31,487</b>	<b>50,998</b>	<b>31,228</b>	<b>54,056</b>
<b>Cash and cash equivalents at end of the period</b>	<b>28,180</b>	<b>29,851</b>	<b>28,180</b>	<b>29,851</b>

**Footnotes:**

*The significant non-cash transactions for the quarter ended 30 June 2010 were as follows:*

- (a) *the Group issued the fifth instalment of 34,500,362 units to Suntec City Development Pte Ltd on 9 June 2010 as satisfaction of the deferred payment consideration for the initial portfolio of properties.*
- (b) *the Group will be issuing a total of 3,952,161 units to the Manager amounting to S\$5.3 million as satisfaction of asset management fees payable in units in respect of the financial quarter ended 30 June 2010.*

**Financial Statements Announcement  
For Half Year ended 30 June 2010**

The significant non-cash transactions for the six months ended 30 June 2010 were as follows:

- (a) the Group issued the fifth instalment of 34,500,362 units to Suntec City Development Pte Ltd on 9 June 2010 as satisfaction of the deferred payment consideration for the initial portfolio of properties.
- (b) the Group has issued or will be issuing a total of 7,821,012 units to the Manager amounting to S\$10.5 million as satisfaction of asset management fees payable in units in respect of the financial period ended 30 June 2010.

**1 (d)(i) Statement of movements in unitholders' funds**

	Group			
	1/4/10 to 30/6/10	1/4/09 to 30/6/09	YTD 1/1/10 to 30/6/10	YTD 1/1/09 to 30/6/09
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at the beginning of the period</b>	<b>3,324,639</b>	<b>3,454,691</b>	<b>3,327,857</b>	<b>3,455,998</b>
<b>Operations</b>				
Total return after tax	25,524	23,192	64,888	58,443
<b>Net increase in net assets resulting from operations</b>	<b>25,524</b>	<b>23,192</b>	<b>64,888</b>	<b>58,443</b>
<b>Hedging transaction <sup>(a)</sup></b>	<b>-</b>	<b>(530)</b>	<b>-</b>	<b>1,806</b>
<b>Unitholders' transactions</b>				
Units to be issued				
- asset management fee payable in units <sup>(b)</sup>	5,254	5,498	10,509	10,979
Distributions to unitholders	(45,365)	(46,341)	(93,202)	(90,716)
<b>Net decrease in net assets resulting from unitholders' transactions</b>	<b>(40,111)</b>	<b>(40,843)</b>	<b>(82,693)</b>	<b>(79,737)</b>
<b>Unitholders' funds as at end of period</b>	<b>3,310,052</b>	<b>3,436,510</b>	<b>3,310,052</b>	<b>3,436,510</b>

	Trust			
	1/4/10 to 30/6/10	1/4/09 to 30/6/09	YTD 1/1/10 to 30/6/10	YTD 1/1/09 to 30/6/09
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at the beginning of the period</b>	<b>3,317,549</b>	<b>3,362,484</b>	<b>3,319,854</b>	<b>3,363,808</b>
<b>Operations</b>				
Total return after tax	26,032	23,209	66,309	58,443
<b>Net increase in net assets resulting from operations</b>	<b>26,032</b>	<b>23,209</b>	<b>66,309</b>	<b>58,443</b>
<b>Hedging transaction <sup>(a)</sup></b>	<b>-</b>	<b>(530)</b>	<b>-</b>	<b>1,806</b>
<b>Unitholders' transactions</b>				
Units to be issued				
- asset management fee payable in units <sup>(b)</sup>	5,254	5,498	10,509	10,979
Distributions to unitholders	(45,365)	(46,341)	(93,202)	(90,716)
<b>Net decrease in net assets resulting from unitholders' transactions</b>	<b>(40,111)</b>	<b>(40,843)</b>	<b>(82,693)</b>	<b>(79,737)</b>
<b>Unitholders' funds as at end of period</b>	<b>3,303,470</b>	<b>3,344,320</b>	<b>3,303,470</b>	<b>3,344,320</b>

**Financial Statements Announcement  
For Half Year ended 30 June 2010**

**Footnotes: Group and Trust**

- (a) This relates to the effective portion of the change in fair value of the interest rate swap, which had been designated as a cash flow hedge. The cash flow hedge expired during the last financial year.
- (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 and year-to-date. 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			
	1/4/10 to 30/6/10	1/4/09 to 30/6/09	YTD 1/1/10 to 30/6/10	YTD 1/1/09 to 30/6/09
	Units	Units	Units	Units
<b>Issued units at the beginning of the period</b>	1,801,377,475	1,578,765,074	1,797,300,104	1,571,198,028
Creation of units:				
- as units issued for deferred consideration	34,500,362	34,500,362	34,500,362	34,500,362
- as payment for asset management fee	3,868,851	9,356,638	7,946,222	16,923,684
<b>Issued units at the end of the period</b>	1,839,746,688	1,622,622,074	1,839,746,688	1,622,622,074
Units to be issued:				
- asset management fee payable in units <sup>(a)</sup>	3,952,161	6,152,791	3,952,161	6,152,791
<b>Issuable units at the end of the period</b>	3,952,161	6,152,791	3,952,161	6,152,791
Deferred Units to be issued:				
- as satisfaction of deferred consideration on investment properties acquired <sup>(b)</sup>	34,500,360	103,501,084	34,500,360	103,501,084
	34,500,360	103,501,084	34,500,360	103,501,084
<b>Total issued and issuable units</b>	<b>1,878,199,209</b>	<b>1,732,275,949</b>	<b>1,878,199,209</b>	<b>1,732,275,949</b>

**Footnotes:**

- (a) These are units to be issued to the Manager as partial satisfaction of asset management fee incurred for the quarter.
- (b) This refers to the 34,500,360 Deferred Units being the last of six equal instalments issued semi-annually from 9 June 2008 (being the issue date of the first instalment) to Suntec City Development Pte Ltd in satisfaction of the deferred payment consideration for the purchase of the initial portfolio properties in December 2004.

**Convertible Bonds – Group & Trust**

Suntec REIT has issued the following convertible bonds, which remained outstanding as at 30 June 2010:

- \$270 million 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 \$1.741 per unit. The convertible bonds are classified as current liabilities as a result of bondholders' put option exercisable on 20 March 2011 at a put price of 103.164%.

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 155,083,285 ( 30 June 2009: 150,250,417), representing 8.4% ( 30 June 2009: 9.2%) of the total number of units of Suntec REIT in issue as at 30 June 2010.

**Financial Statements Announcement  
For Half Year ended 30 June 2010**

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 six-month period ended 30 June 2010 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 2009.*

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

*There is no change in the accounting policies and methods of computation adopted.*

6. **Earnings per unit ("EPU") and Distribution per unit ("DPU") for the financial period**

**Earnings per unit**

	GROUP			
	1/4/10 to 30/6/10	1/4/09 to 30/6/09	YTD 1/1/10 to 30/6/10	YTD 1/1/09 to 30/6/09
Weighted average number of units	1,874,290,478	1,726,190,771	1,872,366,520	1,721,556,373
Earnings per unit for the period based on the weighted average number of units in issue (cents)	1.362	1.344	3.466	3.395
Weighted average number of units	1,874,290,478	1,726,190,771	2,027,449,805	1,721,556,373
Earnings per unit for the period based on the fully diluted basis (cents) <sup>(a)</sup>	1.362	1.344	3.227	3.395

**Footnote**

(a) *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 quarter period ended 30 June 2010, the convertible bonds were anti-dilutive and were excluded from the calculation of diluted EPU.*

**Financial Statements Announcement  
For Half Year ended 30 June 2010**

**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 and Trust		Group and Trust		Group and Trust	
	1/4/10 - 8/6/10	9/6/10 - 30/6/10	1/4/09 - 8/6/09	9/6/09 - 30/6/09	YTD 1/1/10 to 30/6/10	YTD 1/1/09 to 30/6/09
Number of issued and issuable units at end of period entitled to distribution (excluding Deferred Units) <sup>(a)</sup>	1,809,198,487	1,843,698,849	1,594,274,503	1,628,774,865	1,843,698,849	1,628,774,865
Number of issued and issuable units at end of period (including Deferred Units) <sup>(b)</sup>	1,878,199,209	1,878,199,209	1,732,275,949	1,732,275,949	1,878,199,209	1,732,275,949
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	1.928 <sup>(1)</sup>	0.600 <sup>(1)</sup>	2.258	0.719	5.041 <sup>(2)</sup>	5.895
Distribution per unit for the period including Deferred Units (cents)	1.857	0.589	2.078	0.676	4.867	5.439

- (1) *The distribution per unit for the quarter ended 30 June 2010 of 2.528 cents per unit (30 June 2009: 2.977 cents per unit) comprised a taxable income component of 2.287 cents per unit (30 June 2009: 2.761 cents per unit) and a tax exempt income component of 0.241 cents per unit (30 June 2009: 0.216 cents per unit).*
- (2) *The distribution per unit for six months ended 30 June 2010 of 5.041 cents per unit comprised a taxable income component of 4.558 cents per unit and a tax exempt income component of 0.483 cents per unit.*

**Footnotes:**

- (a) *The computation of actual DPU for the period from 1 April 2010 to 8 June 2010 is based on the number of units entitled to the distribution:*

- (i) *The number of units in issue as at 8 June 2010 of 1,805,246,326; and*
- (ii) *The units issuable to the Manager by 30 July 2010 as partial satisfaction of management fee incurred for the period from 1 April 2010 to 30 June 2010 of 3,952,161.*

*The computation of actual DPU for the period from 9 June 2010 to 30 June 2010 is based on the number of units entitled to the distribution:*

- (i) *The number of units in issue as at 30 June 2010 of 1,839,746,688; and*
- (ii) *The units issuable to the Manager by 30 July 2009 as partial satisfaction of management fee incurred for the period from 1 April 2010 to 30 June 2010 of 3,952,161.*

- (b) *The computation of actual DPU for the period from 1 April 2010 to 8 June 2010 including Deferred Units is based on:*

- (i) *The number of units in issue as at 8 June 2010 of 1,805,246,326;*
- (ii) *The units issuable to the Manager by 30 July 2010 as partial satisfaction of management fee incurred for the period from 1 April 2010 to 30 June 2010 of 3,952,161; and*
- (iii) *Deferred Units of 69,000,722 as at 8 June 2010. The Deferred Units being the remaining balance of two equal instalments will be issued semi-annually to Suntec City Development Pte Ltd as satisfaction of the deferred payment consideration for the purchase of the properties in December 2004.*

**Financial Statements Announcement  
For Half Year ended 30 June 2010**

The computation of actual DPU for the period from 9 June 2010 to 30 June 2010 including Deferred units is based on:

- (i) The number of units in issue as at 30 June 2010 of 1,839,746,688;
- (ii) The units issuable to the Manager by 30 July 2010 as partial satisfaction of management fee incurred for the period from 1 April 2010 to 30 June 2010 of 3,952,161; and
- (iii) Deferred Units of 34,500,360 as at 30 June 2010. The Deferred Units being the last of six equal instalments will be issued semi-annually to Suntec City Development Pte Ltd as satisfaction of the deferred payment consideration for the purchase of the properties in December 2004.

**7. Net asset value (“NAV”) per unit at the end of current period**

	GROUP		TRUST	
	30/06/10 <sup>(a)</sup>	31/12/09	30/06/10 <sup>(a)</sup>	31/12/09
NAV per unit (S\$)	1.762	1.779	1.759	1.775

**Footnotes:**

(a) The number of units used for computation of actual NAV per unit is 1,878,199,209. This comprised:

- (i) The number of units in issue as at 30 June 2010 of 1,839,746,688;
- (ii) The units issuable to the Manager by 30 July 2010 as partial satisfaction of management fee incurred for the period from 1 April 2010 to 30 June 2010 of 3,952,161; and
- (iii) The Deferred Units comprising 34,500,360 units, being the remaining balance of one equal instalments will be issued semi-annually to Suntec City Development Pte Ltd as satisfaction of the deferred payment consideration for the purchase of the properties in December 2004.

**Financial Statements Announcement  
For Half Year ended 30 June 2010**

**8. Review of the performance for the quarter ended June 2010**

Gross revenue achieved for the quarter ended 30 June 2010 was S\$62.4 million, a decline of S\$2.1 million or 3.3% over the quarter ended 30 June 2009. Net property income for the quarter was S\$47.4 million, a decline of S\$1.4 million or 2.8% year-on-year, and the income available for distribution of S\$45.9 million was S\$1.8 million or 3.7% lower year-on-year.

The decline in gross revenue was due to the lower office and retail revenue achieved during the quarter.

Gross office revenue achieved for the quarter was S\$29.6 million, which was S\$0.7 million or 2.3% lower year-on-year. This was mainly due to lower rental income achieved for Suntec City office. Suntec City office contributed approximately S\$27.4 million in revenue whilst Park Mall office contributed S\$2.2 million in revenue for the quarter.

The committed occupancy of Suntec City office as at 30 June 2010 improved further to 96.6% compared to last quarter, whilst Park Mall office and One Raffles Quay maintained its full occupancy as at 30 June 2010.

With this, the overall committed occupancy for the office portfolio strengthened to 97.6% as at 30 June 2010.

Gross retail revenue achieved for the quarter was S\$32.8 million, which was S\$1.4 million or 4.1% lower than in 2Q FY09. This was mainly due to lower rental income achieved for Suntec City Mall. Suntec City Mall contributed approximately S\$26.6 million in revenue, whilst Park Mall and Chijmes contributed S\$6.2 million in revenue for the quarter.

The committed occupancy of Suntec City Mall strengthened to 98.3% as at 30 June 2010 from 96.4% in the last quarter, whilst Park Mall and Chijmes maintained its full occupancy. The overall committed occupancy for the retail portfolio stood at 98.7% as at 30 June 2010.

Property operating expenses incurred for the quarter was S\$15.0 million, which was S\$0.8 million or 4.8% lower than 2Q FY09. This was mainly due to lower property tax and other property expenses. The cost-to-revenue ratio for the quarter was 24.0%, compared to 24.4% in the previous year.

Net financing costs for the quarter was S\$16.3 million, a decline of S\$2.4 million or 12.9% year-on-year, mainly due to the net loss of S\$3.8 million arising mainly from the remeasurement of interest rate swap transactions and convertible bonds, as compared to a net loss of S\$10.2 million in the corresponding period in 2009. This net gain/loss has no impact on the income available for distribution.

Excluding the remeasurement, the net financing cost for the quarter was S\$12.5 million, an increase of S\$4.0 million over 2Q FY09. This was mainly due to higher interest cost incurred.

For the quarter, the overall all-in financing cost averaged 3.68%, and the gearing ratio stood at 33.6% as at 30 June 2010.

**Review of the performance 1H FY10 vs 1H FY09**

Gross revenue achieved for 1H FY10 was S\$124.8 million, a decline of S\$4.6 million or 3.5% over 1H FY09. Net property income for the period was S\$95.2 million, a decline of S\$2.7 million or 2.8% over 1H FY09, and the income available for distribution of S\$91.3 million was S\$2.7 million or 2.9% lower year-on-year.

The decline in gross revenue was due to the lower office and retail revenue achieved during the period.

Gross office revenue achieved for 1H FY10 was S\$58.9 million, which was S\$1.6 million or 2.6% lower than in 1H FY09, mainly due to lower rental income achieved for Suntec City office. Suntec City office contributed approximately S\$54.5 million in revenue whilst Park Mall office contributed S\$4.4 million in revenue for the period.

## **Financial Statements Announcement For Half Year ended 30 June 2010**

Gross retail revenue achieved for 1H FY10 was S\$65.9 million, which was S\$3.0 million or 4.4% lower than in 1H FY09, mainly due to lower rental income achieved for Suntec City Mall. Suntec City Mall contributed approximately S\$53.5 million in revenue, whilst Park Mall and Chijmes contributed S\$12.4 million in revenue for the period.

Property operating expenses incurred for 1H FY10 was S\$29.6 million, which was S\$1.9 million or 6.0% lower than in 1H FY09. This was mainly due to lower property tax and other property expenses. The cost-to-revenue ratio for the period was 23.7%, compared to 24.3% in 1H FY09.

Net financing costs for 1H FY10 was S\$18.5 million, a decline of S\$9.6 million or 34.2% over 1H FY09. This was attributed mainly to a net gain of S\$6.4 million arising from the remeasurement of interest rate swap transactions and convertible bonds, as compared to a net loss of S\$7.5 million in the corresponding period in 2009. This net gain/loss has no impact on the income available for distribution.

Excluding the remeasurement, the net financing cost for 1H FY10 was S\$24.9 million, an increase of S\$4.3 million over 1H FY09. This was mainly due to higher interest cost incurred, partially offset by higher interest income received for the period.

### **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**

According to advance estimates released by the Ministry of Trade and Industry (MTI) on 14 July 2010, Singapore's GDP registered a year-on-year growth of 19.3% in the second quarter of 2010, following a growth of 16.9% year-on-year in the first quarter of 2010.

To reflect the stronger growth figures in the first half of 2010, MTI has revised the official GDP growth forecast for 2010 up to between 13% and 15%, from between 7% and 9% previously. However, the MTI has noted a more subdued outlook for the Singapore economy in the second half of the year, as sluggish demand in the United States and European Union has moderated the momentum of the global economic recovery.

The Singapore property market is expected to remain steady given the Government's forecast of positive GDP growth in 2010. The office market in particular will be underpinned by positive business confidence and corporate expansion. Office leasing activities have picked up during the quarter. Sectors such as information technology, insurance, professional services, shipping and legal services have fuelled demand for office space as businesses expanded, consolidated or relocated to better quality buildings. Apart from healthy lease renewals, pre-commitments from new tenants has also strengthened in the quarter with the core CBD occupancy rate<sup>1</sup> as at end June 2010 rising to 93.3% from 91.9% previously. Prime and prime Grade A office leases were committed at average rents<sup>1</sup> of S\$6.90 psf per month and S\$8.45 psf per month respectively during the quarter.

According to recent property consultants' reports, approximately 50% of the total expected future office supply of about 6.9 million sq ft has been pre-committed to date, leaving an average of about 800,000 sq ft per annum to be committed between 2010 and 2014. With increasing signs of stabilisation in the last few quarters and continual economic growth, the Singapore office sector is poised for a gradual recovery moving forward.

The Singapore retail sector has seen a greater variety of retail offerings subsequent to the opening of new shopping malls, including the Marina Bay Sands Integrated Resort. Buoyed by the healthy economic outlook and consumer sentiment, the retail sector is expected to turn increasingly positive, as retail sales activity and tourist arrival numbers continue to pick up. According to the Singapore Tourism Board, visitor arrivals to Singapore rose for sixth consecutive month and

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<sup>1</sup> CB Richard Ellis Market View Singapore 2Q 2010

**Financial Statements Announcement  
For Half Year ended 30 June 2010**

registered 30.3% growth to reach a high of 946,000 for the month of May 2010. Singapore retail sales (excluding motor vehicle sales, at current prices) also rose 7.8% year-on-year for the month of May 2010.

The Manager expects the challenges of the office and retail sectors to continue notwithstanding signs of positive recovery in both sectors.

**11. Distributions**

**(a) Current financial period**

Any distribution declared for the current period?	Yes
Name of distribution	Distribution for the period from 1 April 2010 to 30 June 2010
Distribution Rate	i) Taxable income distribution – <b>2.287</b> cents per unit ii) Tax-exempt income distribution – <b>0.241</b> cents per unit
Distribution Type	i) Taxable income ii) Tax-exempt income
Par value of units	Not meaningful
Tax Rate	

**Taxable income**

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

**Tax-exempt income**

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

Remark	Taxable income comprised of <b>1.748</b> cents per unit for the period 1 April 2010 to 8 June 2010 and <b>0.539</b> cents per unit for the period 9 June 2010 to 30 June 2010 per unit.  Tax exempt income comprised of <b>0.180</b> cents per unit for the period 1 April 2010 to 8 June 2010 and <b>0.061</b> cents per unit for the period 9 June 2010 to 30 June 2010.
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**Financial Statements Announcement  
For Half Year ended 30 June 2010**

**(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 2009 to 30 June 2009
Distribution Rate	i) Taxable income distribution – 2.761 cents per unit ii) Tax-exempt income distribution – 0.216 cents per unit
Distribution Type	i) Taxable income ii) Tax-exempt income
Par value of units	Not meaningful
Tax Rate	<b>Taxable income</b> 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).  <b>Tax-exempt income</b> Tax-exempt income distribution is exempt from tax in the hands of all Unitholders.
Remark	Taxable income comprised of 2.106 cents per unit for the period 1 April 2009 to 8 June 2009 and 0.655 cents per unit for the period 9 June 2009 to 30 June 2009 per unit.  Tax exempt income comprised of 0.152 cents per unit for the period 1 April 2009 to 8 June 2009 and 0.064 cents per unit for the period 9 June 2009 to 30 June 2009.

**(c) Date payable:** 27 August 2010

**(d) Books Closure Date:** 3 August 2010

**12. If no distribution has been declared/(recommended), a statement to that effect**

Not applicable.

**Financial Statements Announcement  
For Half Year ended 30 June 2010**

**13. 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 balance sheet as at 30 June 2010, 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

**Financial Statements Announcement  
For Half Year ended 30 June 2010**

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.

**Pro Forma Impact of Deferred Units Issuance**

Suntec City Development Pte Ltd, the vendor of Suntec City Mall and Suntec City Office Towers (both as defined in the prospectus dated 29 November 2004 (the “Prospectus”) issued in connection with the initial public offering of Units in November/December 2004 and together, the “Properties”), will be issued with 207,002,170 additional Units (the “Deferred Units”) in satisfaction of the deferred payment consideration for the purchase of the Properties. The Deferred Units will be issued in six equal instalments. The first, second, third, fourth and fifth instalments were issued on 9 June 2008 (being the date falling 42 months after 9 December 2004 which is the date of completion of the sale and purchase of the Properties), 9 December 2008, 9 June 2009, 9 December 2009 and 9 June 2010 respectively, and the final instalment will be issued on 9 December 2010. Any change in rental rates, occupancy rates and distributable income of Suntec REIT can affect the impact of any dilution in the yields of Suntec REIT arising from the issuance of the Deferred Units in the future. The table below illustrates the pro forma impact under the scenario where the Deferred Units were entirely issued on 9 December 2004, the date of admission of Suntec REIT to the Official List of the SGX-ST (the “Listing Date”):

<b>Distribution per unit (“DPU”) under the scenario that all Deferred Units are issued on the Listing Date</b>	
<b>Actual</b>	
<b>(1 April 2010 – 30 June 2010)</b>	
<b>DPU based on total number of Units entitled to the distribution (cents)</b>	<b>2.528</b>
DPU assuming Deferred Units were issued on the Listing Date (cents)	2.446

BY ORDER OF THE BOARD  
ARA TRUST MANAGEMENT (SUNTEC) LIMITED  
AS MANAGER OF SUNTEC REAL ESTATE INVESTMENT TRUST  
(Company registration no. 200410976R)

Yeo See Kiat  
Director  
22 July 2010



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The Board of Directors  
ARA Trust Management (Suntec) Limited  
6 Temasek Boulevard  
#16-02 Suntec Tower Four  
Singapore 038986

22 July 2010

Dear Sirs

**Suntec Real Estate Investment Trust and its Subsidiaries**  
**Review of Interim Financial Statements**

***Introduction***

We have reviewed the accompanying Interim Financial Information of Suntec Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") as at 30 June 2010. The Interim Financial Information consists of the following:

- Balance sheets of the Group and the Trust as at 30 June 2010;
- Portfolio statements of the Group and the Trust as at 30 June 2010;
- Statements of total return of the Group and the Trust for the six-month period ended 30 June 2010;
- Distribution statement of the Group for the six-month period ended 30 June 2010;
- Statements of movement in unitholders' funds of the Group and the Trust for the six-month period ended 30 June 2010;
- Cash flow statements of the Group for the six-month period ended 30 June 2010; and
- Certain explanatory notes to the above financial information.

The management of ARA Trust Management (Suntec) Limited (the "Manager" of the Trust) is responsible for the preparation and presentation of this Interim Financial Information in accordance with the provisions of the Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* relevant to interim financial information. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.



***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 interim 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 Interim Financial Information is not prepared, in all material respects, in accordance with the provisions of RAP 7 *Reporting Framework for Unit Trusts* relevant to interim financial information, issued by the Institute of Certified Public Accountants of Singapore.

***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  
Certified Public Accountants*

Singapore  
22 July 2010