



Suntec Real Estate Investment Trust 2019 Financial 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 owns Suntec City Mall which comprises 813,753 sq ft of net lettable area and certain office units in Suntec Towers One, Two and Three and the whole of Suntec Towers Four and Five, which form part of the integrated commercial development known as "Suntec City". The property portfolio also comprises 60.8 per cent effective interest in Suntec Singapore Convention & Exhibition Centre and 141,959 sq ft of net lettable area of Suntec City Mall ("Suntec Singapore"), a one-third interest in One Raffles Quay ("ORQ") and a one-third interest in Marina Bay Financial Centre Towers 1 and 2, and the Marina Bay Link Mall (collectively known as "MBFC Properties") and a 30.0 per cent interest in 9 Penang Road (formerly known as Park Mall). Suntec REIT also holds a 100 per cent interest in the commercial building located at 177 Pacific Highway, Sydney, Australia ("177 Pacific Highway"), a 50.0 per cent interest in Southgate Complex, Melbourne, Australia ("Southgate Complex"), a 50.0 per cent interest in a commercial building to be developed located at Olderfleet, 477 Collins Street, Melbourne, Australia ("Olderfleet, 477 Collins Street") and a 100 per cent interest in a freehold office building at 55 Currie Street, Adelaide, Australia ("55 Currie Street").

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

The financial information for the period from 1 January 2019 to 31 December 2019 has not been audited but has been reviewed by our auditors in accordance with Singapore Standard on Review Engagements 2410.

Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2019

SUMMARY OF SUNTEC REAL ESTATE INVESTMENT TRUST RESULTS

	Group					
	1/10/19 to 31/12/19	1/10/18 to 31/12/18	Change	1/1/19 to 31/12/19	1/1/18 to 31/12/18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue	96,718	93,453	3.5%	366,730	363,504	0.9%
Net property income	63,269	60,726	4.2%	236,187	240,977	-2.0%
Income contribution from joint ventures	22,358	22,717	-1.6%	98,594	91,213	8.1%
Distributable income	65,986	69,459	-5.0%	262,730	266,811	-1.5%
- from operations	59,486	56,959	4.4%	236,730	227,811	3.9%
- from capital ^(a)	6,500	12,500	-48.0%	26,000	39,000	-33.3%
Distribution per unit (cents) ^(b)	2.347	2.590	-9.4%	9.507	9.988	-4.8%
- from operations	2.116	2.124	-0.4%	8.570	8.529	0.5%
- from capital ^(a)	0.231	0.466	-50.4%	0.937	1.459	-35.8%

Footnote:

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

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

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2019**

1 (a)(i) Statements of Total Return and Statement of Distribution for the Fourth Quarter and Financial Year ended 31 December 2019

Statement of total return	Group					
	1/10/19 to 31/12/19	1/10/18 to 31/12/18	Change	1/1/19 to 31/12/19	1/1/18 to 31/12/18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross revenue ^(a)	96,718	93,453	3.5%	366,730	363,504	0.9%
Maintenance charges ^(b)	(9,851)	(9,851)	0.0%	(39,402)	(31,378)	-25.6%
Property management fees	(2,636)	(2,539)	-3.8%	(10,011)	(9,908)	-1.0%
Property tax ^(c)	(6,968)	(5,126)	-35.9%	(25,330)	(22,801)	-11.1%
Other property expenses ^(d)	(13,994)	(15,211)	8.0%	(55,800)	(58,440)	4.5%
Property expenses	(33,449)	(32,727)	-2.2%	(130,543)	(122,527)	-6.5%
Net property income	63,269	60,726	4.2%	236,187	240,977	-2.0%
Share of profit of joint ventures ^(e)	76,308	44,338	72.1%	157,793	108,488	45.4%
Finance income ^(f)	6,685	6,781	-1.4%	28,739	24,929	15.3%
Finance expenses ^(f)	(27,172)	(28,188)	3.6%	(109,348)	(97,118)	-12.6%
Asset management fees - base fee	(8,790)	(8,397)	-4.7%	(34,131)	(32,826)	-4.0%
Asset management fees - performance fee	(3,825)	(3,772)	-1.4%	(15,148)	(14,978)	-1.1%
Trust expenses ^(g)	(729)	(1,010)	27.8%	(3,542)	(3,879)	8.7%
Net income	105,746	70,478	50.0%	260,550	225,593	15.5%
Net change in fair value of financial derivatives ^(h)	1,187	(2,331)	150.9%	(3,972)	5,328	-174.5%
Net surplus from revaluation of investment properties	154,389	100,215	54.1%	154,389	100,215	54.1%
Total return before tax	261,322	168,362	55.2%	410,967	331,136	24.1%
Income tax expense ⁽ⁱ⁾	(12,345)	(7,829)	-57.7%	(15,874)	(12,973)	-22.4%
Total return for the period after tax	248,977	160,533	55.1%	395,093	318,163	24.2%
Attributable to:						
Unitholders	244,807	154,658	58.3%	390,534	307,177	27.1%
Non-controlling interests	4,170	5,875	-29.0%	4,559	10,986	-58.5%
Total return for the period	248,977	160,533	55.1%	395,093	318,163	24.2%

Statement of distribution	Group					
	1/10/19 to 31/12/19	1/10/18 to 31/12/18	Change	1/1/19 to 31/12/19	1/1/18 to 31/12/18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Total return for the period attributable to Unitholders before distribution	244,807	154,658	58.3%	390,534	307,177	27.1%
Non-tax chargeable items ^(j)	(214,618)	(124,652)	-72.2%	(269,697)	(187,498)	-43.8%
Taxable income	30,189	30,006	0.6%	120,837	119,679	1.0%
Dividend income ^(k)	29,297	26,953	8.7%	115,893	108,132	7.2%
Income available for distribution to Unitholders	59,486	56,959	4.4%	236,730	227,811	3.9%
Unitholders' distribution:						
- from operations	59,486	56,959	4.4%	236,730	227,811	3.9%
- from capital ^(l)	6,500	12,500	-48.0%	26,000	39,000	-33.3%
Distributable amount to Unitholders	65,986	69,459	-5.0%	262,730	266,811	-1.5%

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2019**

1 (a)(i) Statements of Total Return and Statement of Distribution for the Fourth Quarter and Financial Year ended 31 December 2019 (continued)

Footnotes:

- (a) Gross revenue comprises mainly rental income from retail mall and offices, convention revenue and income from rental of atrium and media spaces. Please refer to Note 8(i) for breakdown in Gross revenue.
- (b) Maintenance charges comprises maintenance contribution for the maintenance of Suntec City common areas and sinking fund contribution for the upgrading works of the common areas for all Suntec Office Towers. The increase for the financial year ended 31 December 2019 was solely attributed to the sinking fund contribution which commenced from 1 June 2018.
- (c) Property tax for the current quarter and financial year ended 31 December 2019 was higher year-on-year mainly due to underprovision of prior year's property tax.
- (d) Other property expenses for the current quarter and financial year ended 31 December 2019 was lower mainly due to lower staff costs and food and beverage related costs in tandem with the drop in convention events.
- (e) This relates to the Group's one-third interest in One Raffles Quay Pte Ltd ("ORQPL"), one-third interest in BFC Development LLP ("BFGD LLP"), 30.0% interest in Park Mall Pte. Ltd ("PMPL") and 50.0% interest in Southgate Trust. The increase for the quarter was mainly due to share of profit of PMPL which included the revaluation gain on 9 Penang Road. The increase for the financial year ended 31 December 2019 was mainly due to share of profit of PMPL which included the revaluation gain on 9 Penang Road and higher contribution from BFGD LLP due to one-off compensation.
- (f) Included in the finance income and finance expenses are the following:

	Group					
	1/10/19 to 31/12/19	1/10/18 to 31/12/18	Change	1/1/19 to 31/12/19	1/1/18 to 31/12/18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Finance income:						
Interest income						
- fixed deposits and current account	237	234	1.3%	1,597	734	117.6%
- loans to joint ventures	6,093	6,115	-0.4%	25,224	23,195	8.7%
- interest rate swaps	74	432	-82.9%	1,918	1,000	91.8%
Net foreign currency exchange differences	281	-	n.m.	-	-	n.m.
	6,685	6,781	-1.4%	28,739	24,929	15.3%
Finance expenses:						
Interest expense						
- bank loans, notes and convertible bonds ⁽¹⁾	(23,593)	(23,000)	-2.6%	(96,360)	(83,294)	-15.7%
- interest rate swaps ⁽²⁾	(1,298)	(409)	-217.4%	(2,502)	(2,632)	4.9%
Amortisation and transaction costs ⁽³⁾	(2,281)	(2,892)	21.1%	(9,028)	(9,315)	3.1%
Net foreign currency exchange differences	-	(1,887)	100.0%	(1,458)	(1,877)	22.3%
	(27,172)	(28,188)	3.6%	(109,348)	(97,118)	-12.6%
Net financing costs	(20,487)	(21,407)	4.3%	(80,609)	(72,189)	-11.7%

(1) Interest expense on bank loans, notes and convertible bonds for the current quarter and the financial year ended 31 December 2019 was higher year-on-year due to increase in interest rates.

(2) Interest rate swaps costs for the current quarter and the financial year ended 31 December 2019 was higher year-on-year due to increase in interest rates.

(3) Amortisation and transaction costs for the current quarter and the financial year ended 31 December 2019 were lower year-on-year due to a one-time write-off of unamortised transaction costs in relation to the refinancing of a loan facility.

- (g) Trust expenses for the current quarter and financial year ended 31 December 2019 was lower compared to the corresponding period mainly due to lower professional fees incurred.
- (h) This relates to the net gain/(loss) arising from fair value remeasurement of the foreign currency forward contracts, interest rate swaps and convertible bonds. These have little impact on distributable income.
- (i) This relates to income tax on operating profits and non-tax transparent income received as well as deferred tax provision. The income tax for the quarter and financial year ended 31 December 2019 was higher year-on-year mainly attributed to deferred tax recognised due to higher revaluation gain in the Australian investment properties compared against corresponding period.

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2019**

1 (a)(i) Statements of Total Return and Statement of Distribution for the Fourth Quarter and Financial Year ended 31 December 2019 (continued)

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

	Group					
	1/10/19 to 31/12/19	1/10/18 to 31/12/18	Change	1/1/19 to 31/12/19	1/1/18 to 31/12/18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Non-tax deductible/(chargeable) items						
Amortisation of transaction costs	2,188	2,328	-6.0%	8,659	8,394	3.2%
Asset management fees paid/payable in units	9,355	9,002	3.9%	36,519	35,371	3.2%
Net change in fair value of financial derivatives	(1,075)	2,331	-146.1%	4,084	(5,467)	-174.7%
Net foreign currency exchange differences	75	1,114	-93.3%	1,832	1,312	39.6%
Sinking fund contribution	4,815	4,815	0.0%	19,260	11,235	71.4%
Temporary differences and other adjustments ⁽¹⁾	1,414	(840)	-268.3%	5,053	822	514.7%
Deferred tax recognised at group level	9,752	8,180	19.2%	9,752	8,180	19.2%
Net surplus from revaluation of investment property	(154,389)	(100,215)	54.1%	(154,389)	(100,215)	54.1%
Net profit from subsidiaries and/or joint ventures	(86,753)	(51,367)	68.9%	(200,467)	(147,130)	36.3%
Total	(214,618)	(124,652)	72.2%	(269,697)	(187,498)	43.8%

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

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

	Group					
	1/10/19 to 31/12/19	1/10/18 to 31/12/18	Change	1/1/19 to 31/12/19	1/1/18 to 31/12/18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Wholly-owned subsidiaries:						
Comina Investment Limited ⁽¹⁾	4,910	4,940	-0.6%	21,693	22,552	-3.8%
Suntec Harmony Pte. Ltd. ⁽²⁾	2,736	2,736	0.0%	10,944	10,944	0.0%
Suntec REIT Capital Pte. Ltd. ⁽³⁾	6,400	5,800	10.3%	21,200	22,150	-4.3%
Suntec REIT (Australia) Trust ⁽⁴⁾	8,481	6,047	40.3%	27,891	19,878	40.3%
	22,527	19,523	15.4%	81,728	75,524	8.2%
Joint venture:						
BFC Development LLP ⁽⁵⁾	6,770	7,430	-8.9%	34,165	32,608	4.8%
	29,297	26,953	8.7%	115,893	108,132	7.2%

(1) Comina Investment Limited ("CIL") has a one-third interest in ORQ.

(2) Suntec Harmony Pte. Ltd. ("SHPL") has a 60.8% effective interest in Suntec Singapore.

(3) Suntec REIT Capital Pte. Ltd provides shareholder loans to Suntec REIT (Australia) Trust ("SRAust") for its investments in Australia.

(4) SRAust has a 100% effective interest in 177 Pacific Highway, a 50.0% effective interest in Southgate Complex, a 50.0% effective interest in Olderfleet, 477 Collins Street and a 100% effective interest in 55 Currie Street.

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

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

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2019**

1 (b)(i) Statements of Financial Position as at 31 December 2019

	Group		Trust	
	31/12/19	31/12/18	31/12/19	31/12/18
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Plant and equipment	1,648	1,860	237	231
Investment properties ^(a)	6,879,695	6,493,964	5,206,000	5,110,000
Interest in joint ventures ^(b)	2,956,834	2,855,238	1,468,719	1,466,196
Interest in subsidiaries ^(c)	-	-	1,780,370	1,539,802
Derivative assets ^(d)	-	573	-	573
Total non-current assets	9,838,177	9,351,635	8,455,326	8,116,802
Current assets				
Derivative assets ^(d)	1	943	1	943
Trade and other receivables ^(e)	36,987	23,168	39,708	16,220
Cash and cash equivalents	157,206	136,657	107,258	96,432
Total current assets	194,194	160,768	146,967	113,595
Total assets	10,032,371	9,512,403	8,602,293	8,230,397
Current liabilities				
Interest-bearing borrowings ^(f)	589,429	513,770	589,429	513,770
Trade and other payables ^(g)	137,500	112,749	70,740	54,844
Derivative liabilities ^(d)	11,761	3,408	11,761	3,408
Current portion of security deposits	19,967	19,744	17,437	17,107
Total current liabilities	758,657	649,671	689,367	589,129
Non-current liabilities				
Interest-bearing borrowings ^(f)	3,040,819	2,978,075	2,676,260	2,613,884
Non-current portion of security deposits	53,342	49,133	50,068	46,352
Derivative liabilities ^(d)	20,473	27,397	12,540	26,474
Deferred tax liabilities ^(h)	52,936	40,021	-	-
Total non-current liabilities	3,167,570	3,094,626	2,738,868	2,686,710
Total liabilities	3,926,227	3,744,297	3,428,235	3,275,839
Net assets	6,106,144	5,768,106	5,174,058	4,954,558
Represented by:				
Unitholders' funds ⁽ⁱ⁾	5,977,058	5,636,523	5,174,058	4,954,558
Non-controlling interests	129,086	131,583	-	-
Total Equity	6,106,144	5,768,106	5,174,058	4,954,558

Footnotes:

(a) The increase was mainly due to the acquisition of 55 Currie Street on 10 September 2019, the progress payments made in relation to Olderfleet, 477 Collins Street which is currently under development and the net surplus from the revaluation of investment properties in December 2019.

(b) In respect of the Group's joint ventures, this relates to the one-third interest in ORQPL, one-third interest in BFCD LLP, 30.0% interest in Park Mall Investment Limited ("PMIL") and 50.0% interest in Southgate Trust. The increase is mainly from the revaluation surpluses of investment properties held by joint ventures recognised in the financial year ended 31 December 2019. In respect of the Trust's joint ventures, this relates to the one-third interest in BFCD LLP.

(c) This relates to CIL, SHPL, Suntec REIT MTN Pte. Ltd. ("SRMTN"), Suntec REIT Capital Pte. Ltd., SRAust and Suntec (PM) Pte. Ltd., which are wholly-owned subsidiaries of Suntec REIT.

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1 (b)(i) Statements of Financial Position as at 31 December 2019 (continued)

- (d) This relates to the foreign currency forward contracts and interest rate swaps at fair value through profit or loss and the embedded derivative relating to convertible bonds.
- (e) The increase for the Group was mainly due to security deposit paid for the development of a freehold property located at 21 Harris Street, Pyrmont, Sydney, Australia ("21 Harris Street"). The increase for the Trust was mainly due to dividend receivable from joint ventures and advances made to a subsidiary.
- (f) The interest-bearing borrowings are stated at amortised cost. The current portion of the interest-bearing borrowings as at 31 December 2019 relates to S\$310.0 million medium term notes due in the first quarter of 2020 and S\$300.0 million convertible bonds due in 2024 which will be redeemable on 30 November 2020.
- (g) The increase in trade and other payables for the Group mainly relate to higher accruals of progress billings for Olderfleet, 477 Collins Street and accruals of tenant incentives for Australian investment properties. The increase in trade and other payables for the Group mainly relate to increase in interest payable.
- (h) The increase in deferred tax liabilities mainly relates to the provision of deferred tax on the valuation gains on Australian investment properties and a subsidiary's provision of deferred tax for the current quarter and financial year ended 31 December 2019.
- (i) Please refer to statement of movements in unitholders' funds item 1(d)(i) for details.

1 (c) Aggregate amount of borrowings and debt securities

	Group		Trust	
	31/12/19	31/12/18	31/12/19	31/12/18
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand				
- Unsecured ^(b)				
(i) financial institutions	-	429,796	-	429,796
(ii) notes & convertible bonds	589,429	83,974	279,470	83,974
(iii) subsidiary	-	-	309,959	-
	589,429	513,770	589,429	513,770
Amount repayable after one year				
- Secured ^(a)	364,559	364,191	-	-
- Unsecured ^(b)				
(i) financial institutions	1,963,441	1,500,019	1,963,441	1,500,019
(ii) notes & convertible bonds	712,819	1,113,865	84,281	275,686
(iii) subsidiary	-	-	628,538	838,179
	3,040,819	2,978,075	2,676,260	2,613,884
	3,630,248	3,491,845	3,265,689	3,127,654

Details of borrowings and collaterals

- (a) The Group has in place a secured term loan facility and revolving credit facility amounting to S\$406.0 million with a panel of banks. As at 31 December 2019, the Group has drawn down S\$366.0 million of secured facilities.

The facility is secured on the following:

- A first legal mortgage on Suntec Singapore (the "Property");
- A first fixed charge over the central rental collection account in relation to the Property;
- An assignment of the subsidiary's rights, title and interest in the key documents and the proceeds in connection with the Property;
- An assignment of the subsidiary's rights, title and interest in the insurance policies in relation to the Property; and
- A fixed and floating charge over the assets of the subsidiary in relation to the Property, agreements, collateral, as required by the financial institutions granting the facility.

- (b) The Group has unsecured interest-bearing borrowings and revolving credit facilities amounting to S\$2,470.0 million from various institutional banks. As at 31 December 2019, the Group has drawn down S\$1,970.9 million of bank borrowings, S\$386.5 million of convertible bonds and S\$940.0 million medium term notes issued by SRMTN and on-lent to the Trust.

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2019**

1 (d) Statements of Cash Flow

	Group			
	1/10/19 to 31/12/19	1/10/18 to 31/12/18	1/1/19 to 31/12/19	1/1/18 to 31/12/18
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Net income	105,746	70,478	260,550	225,593
Adjustments for:				
Depreciation of plant and equipment	208	205	835	1,056
(Gain)/loss on disposal of plant and equipment	-	(2)	5	9
Asset management fees paid/payable in units	9,355	9,002	36,519	35,371
Net financing costs ^(a)	20,487	21,407	80,609	72,189
(Reversal of)/allowance for doubtful receivables	(103)	(759)	310	521
Share of profit of joint ventures	(76,308)	(44,338)	(157,793)	(108,488)
Operating income before working capital changes	59,385	55,993	221,035	226,251
Changes in working capital				
Trade and other receivables	8,124	(4,154)	(5,230)	(5,020)
Trade and other payables	8,262	(4,256)	13,649	(11,804)
Cash flows generated from operations	75,771	47,583	229,454	209,427
Income tax paid	-	920	-	920
Net cash flow from operating activities	75,771	48,503	229,454	210,347
Investing activities				
Interest received	6,379	6,288	26,926	23,851
Dividend received from joint ventures	36,446	30,384	78,390	65,123
Change in investment in joint ventures ^(b)	(3,681)	(8,098)	(20,794)	(174,854)
Acquisition of an investment property ^(c)	-	-	(141,542)	-
Capital expenditure on investment properties	(2,463)	(2,753)	(5,707)	(5,763)
Security deposit paid in relation to a development ^(d)	-	-	(14,079)	-
Purchase of plant and equipment	(57)	(258)	(628)	(886)
Proceeds from disposal of plant and equipment	-	2	-	3
Progress payments on construction ^(e)	(28,887)	(11,198)	(86,003)	(41,576)
Loans to joint ventures ^(f)	(1,648)	(2,500)	(2,523)	(2,500)
Net cash flow from/(used in) investing activities	6,089	11,867	(165,960)	(136,602)
Financing activities				
Proceeds from interest-bearing loans	38,000	898,640	498,387	923,536
Proceeds from euro medium term notes	-	-	100,000	330,000
Proceeds from issuance of units	-	-	200,000	-
Unit issue costs paid	-	-	(3,702)	(30)
Proceeds from settlement of derivatives	204	-	2,166	-
Financing costs paid	(23,367)	(25,170)	(97,513)	(94,552)
Redemption of convertible bonds	-	-	(1,000)	-
Repayment of interest-bearing loans	-	(756,000)	(465,000)	(888,342)
Repayment of euro medium term notes	-	(105,000)	-	(105,000)
Dividend paid to non-controlling interest	(1,764)	(1,764)	(7,056)	(7,056)
Distributions to unitholders	(65,190)	(66,397)	(265,905)	(266,636)
Net cash flow used in financing activities	(52,117)	(55,691)	(39,623)	(108,080)
Net increase/(decrease) in cash and cash equivalents	29,743	4,679	23,871	(34,335)
Cash and cash equivalents at beginning of the period	127,657	133,119	136,657	172,655
Effect on exchange rate fluctuations on cash held	(194)	(1,141)	(3,322)	(1,663)
Cash and cash equivalents at end of the period	157,206	136,657	157,206	136,657

Footnote:

(a) Please refer to footnote (f) under note 1(a)(i) Statement of Total Return and Statement of Distribution for the quarter ended 31 December 2019 on page 4.

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1 (d) Statements of Cash Flow (continued)

- (b) This relates to capital injections made to PMPL and Southgate Trust. In the corresponding period, it included capital injection in relation to the acquisition of an additional 25.0% effective interest in Southgate Complex, in May 2018.
- (c) This relates to the acquisition of 55 Currie Street which was completed on 10 September 2019.
- (d) This relates to security deposit of A\$14.85 million in relation to the development of 21 Harris Street.
- (e) This relates to progress payments made in relation to Olderfleet, 477 Collins Street in Australia which is currently under development.
- (f) This relates to additional interest-bearing loans advanced to joint ventures.

1 (e) Statements of Movements in Unitholders' Funds

	Group			
	1/10/19 to 31/12/19	1/10/18 to 31/12/18	1/1/19 to 31/12/19	1/1/18 to 31/12/18
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at the beginning of the period	5,765,340	5,561,047	5,636,523	5,639,074
Operations				
Total return for the period attributable to unitholders	244,807	154,658	390,534	307,177
Net increase in net assets resulting from operations	244,807	154,658	390,534	307,177
Effective portion of changes in fair value of cash flow hedges ^(a)	223	540	756	1,248
Translation differences from financial statements of foreign entities	14,518	(31,161)	(17,438)	(80,188)
Net gain/(loss) recognised directly in Unitholders' funds	14,741	(30,621)	(16,682)	(78,940)
Unitholders' transactions				
Creation of units				
- private placement Units ^(b)	-	-	200,000	-
- conversion of convertible bonds ^(c)	-	-	-	500
- asset management fees payable in units ^(d)	-	-	18,105	17,405
Units to be issued				
- asset management fees payable in units ^(d)	18,414	17,964	18,414	17,964
Unit issue expenses	-	-	(3,702)	(30)
Distributions paid to unitholders ^(d)	(66,244)	(66,525)	(266,134)	(266,627)
Net decrease in net assets resulting from unitholders' transactions	(47,830)	(48,561)	(33,317)	(230,788)
Unitholders' funds as at end of period	5,977,058	5,636,523	5,977,058	5,636,523

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1 (e) Statements of Movements in Unitholders' Funds (continued)

	Trust			
	1/10/19 to 31/12/19	1/10/18 to 31/12/18	1/1/19 to 31/12/19	1/1/18 to 31/12/18
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at the beginning of the period	5,076,424	4,884,435	4,954,558	4,954,212
Operations				
Total return for the period attributable to unitholders	145,464	118,684	252,817	231,134
Net increase in net assets resulting from operations	145,464	118,684	252,817	231,134
Unitholders' transactions				
Creation of units				
- private placement Units ^(b)	-	-	200,000	-
- conversion of convertible bonds ^(c)	-	-	-	500
- asset management fees payable in units ^(d)	-	-	18,105	17,405
Units to be issued				
- asset management fees payable in units ^(d)	18,414	17,964	18,414	17,964
Unit issue expenses	-	-	(3,702)	(30)
Distributions paid to unitholders ^(e)	(66,244)	(66,525)	(266,134)	(266,627)
Net decrease in net assets resulting from unitholders' transactions	(47,830)	(48,561)	(33,317)	(230,788)
Unitholders' funds as at end of period	5,174,058	4,954,558	5,174,058	4,954,558

Footnotes:

- (a) This represents the share of fair value change of the cash flow hedges as a result of interest rate swaps entered into by a subsidiary and a joint venture.
- (b) This represents the value of the private placement units issued on 6 May 2019.
- (c) This represents the value at closing market prices of 242,718 units issued on conversion of convertible bonds on 25 January 2018 and 28 February 2018.
- (d) This represents the value of units issued and to be issued to the Manager as partial satisfaction of the asset management fee incurred for the quarter. The asset management base fee units for the quarter ended 31 December 2019 and asset management performance fee units for the financial year ended 31 December 2019 are to be issued within 30 days from quarter end.
- (e) This includes tax withheld in relation to distribution paid during the quarter.

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

	Group and Trust			
	1/10/19 to 31/12/19	1/10/18 to 31/12/18	1/1/19 to 31/12/19	1/1/18 to 31/12/18
	Units	Units	Units	Units
Issued units at the beginning of the period	2,797,814,531	2,667,480,805	2,670,632,751	2,652,435,452
Creation of units:				
- as payment for asset management fee	3,201,522	3,151,946	19,272,302	17,954,581
- as units issued for private placement	-	-	111,111,000	-
- conversion of convertible bonds in units	-	-	-	242,718
Issued units at the end of the period	2,801,016,053	2,670,632,751	2,801,016,053	2,670,632,751
Units to be issued:				
- asset management fee payable in units ^(a)	10,126,920	9,904,077	10,126,920	9,904,077
Issuable units at the end of the period	10,126,920	9,904,077	10,126,920	9,904,077
Total issued and issuable units	2,811,142,973	2,680,536,828	2,811,142,973	2,680,536,828

Footnotes:

(a) These are units to be issued to the Manager as partial satisfaction of asset management base fee incurred for the quarter ended 31 December 2019 and 31 December 2018 and asset management performance fee incurred for the financial year ended 31 December 2019 and 31 December 2018 respectively.

1 (g) Number of shares that may be issued on conversion of all outstanding convertibles

Convertible Bonds – Group & Trust

(a) Convertible Bonds due 2021

On 5 September 2016, Suntec REIT issued S\$300.0 million in principal amount of Convertible Bonds due in 2021 ("CB 2021"), with S\$87.5 million of CB2021 outstanding at the beginning of the year.

Following the receipt of a notice of exercise of a put option pursuant to Condition 7.4 of the Terms and Conditions of CB2021 on 5 September 2019, S\$1.0 million in principal amount of the CB2021 was redeemed and cancelled. To-date, S\$213.5 million in principal amount of CB 2021 had been converted or redeemed as the case may be and cancelled in accordance with the terms of CB 2021.

As at 31 December 2019, S\$86.5 million (31 December 2018: S\$87.5 million) of CB 2021 remained outstanding which are convertible by holders into units of Suntec REIT ("Unit") at any time on or after 16 October 2016 at an adjusted conversion price of S\$2.01 per new Unit (31 December 2018: S\$2.04 per new Unit). The final redemption date of the bonds will be 5 September 2021.

Assuming CB 2021 are fully converted based on the adjusted conversion price, the number of new Units to be issued would be 43,034,825 (31 December 2018: 42,892,156), representing 1.53% (31 December 2018: 1.60%) of the total number of Units in issue as at 31 December 2019.

(b) Convertible Bonds due 2024

On 30 November 2017, Suntec REIT issued S\$300.0 million in principal amount of Convertible Bonds due in 2024 ("CB 2024") which are convertible by holders into Units at any time on or after 9 January 2018 at an adjusted conversion price of S\$2.14 per new Unit (31 December 2018: \$2.189 per new Unit).

Unless previously redeemed by the bondholders on 30 November 2020, or by the Trust at any time on or after 30 November 2020 and not less than 7 business days prior to 30 November 2024, the final redemption date of the bonds will be 30 November 2024.

Assuming CB 2024 are fully converted based on the adjusted conversion price, the number of new Units to be issued would be 140,186,915 (31 December 2018: 137,048,880), representing 4.99% (31 December 2018: 5.11%) of the total number of Units in issue as at 31 December 2019.

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2019**

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

The figures for the financial year ended 31 December 2019 have not been audited but have been reviewed by the auditors in accordance with Singapore Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

- 3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Please see attached review report.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2018.

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

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

FRS 116 Leases

FRS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

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

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2019**

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

Earnings per unit

	Group			
	1/10/19 to 31/12/19	1/10/18 to 31/12/18	1/1/19 to 31/12/19	1/1/18 to 31/12/18
Weighted average number of issued/issuable units ^(a)	2,801,126,128	2,670,740,404	2,758,314,365	2,665,874,457
Earnings per unit for the period based on the weighted average number of units in issue (cents)	8.740	5.791	14.158	11.522
Weighted average number of units on the fully diluted basis	2,994,437,151	2,860,477,864	2,994,382,969	2,860,477,864
Earnings per unit for the period based on the fully diluted basis (cents) ^(b)	8.110	5.324	13.069	10.629

Footnotes:

- (a) For the purpose of calculating the basic EPU, the weighted average number of units issued/issuable took into account the asset management fees – base fees paid/payable in units (31 December 2018: the weighted average number of units issued/issuable took into account the asset management fees – base fees paid/payable in units and new units issued from the conversion of \$500,000 of the convertible bonds).
- (b) For the purpose of calculating the diluted EPU, the weighted average number of units in issue is adjusted to take into account the asset management fees – base and performance fees payable in units and dilutive effect arising from full conversion of convertible bonds to units.

Distribution per Unit

In computing the DPU, the number of units as at the end of each period is used for the computation. The DPU for the Group and Trust are the same.

	Group			
	1/10/19 to 31/12/19	1/10/18 to 31/12/18	1/1/19 to 31/12/19	1/1/18 to 31/12/18
Number of issued and issuable units at end of period entitled to distribution ^(a)	2,811,142,973	2,680,536,828	2,811,142,973	2,680,536,828
Distribution per unit for the period based on the total number of units entitled to distribution (cents)	2.347 ⁽¹⁾	2.590 ⁽¹⁾	9.507 ⁽²⁾	9.988 ⁽²⁾

- (1) The distribution per unit for the quarter ended 31 December 2019 of **2.347 cents per unit** (31 December 2018: **2.590 cents per unit**) comprised a taxable income component of **1.572 cents per unit** (31 December 2018: **1.871 cents per unit**), a tax exempt income component of **0.544 cents per unit** (31 December 2018: **0.253 cents per unit**) and a capital distribution of **0.231 cents per unit** (31 December 2018: **0.466 cents per unit**).
- (2) The distribution per unit for the year ended 31 December 2019 of **9.507 cents per unit** (31 December 2018: **9.988 cents per unit**) comprised a taxable income component of **7.247 cents per unit** (31 December 2018: **7.303 cents per unit**), a tax exempt income component of **1.323 cents per unit** (31 December 2018: **1.226 cents per unit**) and a capital distribution of **0.937 cents per unit** (31 December 2018: **1.459 cents per unit**).

Footnotes:

- (a) The computation of actual DPU for the period from 1 October 2019 to 31 December 2019 is based on the number of units entitled to the distribution:
- (i) The number of units in issue as at 31 December 2019 of 2,801,016,053; and
- (ii) The units issuable to the Manager by 30 January 2020 as partial satisfaction of asset management base fees incurred for the period from 1 October 2019 to 31 December 2019 of 3,462,333 and asset management performance fees incurred for the period 1 January 2019 to 31 December 2019 of 6,664,587.

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2019**

7. Net asset value (“NAV”) and Net Tangible Asset (“NTA”) per unit as at 31 December 2019

	Group		Trust	
	31/12/19 ^(a)	31/12/18	31/12/19 ^(a)	31/12/18
NAV / NTA per unit (S\$)	2.126	2.103	1.841	1.848

Footnotes:

(a) The number of units used for computation of actual NAV per unit is 2,811,142,973. This comprised:

- (i) The number of units in issue as at 31 December 2019 of 2,801,016,053; and
- (ii) The units issuable to the Manager by 30 January 2020 as partial satisfaction of asset management base fees incurred for the period from 1 October 2019 to 31 December 2019 of 3,462,333 and asset management performance fees incurred for the period 1 January 2019 to 31 December 2019 of 6,664,587.

8. Review of the performance for the Fourth Quarter and Financial Year ended 31 December 2019

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

Properties	Group					
	1/10/19 to 31/12/19	1/10/18 to 31/12/18	Change	1/1/19 to 31/12/19	1/1/18 to 31/12/18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross Revenue:						
Suntec City	61,300	58,979	3.9%	241,986	233,641	3.6%
Suntec Singapore	22,292	23,802	-6.3%	81,775	89,635	-8.8%
177 Pacific Highway	9,171	10,672	-14.1%	38,124	40,228	-5.2%
55 Currie Street ^(a)	3,955	-	n.m.	4,845	-	n.m.
Total gross revenue	96,718	93,453	3.5%	366,730	363,504	0.9%
Net Property Income:						
Suntec City	43,203	43,377	-0.4%	171,356	172,020	-0.4%
Suntec Singapore	9,196	8,103	13.5%	28,474	34,285	-16.9%
177 Pacific Highway	7,889	9,246	-14.7%	32,717	34,672	-5.6%
55 Currie Street ^(a)	2,981	-	n.m.	3,640	-	n.m.
Total net property income	63,269	60,726	4.2%	236,187	240,977	-2.0%

Footnote:

(a) The acquisition of 55 Currie Street was completed on 10 September 2019.

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For Fourth Quarter and Financial Year ended 31 December 2019**

8. Review of the performance for the Fourth Quarter and Financial Year ended 31 December 2019 (continued)

8(ii) Income contribution from joint ventures

	Group					
	1/10/19 to 31/12/19	1/10/18 to 31/12/18	Change	1/1/19 to 31/12/19	1/1/18 to 31/12/18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Joint ventures:						
One-third interest in ORQ:						
- Interest income	511	585	-12.6%	2,159	2,242	-3.7%
- Dividend income	4,910	4,940	-0.6%	21,693	22,552	-3.8%
	5,421	5,525	-1.9%	23,852	24,794	-3.8%
One-third interest in MBFC Properties:						
- Interest income	5,582	5,530	0.9%	23,065	20,952	10.1%
- Distribution income	6,770	7,430	-8.9%	34,165	32,608	4.8%
	12,352	12,960	-4.7%	57,230	53,560	6.9%
50% interest in Southgate Complex ^(a) :						
- Dividend/Distribution income	4,585	4,232	8.3%	17,512	12,859	36.2%
	4,585	4,232	8.3%	17,512	12,859	36.2%
Total income contribution	22,358	22,717	-1.6%	98,594	91,213	8.1%

Footnote:

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

Review of performance 4Q FY19 vs 4Q FY18

For 4Q FY19, the gross revenue was S\$96.7 million, an increase of S\$3.3 million or 3.5% higher year-on-year. The increase was mainly due to higher revenue from Suntec City by S\$2.3 million and the contribution from 55 Currie Street of S\$4.0 million from 10 September 2019. This was partially offset by lower revenue of \$1.5 million each from Suntec Singapore and 177 Pacific Highway.

Suntec City revenue improved S\$2.3 million year-on-year, due to increase in both office and retail revenue. Office revenue grew by S\$1.5 million mainly due to higher occupancy and slight increase in rent while retail revenue grew by S\$0.8 million due to the positive rent reversions from previous quarters and the higher rents from the units at basement 1 following the completion of the asset enhancement works in 4Q FY19. As at 31 December 2019, the committed occupancy of Suntec City Office improved by 1.4 percentage points year-on-year to achieve 100% while the committed occupancy of Suntec City Mall remained unchanged at 99.6%.

Suntec Singapore's revenue contribution for the quarter of S\$22.3 million comprises S\$17.4 million from convention and S\$4.9 million from retail. The convention revenue declined 7.5% due to more events which were smaller scale in 4Q FY19. Suntec Singapore's retail revenue declined by 1.9% as compared to 4Q FY18 due to lower rent.

177 Pacific Highway revenue of S\$9.2 million for 4Q FY19 was 14.1% lower than 4Q FY18 due to the weakened Australian dollar. The committed occupancy for the property maintained at 100%. The committed occupancy for 55 Currie Street stood at 91.7%.

The net property income for 4Q FY19 was S\$63.3 million, S\$2.5 million or 4.2% higher year-on-year mainly due to higher net property income from Suntec City Office, Suntec Singapore due to higher yielding events and cost savings from operations, as well as contribution from 55 Currie Street. The increase was partially offset by lower net property income from Suntec City Mall due to higher Advertising and Promotions expenses and property tax, as well as 177 Pacific Highway due to lower exchange rate.

**Financial Statements Announcement
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8. Review of the performance for the Fourth Quarter and Financial Year ended 31 December 2019 (continued)

The income contribution from joint ventures comprising ORQ, MBFC Properties and Southgate Complex for the quarter was S\$22.4 million, 1.6% lower year-on-year due to lower occupancy at MBFC Properties. This was partially offset by the stronger performance of Southgate Complex due to higher occupancy and rent. The committed occupancy for ORQ improved 1.7 percentage points year-on-year to 97.8%. The committed occupancy at MBFC Towers 1 & 2 and Marina Bay Link Mall both declined by 1.5 percentage points to 98.5% and 97.7% respectively. Southgate Complex's committed office occupancy improved 1.2 percentage points to 100.0%.

The overall committed occupancy for the office and retail portfolios of the Group stood at 98.7% and 99.1% respectively.

Net financing costs for the quarter was S\$20.5 million, a decrease of S\$0.9 million mainly due to net foreign currency exchange gain recorded in 4Q FY19. Excluding net foreign currency exchange differences, net financing costs for the quarter was \$1.2 million or 6.4% higher mainly due to additional borrowings for progress payments for Olderfleet, 477 Collins Street and higher interest rates. The all-in financing cost for the group was 3.09% per annum for the quarter and the aggregate leverage ratio was 37.7% as at 31 December 2019.

The distributable income from operations for the quarter of S\$59.5 million was 4.4% higher year-on-year due to the higher net property income which included the contribution from 55 Currie Street, stronger performance of Suntec City Office and Southgate Complex, partially offset by lower contribution from 177 Pacific Highway, Suntec City Mall, MBFC Properties and higher financing costs. The total distributable income of S\$66.0 million was 5.0% lower year-on-year as the capital distribution was S\$6.0 million lower.

The distribution per unit ("DPU") from operations for the quarter was 2.116 cents, a decrease of 0.4% year-on-year due to enlarged unit base. Including the lower capital distribution, the DPU of 2.347 cents was 9.4% lower year-on-year.

Review of performance FY19 vs FY18

For FY19, the gross revenue was S\$366.7 million, an increase of S\$3.2 million or 0.9% higher year-on-year. The increase was mainly due to higher revenue from Suntec City by S\$8.3 million and contribution from 55 Currie Street of S\$4.9 million. This was offset by lower revenue from Suntec Singapore by S\$7.9 million and from 177 Pacific Highway by S\$2.1 million due to the weakened Australian dollar respectively.

Suntec City revenue improved by S\$8.3 million year-on-year, due to increase in retail revenue and office revenue. Retail revenue grew by S\$4.7 million due to positive rent reversions in previous quarters and office revenue grew by S\$3.6 million due to higher occupancy.

Suntec Singapore's revenue contribution for FY19 of S\$81.8 million comprise S\$61.7 million from convention and S\$20.0 million from retail. Convention revenue declined 11.7% despite more corporate events secured in FY 19 mainly due to fewer major convention events. Suntec Singapore's retail revenue increased by 1.7% as compared to FY18 due to higher rent.

The net property income for FY19 was S\$236.2 million, S\$4.8 million or 2.0% lower year-on-year, mainly attributable to the sinking fund contribution for Suntec City Office upgrading works amounting to an additional S\$8.0 million, lower convention income and lower contribution from 177 Pacific Highway. This was partially offset by the contribution from 55 Currie Street. The sinking fund contribution has no impact on distributable income. Excluding the sinking fund contribution, the net property income for Suntec City Office and Suntec City Retail would have increased by S\$3.3 million and S\$2.4 million respectively.

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2019**

8. Review of the performance for the Fourth Quarter and Financial Year ended 31 December 2019 (continued)

The total income contribution from joint ventures for the period was S\$98.6 million, 8.1% higher year-on-year mainly due to stronger performance of and an additional 25.0% interest in Southgate Complex as well as one-off compensations received for the MBFC Properties. This was partially offset by lower contribution from ORQ due to lower occupancy.

Net financing costs for the period was S\$80.6 million, an increase of S\$8.4 million mainly due to additional borrowings for progress payments for Olderfleet, 477 Collins Street, higher interest rates and additional interest rate hedges. The all-in financing cost for the group was 3.05% per annum for FY19.

The distributable income from operations for FY19 of S\$236.7 million was 3.9% higher year-on-year due to the higher contribution from Suntec City, stronger performance of and an additional 25.0% interest in Southgate Complex, higher contribution from MBFC Properties and contribution from 55 Currie Street. This was partially offset by lower contribution from ORQ and higher financing costs. The total distributable income of S\$262.7 million was 1.5% lower year-on-year as the capital distribution was S\$13.0 million lower year-on-year.

The DPU from operations for FY19 was 8.570 cents, an increase of 0.5% year-on-year. Including the lower capital distribution, the DPU of 9.507 cents was 4.8% lower year-on-year.

9. Variance between the forecast and actual results

The current results are broadly in line with the Trust's commentary made in the FY2018 Financial Results Announcement under item 10. The Trust has not disclosed any financial forecast to the market.

**Financial Statements Announcement
For Fourth Quarter and Financial Year ended 31 December 2019**

10. Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Based on the report released by the Ministry of Trade and Industry (“MTI”) on 2 January 2020, the Singapore economy in the fourth quarter of 2019 grew by 0.8% on a year-on-year basis. For 2019, the Singapore economy grew by 0.7%.

According to property consultants, the Singapore office market improved marginally in the fourth quarter of 2019. Overall CBD occupancy improved by 0.5 percentage point to 95.9%, underpinned by a stable leasing market and tight supply. Overall CBD rents remained flat against the prior quarter as tenants remained cautious amid an uncertain economic outlook.¹ Notwithstanding, Suntec REIT’s Singapore office portfolio continued to achieve positive rental growth for the seventh consecutive quarter.

Looking ahead, Suntec REIT’s Singapore office portfolio will continue to perform well due to positive rent reversions from the previous quarters. The Manager will continue its proactive asset management to engage tenants in meeting their space requirements.

The Singapore retail market remained stable in the fourth quarter of 2019. Demand for retail space continued to be driven by new-to-market brand and expansion of existing brands¹. Suntec City Mall continued to achieve positive rental growth for the tenth consecutive quarter.

Looking ahead, Suntec City Mall is expected to perform well notwithstanding the continuing challenges in the retail sector given the high footfall, improved tenant mix including new-to-market brands and positive rent reversions from previous quarters.

According to the Australian Bureau of Statistics, the Australian economy on a year-on-year basis, grew by 1.7% in the third quarter of 2019. On 3 December 2019, the Reserve Bank of Australia maintained the cash rate at 0.75%.

In Australia, the national office CBD occupancy improved by 0.2 percentage point to 91.9% in the third quarter of 2019. For the office markets in Sydney and Melbourne, prime office occupancy rates remained at a high of 95.2% and 97.9% respectively. Adelaide CBD prime office occupancy increased by 1.3 percentage point to 90.1%.²

Sydney office market is expected to remain stable while the Melbourne office market is likely to face some vacancy pressures due to the availability of backfill space arising from the high pre-commitment level of the new buildings coming on-stream in 2020. The Adelaide market is expected to improve further, driven by long term infrastructure investments.

The bushfires in Australia are likely to have a negative effect on the economy. However, Suntec REIT’s office portfolio will continue to perform well, underpinned by strong occupancy, long weighted average lease expiry of more than five years with minimal lease expiry in 2020.

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

¹ JLL, Office and Retail Market Reports 4Q 2019.

² JLL, Australia Office Overview and Outlook, Sydney CBD Office, North Shore Office and Melbourne CBD Office Market Reports 3Q 2019.

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For Fourth Quarter and Financial Year ended 31 December 2019**

11. Distributions

(a) Current financial period

Any distribution declared for the current period? Yes

Name of distribution Distribution for the period from 1 October 2019 to 31 December 2019

Distribution Rate	Distribution Type	Distribution Rate Per Unit (cents)
	Taxable income	1.572
	Tax-exempt income	0.544
	Capital distribution	0.231
	Total	2.347

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

Par value of units Not meaningful

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

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

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

Remark Nil

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11. Distributions (continued)

(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 October 2018 to 31 December 2018

Distribution Rate

Distribution Type	Distribution Rate Per Unit (cents)
Taxable income	1.871
Tax-exempt income	0.253
Capital distribution	0.466
Total	2.590

Distribution Type

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

Par value of units

Not meaningful

Tax Rate

Taxable income

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

Tax-exempt income

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

Capital distribution

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

Remark

Nil

(c) Date paid/payable:

28 February 2020

(d) Books Closure Date:

31 January 2020

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

Not applicable.

13. Aggregate value of Interested Person Transactions under Rule 920(1)(a)(ii)

Suntec REIT does not have in place a general mandate for interested person transactions.

14. Negative confirmation pursuant to Rule 705(5) of the Listing Manual

Not applicable.

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

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

16. Segmented revenue and results for business or geographical segments (of the group)

Business segments

As at 31 December 2019, Suntec REIT's portfolio comprises office and retail properties in Suntec City, 60.8% interest in Suntec Singapore, a 100% interest in 177 Pacific Highway, a 50.0% interest in Olderfleet, 477 Collins Street (currently under development) and a 100% interest in 55 Currie Street. Suntec REIT also holds 30.0% interest in 9 Penang Road, 1/3 interest in ORQ and MBFC Properties as well as 50.0% interest in Southgate Complex through joint ventures.

Suntec REIT's interest in Suntec City includes Suntec City Mall comprising 813,753 sq ft of net lettable area, 59.0% of Suntec Office Towers, as well as 60.8% of Suntec Singapore comprising the convention centre and 141,959 sq ft of net lettable area of Suntec City Mall.

Joint ventures are equity accounted for, therefore not included in the segment analysis table below.

	Office	Retail	Convention	Total
	1/1/19 to 31/12/19	1/1/19 to 31/12/19	1/1/19 to 31/12/19	1/1/19 to 31/12/19
	\$'000	\$'000	\$'000	\$'000
2019				
Property income and expenses				
Gross revenue	176,350	128,634	61,746	366,730
Property expenses	(41,192)	(40,888)	(48,463)	(130,543)
Segment net property income	135,158	87,746	13,283	236,187

	Office	Retail	Convention	Total
	1/1/18 to 31/12/18	1/1/18 to 31/12/18	1/1/18 to 31/12/18	1/1/18 to 31/12/18
	\$'000	\$'000	\$'000	\$'000
2018				
Property income and expenses				
Gross revenue	169,990	123,573	69,941	363,504
Property expenses	(36,372)	(34,975)	(51,180)	(122,527)
Segment net property income	133,618	88,598	18,761	240,977

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17. In the review of performance, the factors leading to any changes in contributions to turnover and earnings by the business or geographical segments

Please refer to Section 8 for the review of the performance.

18. Breakdown of sales

	Group		
	1/1/19 to 31/12/19	1/1/18 to 31/12/18	Change
	S\$'000	S\$'000	%
Gross revenue reported for period from 1 January to 30 June	178,073	181,240	-1.7%
Total return after tax for the period from 1 January to 30 June	100,825	121,451	-17.0%
Gross revenue reported for the period from 1 July to 31 December	188,657	182,264	3.5%
Total return after tax for the period from 1 July to 31 December	294,268	196,712	49.6%

19. Breakdown of the total distribution for the financial year ended 31 December 2019

Annual distribution paid/payable to Unitholders

	1/1/19 to 31/12/19	1/1/18 to 31/12/18
	S\$'000	S\$'000
1 July 2019 to 30 September 2019	66,244	-
6 May 2019 to 30 June 2019	43,786	-
1 January 2019 to 5 May 2019	86,678	-
1 October 2018 to 31 December 2018	69,426	-
1 July 2018 to 30 September 2018	-	66,525
1 April 2018 to 30 June 2018	-	65,993
1 January 2018 to 31 March 2018	-	64,817
1 October 2017 to 31 December 2017	-	69,292
	266,134	266,627

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13).

Pursuant to Rule 704(13) of the Listing Manual, we confirm that there is no person occupying managerial positions in ARA Trust Management (Suntec) Limited (the "Company") or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

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21. 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 31 December 2019:

- a. Suntec REIT will declare a distribution which is classified as capital distribution from a tax perspective, being derived from a portion of the sales proceeds from the sale of Park Mall in December 2015, in addition to the income available for distribution for the quarter ended 31 December 2019,
- b. The Manager is satisfied on reasonable grounds that, immediately after making the distributions, Suntec REIT will be able to fulfill, from its deposited properties, its liabilities as they fall due.

The distribution is computed based on the accounts of Suntec REIT for the quarter ended 31 December 2019 and is verified by our external tax consultant.

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

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the current views of management on future events.

The value of units in Suntec REIT ("**Units**") and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, ARA Trust Management (Suntec) Limited (as the manager of Suntec REIT) (the "**Manager**") or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Suntec REIT is not necessarily indicative of the future performance of Suntec REIT.

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

Chong Kee Hiong
Director
22 January 2020