Real Estate Investment Trust

ANNUAL REPORT 2020

Staying Resilient
Forging Forward

ABOUT SUNTEC REIT

Listed on 9 December 2004 on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"), Suntec Real Estate Investment Trust ("Suntec REIT") is one of the leading real estate investment trusts in Singapore, owning income-producing real estate that is primarily used for office and/or retail purposes. As at 31 December 2020, Suntec REIT has assets under management of over S$11 billion with properties in Singapore and key Australian cities of Sydney, Melbourne and Adelaide as well as in London, United Kingdom.

In Singapore, Suntec REIT's portfolio comprises office and retail properties in Suntec City, 66.3% interest in Suntec Singapore Convention & Exhibition Centre ("Suntec Singapore"), one-third interest in One Raffles Quay ("ORQ"), one-third interest in Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall ("MBLM" and collectively known as the "MBFC Properties"), and 30.0% interest in 9 Penang Road. The properties in Australia include 177 Pacific Highway and 21 Harris Street in Sydney, 50.0% interest in Southgate Complex and 50.0% interest in Olderfleet, 477 Collins Street in Melbourne and 55 Currie Street in Adelaide. In United Kingdom, Suntec REIT owns a 50.0% interest in Nova Properties in Victoria, West End, London.

Suntec REIT is managed by an external manager, ARA Trust Management (Suntec) Limited (the "Manager"). The Manager is focused on delivering regular and stable distributions to Suntec REIT's unitholders, and to achieve long-term growth in the net asset value per unit of Suntec REIT, so as to provide unitholders with a competitive rate of return on their investment.

ABOUT ARA TRUST MANAGEMENT (SUNTEC) LIMITED

Suntec REIT is managed by ARA Trust Management (Suntec) Limited, a wholly-owned subsidiary of ARA Asset Management Limited ("ARA or the Group").

Founded in 2002 and driven by a mission to be best-in-class, ARA is a leading APAC real assets fund manager with a global reach.

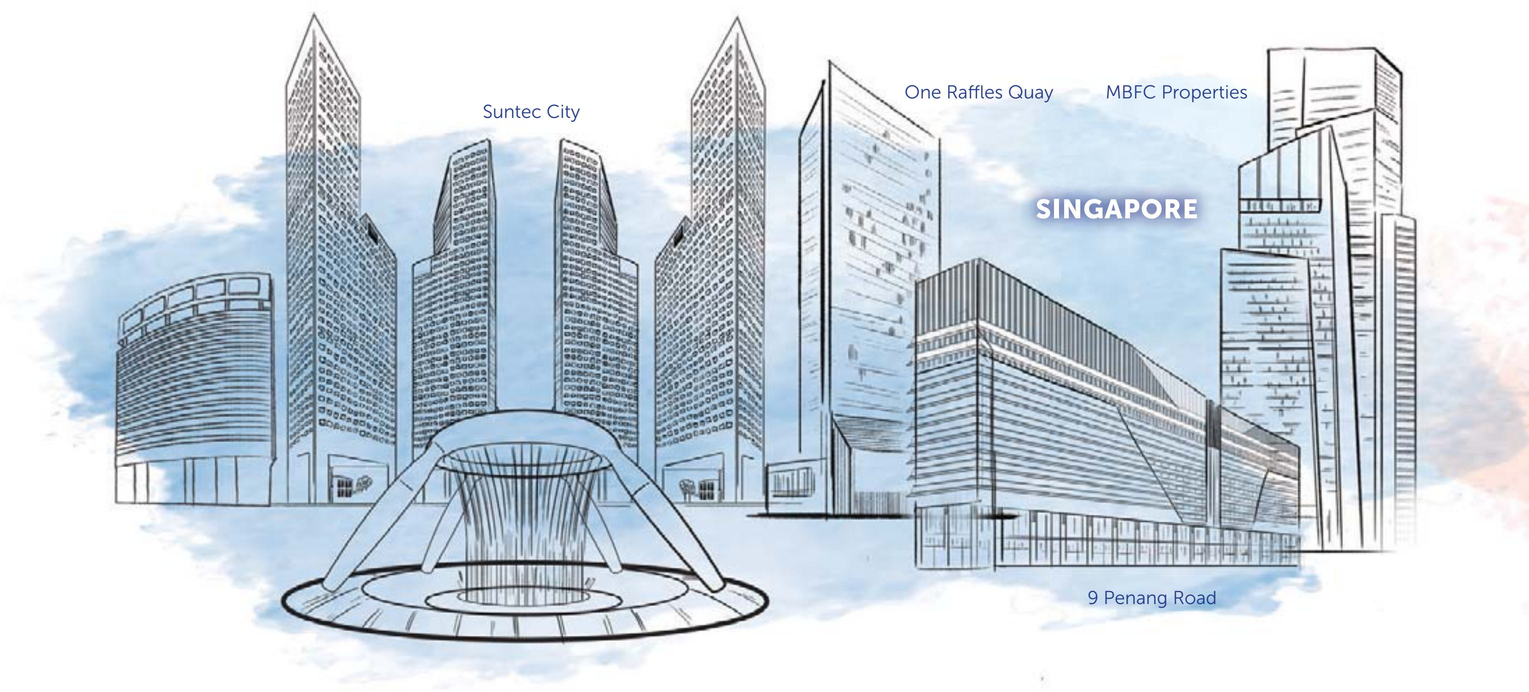
ARA operates a diversified platform across assets, strategies and geographies, with approximately S$119 billion[1] in gross assets under management globally, as at 31 December 2020. It offers value-added investment solutions in both public and private markets, managing listed and unlisted real estate investment trusts ("REIT") and private funds in real estate, infrastructure and credit across 28 countries. As part of its investor-operator philosophy, the Group also operates a real estate management services division with local teams to manage its assets worldwide.

ARA's multi-platform, multi-product global fund management business is driven by dedicated teams with in-depth market knowledge and local expertise in all countries where it operates and invests. The Group strives to work sustainably, is mindful of its impact on the environment, and aims to leverage technology to work smart and achieve better outcomes for its stakeholders. Built on a foundation of strong corporate governance and business integrity, ARA manages funds on behalf of many of the world's largest pension funds, sovereign wealth funds and financial institutions.

The Manager is responsible for the management and administration of Suntec REIT, as well as the implementation of Suntec REIT's strategic long-term growth.

Note:

1 Includes assets under management by ARA Asset Management Limited and the Group of companies ("ARA Group") and its Associates.



Staying Resilient

2020 has been an unprecedented year and Suntec REIT's strong foundation has enabled us to stay resilient during these challenging times. Deliberate actions taken to mitigate the impact of the COVID-19 pandemic include proactively managing risks to enhance the resilience of the properties, assisting tenants to weather through the difficult period and delivering sustainable returns to unitholders. A forward-thinking approach was also adopted to further enhance Suntec REIT's income stability through acquiring good quality assets in United Kingdom and Australia that are accretive. By strengthening its core and diversifying geographically, Suntec REIT is well-positioned for recovery in the coming year.

OUR MISSION

Forging ahead to create, provide and deliver value to all stakeholders of Suntec REIT.

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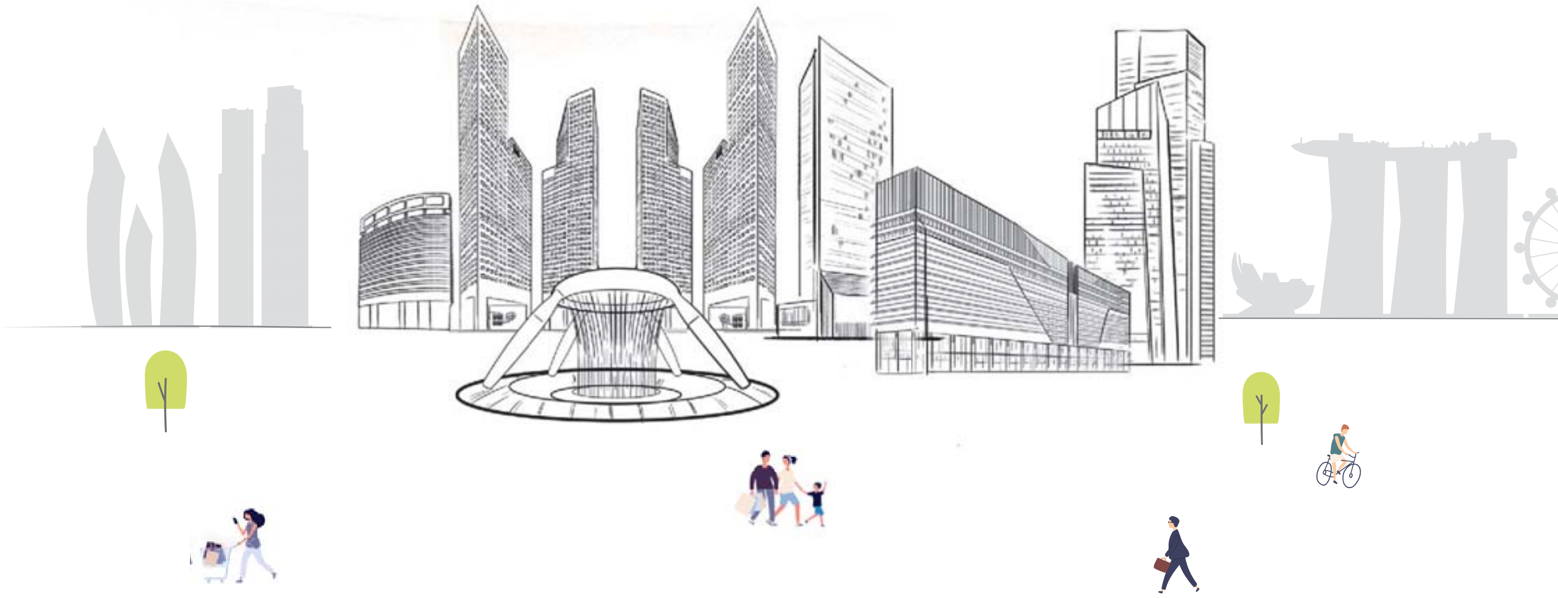
wework
salesforce
FIVE



Maintaining Stability

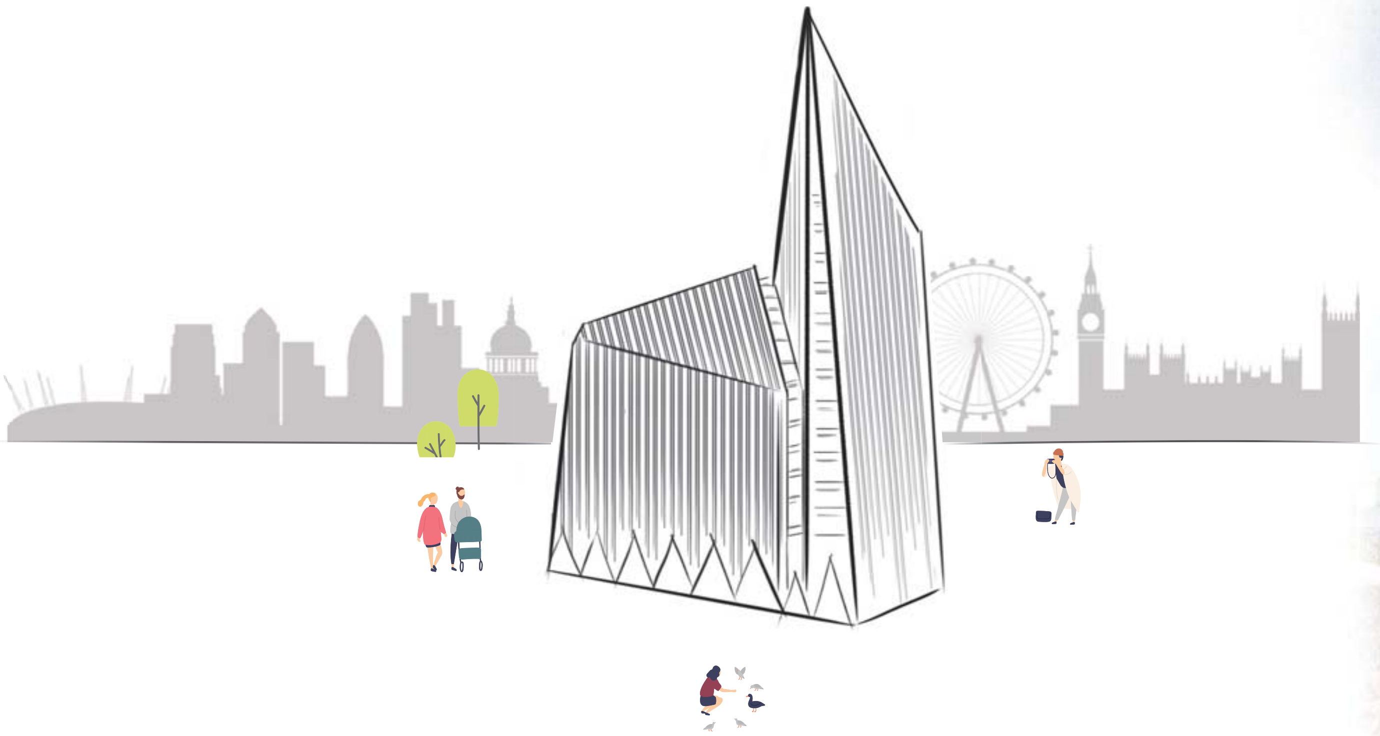
Our strong foundation enables us to navigate through economic cycles and deliver sustainable returns for our stakeholders.

Building On Strengths

With in-depth market knowledge and
proactiveness in lease management,
asset enhancement and portfolio optimisation,
we are well-positioned for
the post-pandemic recovery.

Expanding Horizons

Our maiden foray into United Kingdom and strategic acquisition in Australia, increases Suntec REIT's geographical diversification and enhances income stability as we drive towards long-term growth for unitholders.



AT A GLANCE

DISTRIBUTABLE INCOME FROM OPERATIONS

S$209.2 MILLION

Declined 11.6% year-on-year ("y-o-y") due to rent assistance given to retail tenants, absence of contribution from Suntec Singapore and one-off compensation received in 2019 at MBFC Properties. This was partially offset by the better performance and contributions from the Australia office portfolio, better performance from ORQ and lower financing cost.

ASSETS UNDER MANAGEMENT

S$11.7 BILLION

Increased 12.5% y-o-y mainly driven by the completed development of Olderfleet, 477 Collins Street in Melbourne, as well as newly acquired properties at 21 Harris Street in Sydney and Nova Properties in West End, London.

DISTRIBUTION PER UNIT

7.402 CENTS

Declined 22.1% due to lower distributable income from operations and absence of capital distribution.

SUSTAINABILITY

GRESB 5 STAR

Rating in inaugural submission

PORTFOLIO OCCUPANCY

95.9% Office | **90.2%** Retail

NET ASSET VALUE PER UNIT

S$2.055

AGGREGATE LEVERAGE RATIO

44.3%

ALL-IN FINANCING COST

2.53%

per annum

REVIEWING YEAR 2020

JANUARY

- Achieved total distributable income of S$66.0 million for the quarter from 1 October 2019 to 31 December 2019. Distribution per unit ("DPU") for the quarter amounted to 2.347 cents.

FEBRUARY

- Issued S$200 million medium term notes under the US$1.5 billion Euro Medium Term Note ("EMTN") Programme.

MARCH

- Entered into an A$450 million green loan facility.
- Changed to half-yearly reporting of financial statements.

APRIL

- Completed acquisition of 100% interest in a freehold Grade A office building at 21 Harris Street, Pyrmont, Sydney, Australia.
- Achieved distributable income from operations of S$55.1 million[1] for the quarter from 1 January 2020 to 31 March 2020. DPU to unitholders for the quarter amounted to 1.760 cents.

MAY

- Issued S$200 million medium term notes under the US$1.5 billion EMTN Programme.

JUNE

- Unitholders approved all resolutions tabled at Suntec REIT's annual general meeting held virtually on 16 June 2020.

JULY

- Increased equity in Suntec Singapore Convention and Exhibition Centre ("Suntec Singapore") from 60.8% to 66.3%.
- Achieved distributable income from operations of S$103.1 million[2] for the half year from 1 January 2020 to 30 June 2020. DPU to unitholders for the half year amounted to 3.293 cents (including DPU of 1.760 cents for the quarter from 1 January 2020 to 31 March 2020).

AUGUST

- Completion of Olderfleet, 477 Collins Street in Melbourne, Australia.

OCTOBER

- Announced the acquisition of 50.0% interest in two Grade A office buildings with ancillary retail in Victoria, West End, London, United Kingdom.
- Updated the US$1.5 billion EMTN Programme to allow for the increase in the programme limit from US$1.5 billion to US$2.0 billion and the issuance of perpetual securities.
- Achieved distributable income from operations of S$52.2 million for the quarter from 1 July 2020 to 30 September 2020. DPU to unitholders for the quarter amounted to 1.848 cents.
- Issuance of S$200 million subordinated perpetual securities under the updated US$2.0 billion EMTN Programme.

NOVEMBER

- Attained GRESB 5 Star rating in inaugural participation.

DECEMBER

- Unitholders approved the resolution tabled at Suntec REIT's extraordinary general meeting held virtually on 4 December 2020.
- Entered into a S$900 million loan facility.
- Entered into a £200 million loan facility.
- Completed the acquisition of 50.0% interest in two Grade A office buildings with ancillary retail in Victoria, West End, London, United Kingdom.

Notes:

[1] The distributable income to unitholders for the quarter was S$49.6 million as S$5.5 million was retained.

[2] The distributable income to unitholders for the half year was S$92.8 million as S$10.3 million was retained.

CHAIRMAN'S REPORT

Dear Unitholders

On behalf of the Board of ARA Trust Management (Suntec) Limited ("Board"), it is my pleasure to present to you the annual report of Suntec REIT for the financial year ended 31 December 2020 ("FY 2020").

2020 was unprecedented, with the novel coronavirus ("COVID-19") pandemic causing unforeseen disruptions to our daily lives and businesses. Throughout this challenging year, we worked closely with all our stakeholders to mitigate the impact caused by the pandemic. While our convention and retail businesses were most affected, this was mitigated by the resilient performance of our office portfolio in Singapore and Australia, as well as the income contribution from the newly acquired 21 Harris Street in Sydney and Olderfleet, 477 Collins Street in Melbourne, which received practical completion in end July 2020.

In December 2020, Suntec REIT made its maiden foray into the United Kingdom, with the acquisition of a 50.0% interest in two Grade A office buildings with ancillary retail ("Nova Properties") located in the heart of Victoria, West End, London. This will further enhance the resilience, diversification and quality of our existing portfolio of high quality commercial assets.

FINANCIAL PERFORMANCE

Distributable income from operations in FY 2020 was S$209.2 million, S$27.5 million or 11.6% lower year-on-year. The rent assistance granted to retail tenants at Suntec City Mall, Marina Bay Link Mall and Southgate Complex and the absence of income contribution from Suntec Convention and as well as the absence of compensation from the Marina Bay Financial Centre Properties contributed to the decrease in distributable income from operations. This was mitigated by the better performance and contributions from the Australia office portfolio, stronger performance of One Raffles Quay as well as lower financing costs.

10.0% of the distributable income from operations amounting to S$10.3 million was retained in the first half of 2020, as we sought to achieve a balance between providing a reasonable return to unitholders, building a cash reserve and supporting our tenants. With signs of recovery in the retail business and the continued resilience of our office portfolio in Singapore and Australia, the S$10.3 million was fully distributed to unitholders in February 2021 together with the fourth quarter distribution.

Distribution per unit ("DPU") of 7.402 cents for FY 2020 was 22.1% lower year-on-year due to the lower income from operations and the absence of capital distribution.

OPERATIONAL PERFORMANCE

The underlying resilience of the Singapore office portfolio coupled with our proactive asset management resulted in a committed occupancy of 96.6% as at 31 December 2020, well above the market occupancy of 93.2% for Grade A, CBD offices. In addition, Suntec City Office achieved 11 consecutive quarters of positive rent reversions.

To further strengthen the value proposition of Suntec City Office, asset enhancement works are currently underway to upgrade the lifts, lobbies and restrooms of the five office towers. Upgrading works for Tower Five were completed in 2019 and were well-received by office tenants while works for Towers One and Four will be completed by the first quarter of 2021. For the remaining two office towers, upgrading works are expected to be completed by early 2022.

Our office towers in One Raffles Quay and Marina Bay Financial Centre performed well, with positive rent reversions for the leases secured in 2020. Committed occupancies of 97.3% as at 31 December 2020 for One Raffles Quay and 98.2% for Marina Bay Financial Centre, were both above the market benchmark of 96.3% for Grade A offices in the Marina Bay micro-market.

The committed occupancy at 9 Penang Road was 98.5% with the office towers fully leased to UBS, which started moving into their new premises in November 2020. The retail units are currently being leased out.

Occupancies for our Australian properties remain high with 177 Pacific Highway and Southgate Complex Office achieving 100% occupancy as at 31 December 2020. While the occupancies for Olderfleet, 477 Collins Street, 55 Currie Street and 21 Harris Street were 97.2%, 91.7% and 68.7% respectively, the vacancies at these properties are protected by rent guarantees provided by the respective vendors.

Singapore's retail industry was significantly impacted during the Circuit Breaker period and subsequently, by mandatory safe management measures ("SMM"). More than four months of rental assistance, comprising close to two months worth of property tax rebates and government funding, was granted to the majority of our tenants to support them through this challenging period. Tenants were also allowed to draw down one month of their cash security deposit to ease cashflow difficulties.

Physical and digital marketing support was extended to tenants to assist them in their recovery. The launch of Suntec+ Eats and the provision of additional seating areas also helped our F&B tenants boost their sales amidst capacity restrictions imposed by SMM.

Following the re-opening of the Singapore economy, we are seeing green shoots of recovery in our retail business. By the end of FY 2020, tenant sales had recovered to more than 85% of pre-COVID levels, with some trade categories recovering faster than others.

The convention business was the most severely impacted by the pandemic due to border closures, travel restrictions and the prohibition of large-scale events. To support its business needs, S$40 million was injected into Suntec Singapore in July 2020, increasing Suntec REIT's equity interest from 60.8% to 66.3%.

FIRST FORAY INTO LONDON, UNITED KINGDOM

In December 2020, Suntec REIT completed the acquisition of its 50.0% interest in Nova Properties. This asset will enhance the resilience, diversification and quality of Suntec REIT's portfolio with income contribution from high quality office tenants and its long weighted average lease expiry ("WALE") of 10.6 years. There is also a 2-year guarantee on the retail income, which contributes approximately 10.4% to the total income of the property. This will provide rental protection to ride out the current pandemic. The net property income yield of 4.6% will provide a DPU accretion of 2.3% to unitholders.

ASSET PORTFOLIO

As at end 2020, Suntec REIT's assets under management had grown 12.5% year-on-year to S$11.7 billion driven mainly by the completed development of Olderfleet, 477 Collins Street in Melbourne, as well as the newly acquired properties at 21 Harris Street in Sydney and Nova Properties in London. Suntec REIT continues to be Singapore-centric with 76% of its assets under management in Singapore with the remaining 17% and 7% are in Australia and the United Kingdom respectively.

CAPITAL MANAGEMENT

Suntec REIT's balance sheet remains healthy with an aggregate leverage ratio of 44.3%, within the regulatory limit of 50.0%. As at 31 December 2020, the average financing cost for FY 2020 was 2.53% per annum with approximately 61.0% of the debt fixed or hedged, and with a weighted average debt maturity of 3.0 years.

In 2020, Suntec REIT raised S$2.1 billion in debt financing and further diversified its sources of funding with its first perpetual securities issuance of S$200.0 million. There are also undrawn facilities of S$750.0 million in place to refinance debts due in 2021.

SUSTAINABILITY REPORTING

We are pleased to have achieved the highest GRESB 5 Star rating in our inaugural submission. As one of the leading Environmental, Social and Governance benchmarks for real estate and infrastructure investments globally, the 5 Star rating is testament to Suntec REIT's commitment towards sustainability practices, making a positive impact on the community and the environment as well as our investment in people.

Sustainability continues to be an important aspect of Suntec REIT's long-term business strategy.

More information can be found in our sustainability report which will be released separately in May 2021.

OUTLOOK

Looking ahead, revenue from the Singapore office portfolio is expected to remain stable in 2021 underpinned by the strong rent reversions achieved in the past quarters. In response to evolving office demand for hybrid work arrangements, leasing strategies will provide for greater flexibility in the lease tenures, rent structures and lease terms. Rent reversion for the Singapore office portfolio is expected to be positive in 2021 with occupancy remaining healthy in the mid 90% range.

The Singapore retail market will be supported largely by domestic consumption in 2021. We expect the increase in numbers returning to offices and the rollout of Singapore's vaccination programme to drive the continued recovery of footfall in Suntec City mall. Overall mall occupancy is expected to recover to more than 95% by end 2021 as market sentiment improves.

Recovery of the Meetings, Incentives, Conventions and Exhibitions ("MICE") industry will be slow due to weak international travel and SMM for large-scale events. To support the recovery of the convention business, we are exploring ways to diversify and develop new revenue streams while working closely with authorities on ways to ease SMM without compromising health and safety priorities. Part of these efforts include investing in the necessary SMM infrastructure to better position Singapore and Suntec Convention as the MICE destination of choice post-COVID. A comprehensive business review is also underway to identify opportunities to pivot Suntec Convention's core business.

Our Australian office portfolio will remain resilient, underpinned by strong occupancy, annual rent escalations and long lease tenures with minimal lease expiries in 2021.

In the United Kingdom, although concerns over a hard Brexit have been allayed, economic conditions remain challenging. However, revenue from Nova Properties will be supported by full occupancy and a long WALE with no lease expiry until 2027.

With the further resumption of economic activities expected in 2021, we are focusing on positioning Suntec REIT for recovery through continued proactive lease management to enhance the resilience of our properties; undertaking active capital management to strengthen Suntec REIT's balance sheet and sourcing for good quality assets that are accretive in order to deliver sustainable returns and long term value to unitholders.

I would like to thank my fellow board members for their continued counsel and the management team for their hard work and dedication despite the challenges wrought by the pandemic. May I also extend my heartfelt appreciation to our unitholders, tenants, business partners and stakeholders for their continued trust and steadfast support.

CHEW GEK KHIM PJG
Chairman and Non-Executive Director
23 March 2021

FINANCIAL HIGHLIGHTS

CONSOLIDATED STATEMENT OF TOTAL RETURN FOR THE FINANCIAL YEAR	2020	2019
Gross Revenue	S$315.4m	S$366.7m
Net Property Income	S$199.9m	S$236.2m
Income Contribution From Joint Ventures[1]	S$94.3m	S$98.6m
Distributable Income	S$209.2m	S$262.7m
- *from operations*	S$209.2m	S$236.7m
- *from capital*	-	S$26.0m
Distribution Per Unit ("DPU")	7.402¢	9.507¢
- *from operations*	7.402¢	8.570¢
- *from capital*	-	0.937¢

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31 DEC 2020	31 DEC 2019
Investment Properties	S$7,262.9m	S$6,879.7m
Interest In Joint Ventures[2]	S$3,686.5m	S$2,956.8m
Total Assets	S$11,234.1m	S$10,032.4m
Debt at Amortised Cost	S$4,826.5m	S$3,630.2m
Total Liabilities	S$5,120.9m	S$3,926.2m
Unitholders' Funds	S$5,829.7m	S$5,977.1m
Net Asset Value Per Unit	S$2.055	S$2.126
Aggregate Leverage Ratio[3,4]	44.3%	37.7%
Interest Coverage Ratio[5]	2.7 times	2.8 times
Adjusted Interest Coverage Ratio[6]	2.6 times	2.8 times

Notes:

1 Refers to the contribution from the one-third interest in One Raffles Quay, one-third interest in the Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall ("MBFC Properties") and 50.0% interest in Southgate Complex.

2 Refers to the one-third interest in One Raffles Quay, one-third interest in the MBFC Properties, 30.0% interest in 9 Penang Road, 50.0% interest in Southgate Complex and 50.0% interest in Nova Properties.

3 Refers to the ratio of the value of borrowings (inclusive of proportionate share of borrowings of joint ventures and deferred payments (if any)) to the value of the Deposited Property in accordance with Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (the "Property Funds Appendix").

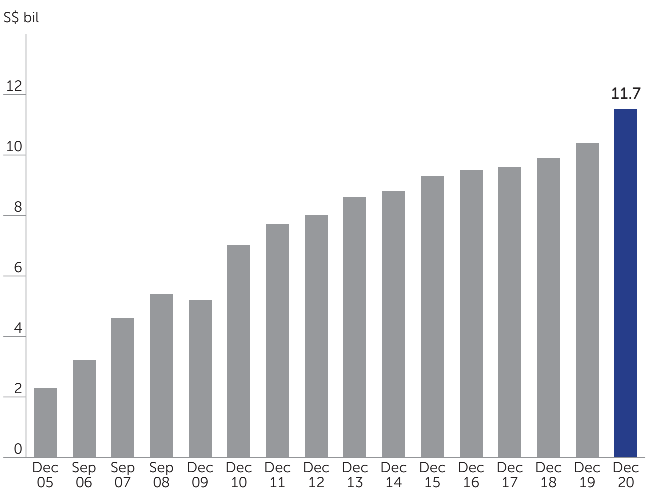
4 The aggregate leverage ratio was higher year-on-year due to the additional borrowings raised in FY 2020. The Manager does not expect the higher ratio to have a material impact on the risk profile of Suntec REIT.

5 Calculation is based on dividing the trailing 12 months earnings before interest, tax, sinking fund contribution, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees (if any).

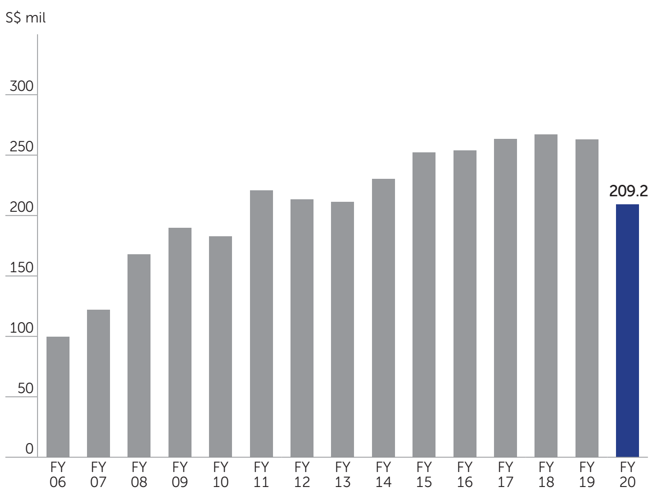
6 Calculation is based on dividing the trailing 12 months earnings before interest, tax, sinking fund contribution, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities (if any).

PERFORMANCE TRACK RECORD SINCE LISTING

Assets Under Management



Distributable Income



UNIT PERFORMANCE

UNIT PERFORMANCE AS AT[1]	2020	2019	2018	2017	2016
Last Done Unit Price	S$1.490	S$1.840	S$1.780	S$2.150	S$1.650
Highest Unit Price	S$1.880	S$1.990	S$2.250	S$2.190	S$1.800
Lowest Unit Price	S$1.110	S$1.770	S$1.670	S$1.650	S$1.505
Market Capitalisation[2] (m)	S$4,210	S$5,154	S$4,754	S$5,703	S$4,185
Traded Volume for the Financial Year (m)	3,360	2,180	1,823	1,421	1,329

Notes:

1 Unit performance statistics as at 31 December are for the respective financial years.

2 Based on 2,537 million units, 2,652 million units, 2,671 million units, 2,801 million units and 2,825 million units in issue as at 31 December 2016, 2017, 2018, 2019 and 2020 respectively.

UNIT PERFORMANCE AS AT[1]	2020	2019	2018	2017	2016
Traded Yield (based on DPU[1]) (%)	4.97	5.17	5.61	4.65	6.06
Singapore Government 10-Year Bond[2] (%)	0.84	1.74	2.04	1.97	2.44

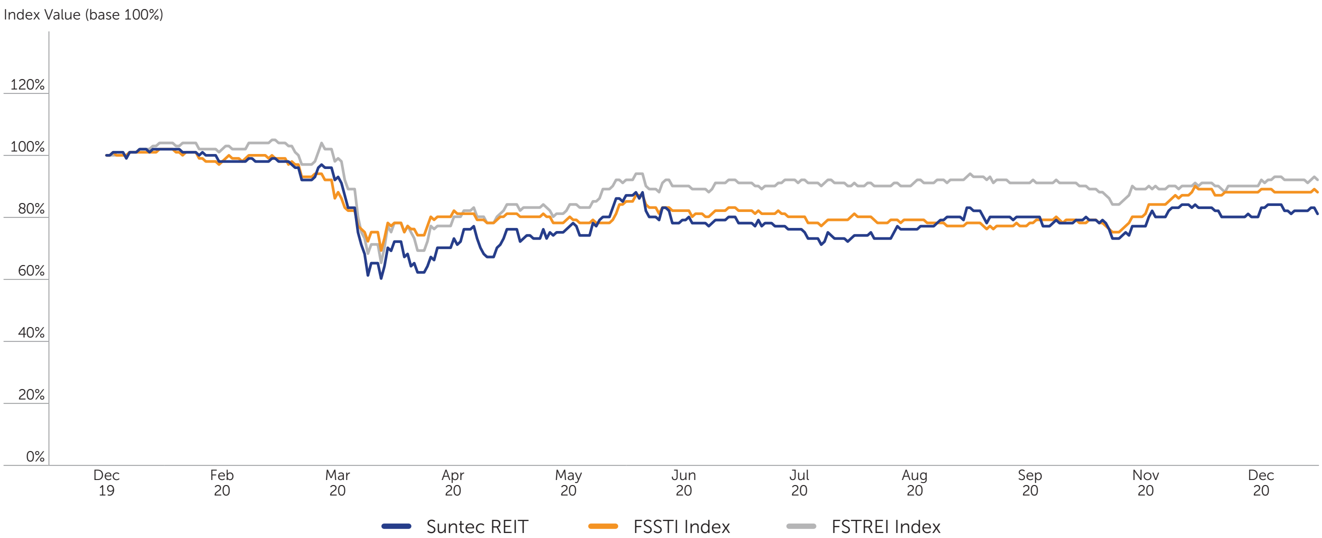
Notes:

1 Based on the last done unit price (as stated in the table above) and the full year DPU based on the period from 1 January to 31 December. Calculations were based on a DPU of 10.003 cents, 10.005 cents, 9.988 cents, 9.507 cents and 7.402 cents for FY 2016, FY 2017, FY 2018, FY 2019 and FY 2020 respectively.

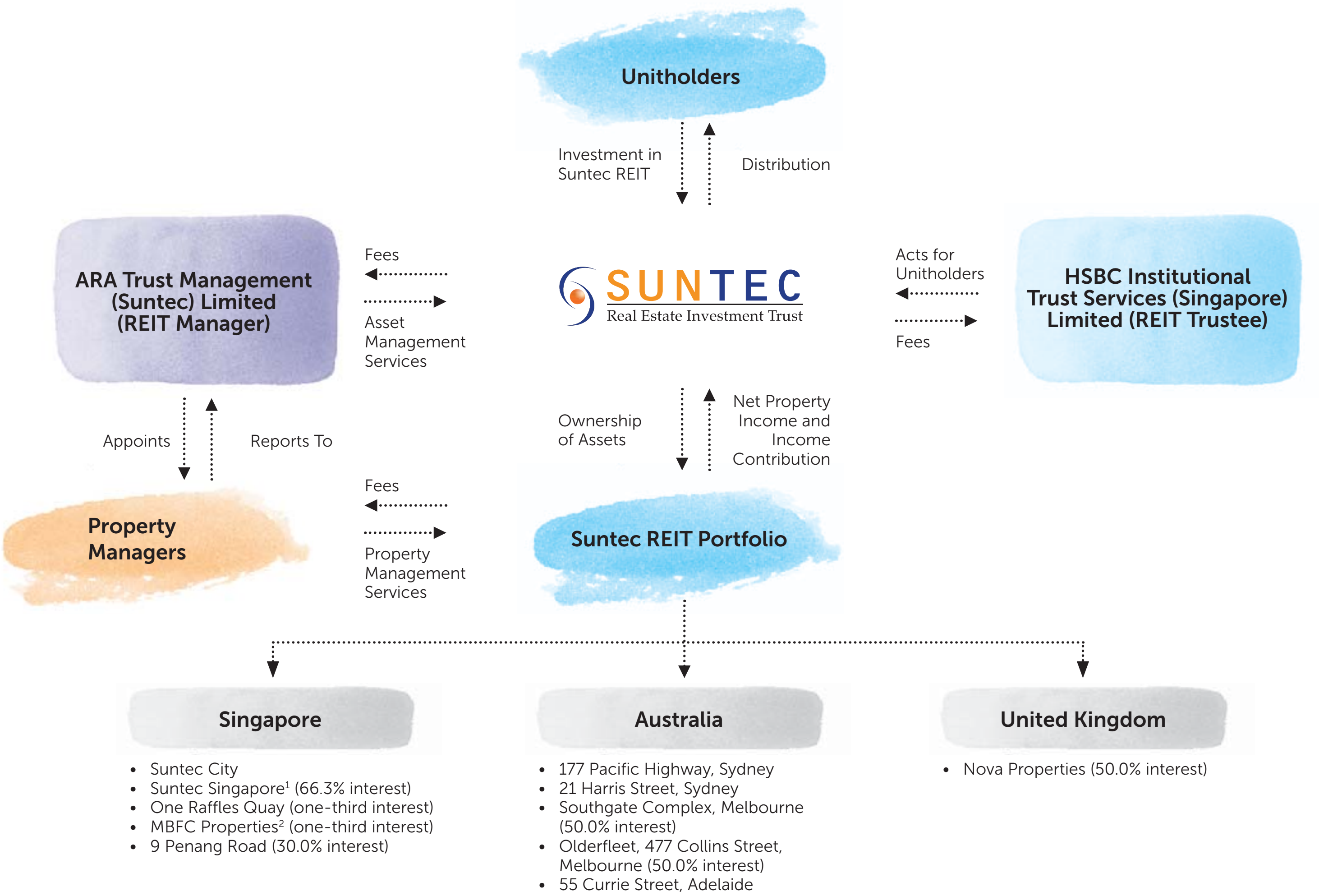
2 As at 31 December for the respective financial years.

For FY 2020, Suntec REIT's unit opening price was S$1.85 and closed at S$1.49 with a market capitalisation of S$4.2 billion as at 31 December 2020. Suntec REIT's FY 2020 DPU yield of 4.97% has also outperformed the Singapore Government 10-year bond yield at 0.84%. As at end FY 2020, Suntec REIT unitholders would have achieved a total return of 199.4% since listing. As one of Singapore's most liquid listed REITs, the overall traded volume was 3,360 million units for the 12 months ended 31 December 2020. Suntec REIT is also a constituent member of major global indices such as the MSCI Singapore Index, FTSE EPRA Nareit Global Real Estate Index and the Global Property Research 250 Index series. It is also a constituent of the FTSE Straits Times Mid Cap Index and FTSE Straits Times Real Estate Index in Singapore.

RELATIVE PERFORMANCE INDICES FOR THE FINANCIAL YEAR 2020

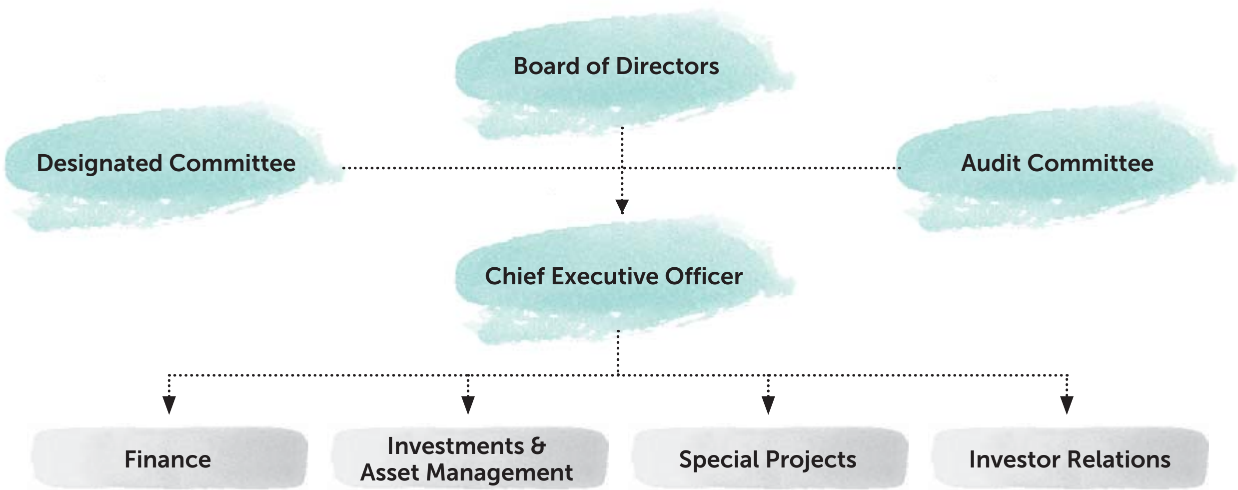


TRUST STRUCTURE



ORGANISATION STRUCTURE

ARA TRUST MANAGEMENT (SUNTEC) LIMITED



Notes:

[1] Refers to Suntec Singapore Convention & Exhibition Centre.

[2] Refers to Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall.

BOARD OF DIRECTORS

MS CHEW GEK KHIM PJG
Chairman and Non-Executive Director

Ms Chew Gek Khim joined the Board on 21 January 2014 and was appointed Chairman on 17 April 2014.

Ms Chew Gek Khim is a lawyer by training. She has been Chairman of The Straits Trading Company Limited since 24 April 2008. Ms Chew is also Executive Chairman of the Tecity Group and Executive Director of Tecity Asset Management Pte. Ltd.. She is Chairman of Malaysia Smelting Corporation Berhad and she sits on the Boards of ARA Asset Management Holdings Pte. Ltd. and Singapore Exchange Limited. She is also Deputy Chairman of the Tan Chin Tuan Foundation. She sits on the Board of Governors of S. Rajaratnam School of International Studies and NUS Board of Trustees.

Ms Chew graduated from the National University of Singapore in 1984. She was awarded the *Chevalier de l'Ordre National du Mérite* in 2010, the Singapore Businessman of the Year 2014 in 2015, and the Meritorious Service Medal at the National Day Awards in 2016.

MR LIM HWEE CHIANG, JOHN PBM
Non-Executive Director

Mr Lim Hwee Chiang, John joined the Board on 30 August 2004. Mr Lim is Co-Founder & Deputy Chairman of ARA Asset Management Limited. He is a Non-Executive Director of ARA Asset Management (Fortune) Limited, ARA Asset Management (Prosperity) Limited and Hui Xian Asset Management Limited. Mr Lim is also the Chairman and Non-Executive Director of Suntec Singapore International Convention & Exhibition Services Pte. Ltd and LOGOS Group.

In the preceding three years, Mr Lim was also a Director of ARA Trust Management (Cache) Limited and Independent Director of Teckwah Industrial Corporation Limited which was delisted from the Singapore Stock Exchange on 24 November 2020.

Mr Lim is Chairman of the Asia Pacific Real Estate Association ("APREA"), the Consultative Committee to the Department of Real Estate, National University of Singapore, Straits Real Estate and Lim Hoon Foundation. He is a Patron of Jurong Spring Citizens' Consultative Committee and the Securities Investors Association of Singapore ("SIAS"). He is also a Council Member of Singapore Chinese Chamber of Commerce and Industry.

Prior to his role as Deputy Chairman of ARA, Mr Lim was Group CEO, since co-founding it. Mr Lim has 40 years of experience in the real estate industry and has received many notable corporate awards. These include the PERE Global Awards 2020 and 2016 Industry Figure of the Year: Asia, Ernst & Young Entrepreneur Of the Year Singapore 2012 and the Outstanding CEO of the Year 2011 at the Singapore Business Awards 2012. Mr Lim, along with the Board of Directors of ARA, is also a recipient of the prestigious Best Managed Board (Gold) Award at the Singapore Corporate Awards 2012. In 2017, he was conferred the Public Service Medal (PBM) by the President of Singapore in recognition of his contributions to the community.

Mr Lim holds a Bachelor of Engineering (First Class Honours) in Mechanical Engineering, a Master of Science in Industrial Engineering, as well as a Diploma in Business Administration, each from the National University of Singapore.

BOARD OF DIRECTORS

MR YAP CHEE MENG
Lead Independent Non-Executive Director

Mr Yap Chee Meng is the Lead Independent Director, Chairman of the audit committee and member of the designated committee of the Manager. He joined the Board on 22 April 2019.

Mr Yap was the Chief Operating Officer of KPMG International for Asia Pacific and a member of its Global Executive Team. Prior to his appointment as the regional Chief Operating Officer of KPMG International in 2010, he was a Senior Partner in KPMG Singapore, the Regional Head of Financial Services in Asia Pacific, and Country Head of Real Estates and Specialised REITs Group in Singapore.

In his career spanning 37 years of experience in the financial sector, Mr Yap has served in the committees of various professional and regulatory bodies including Singapore's Accounting & Corporate Regulatory Authority and the Institute of Certified Public Accountants of Singapore.

Mr Yap is currently Non-Executive Chairman of AXA Insurance Pte Ltd as well as the RHB Asset Management Group. He also holds independent directorships in several companies including Keppel Land Limited, RHB Investment Bank Berhad, SATS Ltd, The Esplanade Co Ltd, Pavilion Energy Singapore Pte Ltd and Pavilion Energy Trading & Supply Pte Ltd. He is a council member of the Charity Council of Singapore.

Mr Yap's past independent board memberships included those in SMRT Corporation Ltd and the National Research Foundation of Singapore. He qualified as a UK Chartered Accountant in 1981, and is now a non-practising Fellow of the Institute of Singapore Chartered Accountants and a non practising Fellow of the Institute of Chartered Accountants in England & Wales.

MR CHAN PEE TECK, PETER
Independent Non-Executive Director

Mr Chan Pee Teck, Peter is an Independent Director and member of the audit committee. He joined the Board on 1 January 2017.

Mr Chan is the founder and Managing Partner of Crest Capital Asia, a regional private equity firm investing mainly in Singapore and Australia, specializing in customizing alternative direct investment programmes for clients and managing assets under these mandates.

Mr Chan was a board member of Techwah Industrial Corporation Limited which was delisted from the Singapore Stock Exchange on 24 November 2020.

Mr Chan started his private equity career in 1987 with one of the earliest US private equity firms in Asia. Then, he started a division of ING Barings Asia Private Equity as Managing Director in 1996 to set up ING's private equity investment Asian offices in Singapore, Indonesia, India, China, Taiwan and South Korea. He acquired the business to set up Crest Capital Asia in 2004. Mr Chan is responsible for the strategic management of the funds, innovating new fund strategies as well as investor communication.

Mr Chan graduated with a Bachelor of Accountancy (Hons) Degree from the National University of Singapore and is a Fellow Member of the Certified Public Accountants of Australia. Mr Chan is also board member of Clarity Singapore Ltd, a not-for-profit organization which mission is to provide healing, training and support for people with mental and emotional conditions to regain self-confidence and re-discover their abilities and beauty in life.

BOARD OF DIRECTORS

MRS YU-FOO YEE SHOON
Independent Non-Executive Director

Mrs Yu-Foo Yee Shoon is an Independent Director and member of the audit committee. She joined the Board on 1 January 2017. Mrs Yu-Foo is currently the Justice of the Peace, Chairman of Traditional Chinese Medicine Practitioners Board, Ministry of Health and also an Independent Director of KOP Limited and Singapura Finance Ltd. She is also Advisor of Nuri Holdings (S) Pte Ltd, Senior Advisor of Elomart Pte Ltd and Honorary Advisor to the Singapore China Friendship Association - Women's Alliance.

Mrs Yu-Foo was a Former Minister of State, retired after 27 years in politics. Before she became Minister of State, she was the first woman Mayor in Singapore and she started her career with National Trades Union Congress (NTUC) and she was the Deputy Secretary-General of NTUC.

Mrs Yu-Foo graduated from Nanyang University with a Bachelor of Commerce and a Masters Degree in Business from Nanyang Technology University. She was awarded the Honorary Doctorate of Education by Wheelock College of Boston, United States in 2008.

MR LOCK WAI HAN
Independent Non-Executive Director

Mr Lock Wai Han is an Independent Director and member of the audit committee. He joined the Board on 1 August 2018. Currently, Mr Lock is the Executive Director and Chief Executive Officer of OKH Global Limited and is responsible for all the Group's business activities, which is the construction and development of industrial real estate. Mr Lock is also an Independent Director of Chip Eng Seng Corporation Ltd and The Hour Glass Ltd.

Prior to joining OKH Group Limited, Mr Lock was the Executive Director and Group CEO of Rowsley Ltd and before that he was based in Beijing as the China CEO of CapitaMalls Asia ("CMA"), where he had oversight of a retail mall portfolio that included Raffles City projects and CMA mixed developments.

Up until he joined CMA in March 2010, Mr Lock had served in the Singapore public sector for more than 20 years during which he held various leadership roles including Commissioner of the Immigration & Checkpoints Authority; Director of the Criminal Investigations Department and Deputy Secretary of the Ministry of Information, Communications & the Arts, as well as directorships in various statutory boards.

Mr Lock holds a Bachelor and Master of Arts (Engineering) from the University of Cambridge, UK, and a Master of Science (Management) from Leland Stanford Junior University, USA.

BOARD OF DIRECTORS

MR CHOW WAI WAI, JOHN
Non-Executive Director

Mr Chow Wai Wai, John is a Non-Executive Director and the Chairman of the designated committee of the Manager. He joined the Board on 1 July 2007. Currently, Mr Chow is also the Managing Director of Winsor Industrial Corporation Limited, which has international operations, spanning countries in the US, Europe and Asia, and he holds directorships in the various subsidiaries and associated companies of the Winsor companies. He is an Executive Director of Hong Kong-listed Wing Tai Properties Limited.

In the preceding three years, Mr Chow was a Non-Executive Director of Dah Sing Financial Holdings Limited.

Mr Chow has more than 40 years of experience in property investment and management, textile and clothing businesses. He serves as Honorary Chairman of the Hong Kong Garment Manufacturers Association.

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

MR CHONG KEE HIONG
Chief Executive Officer and Executive Director

Mr Chong Kee Hiong was appointed as Chief Executive Officer and Executive Director on 1 January 2019. He is also a Director of One Raffles Quay Pte. Ltd., Harmony Convention Holding Limited and Park Mall Pte. Ltd. Mr Chong is a Partners' Representative of BFC Development LLP. Mr Chong is a member of the ARA Group Investment Committee which oversees investment strategies.

Mr Chong has 30 years of financial and management experience. Prior to joining the Manager, Mr Chong was the Chief Executive Officer of OUE Hospitality REIT Management Pte Ltd from 2013 to 2018. He was Chief Executive Officer of The Ascott Limited ("Ascott") from 2012 to 2013 and Chief Executive Officer of Ascott Residence Trust Management Limited from 2005 to 2012. Prior to that, Mr Chong was with Raffles Holdings Limited as their Chief Financial Officer. Mr Chong began his career in audit with KPMG Peat Marwick in 1990.

Mr Chong is currently the president of the Orchid Country Club General Committee and Chairman and Non-Executive Director of NTUC Foodfare Catering Pte Ltd. Mr Chong is also an elected Member of Parliament for Bishan-Toa Payoh GRC.

Mr Chong holds a Bachelor of Accountancy with National University of Singapore and completed Harvard Business School's Advanced Management Program in 2008. He is a member of the Institute of Singapore Chartered Accountants and, Exco Member and Treasurer of the REIT Association of Singapore.

MANAGEMENT TEAM

From left to right
Raymond Ong,
Dawn Lai,
Chong Kee Hiong,
Ng Ee San,
Melissa Chow

MR CHONG KEE HIONG
Chief Executive Officer and Executive Director

Please refer to description under the section on 'Board of Directors'.

MS DAWN LAI
Chief Operating Officer

Ms Dawn Lai assists the Chief Executive Officer on all operational matters; including asset management, investment, finance, investor relations and strategic planning.

Ms Lai has more than 30 years of experience in the real estate sector. She was with CapitaLand Ltd for 19 years where she was responsible for the marketing and leasing of commercial properties with a total asset value of more than S$10 billion.

Ms Lai holds a Bachelor of Science in Estate Management (Hons) degree from the National University of Singapore.

MS NG EE SAN
Finance Director

Ms Ng Ee San heads the Finance team and assists the Chief Executive Officer on the finance, treasury and capital management functions of Suntec REIT.

Ms Ng has more than 20 years of experience in accounting and finance. Prior to joining the Manager, she was the Finance Manager at Ascott Residence Trust Management Limited, the manager of Ascott Residence Trust. She was also previously an Accountant at Wing Tai Holdings Limited and The Hour Glass Limited, and has held various positions with PSA Corporation Limited and Deloitte & Touche LLP.

Ms Ng holds a Bachelor of Accountancy Degree from Nanyang Technological University, Singapore, and is a member of Institute of Singapore Chartered Accountants.

MR RAYMOND ONG
Director, Special Projects

Mr Raymond Ong assists the Chief Executive Officer on acquisitions, projects, operational and asset management matters and oversees Suntec REIT's project developments.

Prior to his appointment, Mr Ong was the Director, Project of APM Property Management Pte Ltd (a 100% subsidiary of ARA Asset Management Limited) since 2012 where he led the project team in the remaking of Suntec City which was successfully completed in 2015.

Mr Ong has more than 30 years of experience in real estate development, project and property management.

Prior to joining the Group, he worked with public listed property companies Centrepoint Properties Ltd, Parkway Holdings Ltd and Wing Tai Property Management Pte Ltd, and with private property companies Kallang Development Pte Ltd and SK Land Pte Ltd. He had held positions as Executive Director and General Manager taking charge of development and property management.

Mr Ong holds a Diploma in Mechanical Engineering from Singapore Polytechnic.

MS MELISSA CHOW
Manager, Investor Relations

Ms Melissa Chow oversees the Investor Relations function of Suntec REIT. Her responsibilities include the timely communication of quality information to unitholders, potential investors, key stakeholders and providing the Manager with key market updates.

Ms Chow has 10 years of experience in the field of investor relations. Prior to joining the Manager, she was an investor relations associate at a private equity firm where she managed the communication channels between the company and the investment community. She was previously with a boutique public and investor relations agency.

Ms Chow holds a Bachelor of Business Management (Finance and Corporate Communications) from Singapore Management University.

MANAGER'S REPORT

YEAR IN REVIEW

Suntec REIT achieved a distributable income from operations of S$209.2 million and distribution per unit ("DPU") of 7.402 cents for the financial year ended 31 December 2020 ("FY 2020"). In 2020, Suntec REIT completed the acquisition of 21 Harris Street in Sydney, Australia and made its maiden foray into United Kingdom with the acquisition of a 50.0% interest in Nova Properties.

In addition, the iconic Olderfleet, 477 Collins Street in Melbourne received its practical completion in end July 2020.

As at end FY 2020 Suntec REIT's assets under management ("AUM") has grown to approximately S$11.7 billion, underpinned by a 4.3 million square feet ("sq ft") of office portfolio and 1.0 million sq ft of retail portfolio strategically-located in the prime districts of Singapore, Australia and United Kingdom.

FINANCIAL PERFORMANCE

Suntec REIT achieved gross revenue of S$315.4 million in FY 2020 which was 14.0% lower compared to the corresponding period in 2019 ("FY 2019"). This was mainly due to rent assistance granted to retail tenants at Suntec City, lower occupancy and marketing communication revenue from Suntec City Mall and a significant reduction in Meetings, Incentives, Conventions and Exhibitions revenue due to COVID-19. This was partially offset by contributions from 55 Currie Street and 21 Harris Street which were acquired on 10 September 2019 and 6 April 2020 respectively, and contribution from the completed Olderfleet, 477 Collins Street from 1 August 2020.

The net property income for FY 2020 was S$199.9 million, a decrease of 15.4% year-on-year, similarly attributable to the rent assistance granted to Suntec City retail tenants and losses incurred at Suntec Singapore. This was partially offset by contributions from 55 Currie Street, 21 Harris Street and Olderfleet, 477 Collins Street.

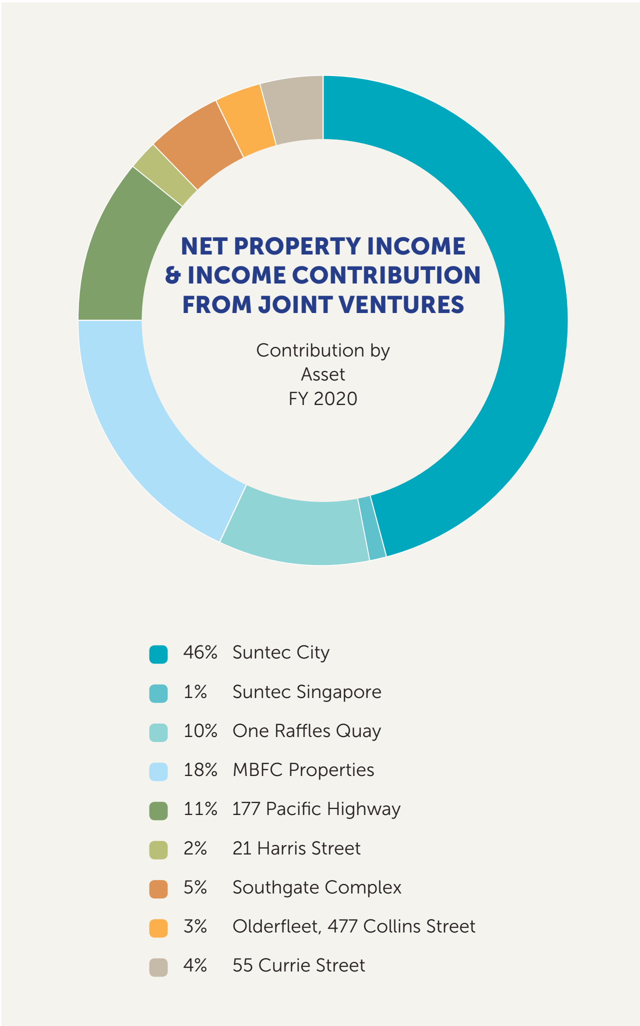
The total income contribution from joint ventures was S$94.3 million. This comprised the income contribution of S$27.8 million from the one-third interest in One Raffles Quay, S$51.8 million from the one-third interest in Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall (the "MBFC Properties") and S$14.7 million from the 50.0% interest in Southgate Complex.

The total income contribution for FY 2020 was 4.4% lower mainly due to one-off compensation received in FY 2019 for MBFC Properties and rent assistance granted to the retail tenants at Marina Bay Link Mall as well as Southgate Complex. This was partially offset by the better performance of One Raffles Quay and Southgate Complex Office.

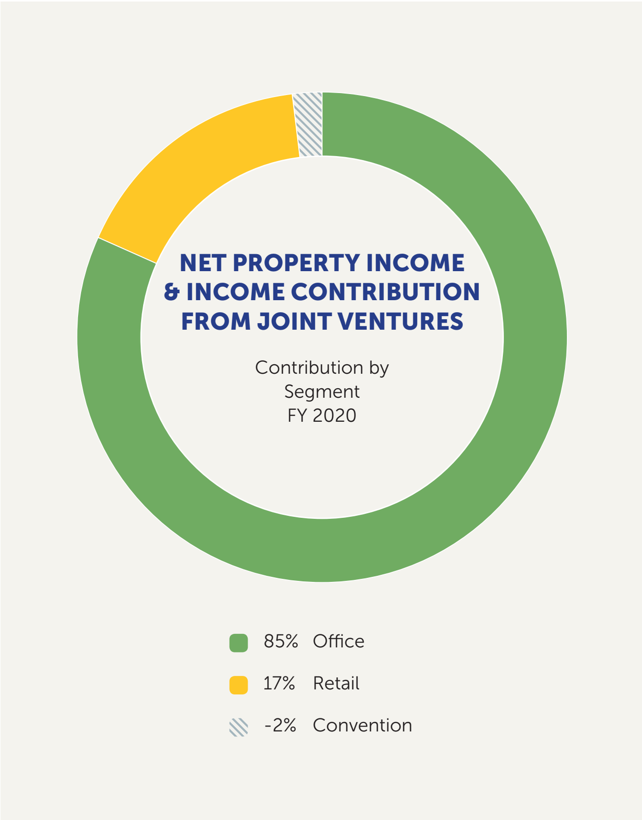
Suntec REIT's distributable income from operations of S$209.2 million attained in FY 2020 was 11.6% lower year-on-year. This was mainly due to the rent assistance granted to retail tenants at Suntec City, Marina Bay Link Mall and Southgate Complex Retail, absence of contribution from Suntec Singapore, as well as absence of compensation from MBFC Properties, partially offset by the better performance and contributions from the Australia office portfolio, better performance from One Raffles Quay and lower financing cost. The DPU for FY 2020 was 7.402 cents, 22.1% lower year-on-year due to the lower distributable income from operations and the absence of capital distribution.

In FY 2020, the total rent guarantee received amounted to approximately S$9.7 million. This translated to 0.342 cents of FY 2020 DPU.

	FY 2020	FY 2019
Distribution Per Unit	**7.402¢**	**9.507¢**
- *from operations*	*7.402¢*	*8.570¢*
- *from capital*	-	*0.937¢*



MANAGER'S REPORT



CAPITAL STRUCTURE

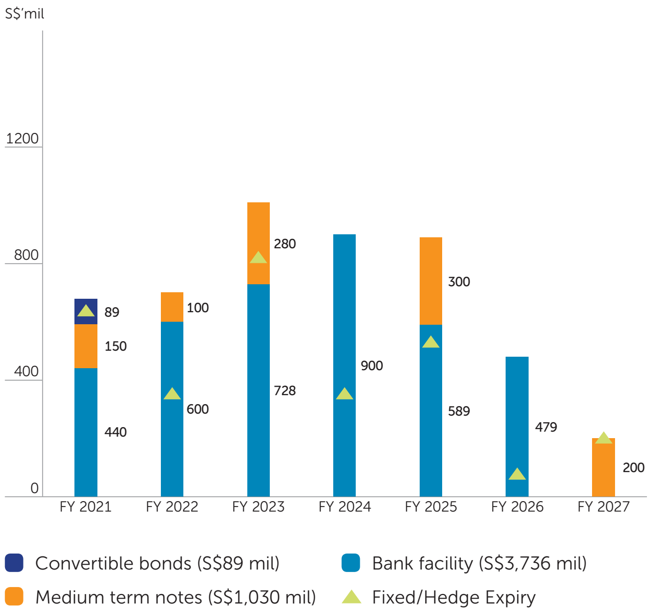
Suntec REIT's total consolidated debt stood at S$4,855 million, with aggregate leverage ratio of 44.3% as at 31 December 2020. The all-in cost of financing of Suntec REIT's debt portfolio for FY 2020 was 2.53% per annum.

In FY 2020, Suntec REIT raised a total of S$2.1 billion in debt financing. This comprised S$200 million 7-year medium term notes, S$200 million 5-year medium term notes, A$450 million green loan facility, S$900 million loan facility, £200 million loan facility and its first perpetual securities issuance of S$200 million.

Suntec REIT's exposure to derivatives is elaborated in the Financial Statements. The fair value derivative for FY 2020, which is included in the Financial Statements as "Derivative Assets" and "Derivative Liabilities", was zero and S$48.6 million respectively. The net fair value derivative represented 0.8% of the net assets of Suntec REIT as at 31 December 2020.

DEBT AND INTEREST MATURITY PROFILE

As at 31 December 2020



MANAGER'S REPORT

PROPERTY PORTFOLIO

Suntec REIT made its maiden foray into United Kingdom with the acquisition of a 50.0% interest in Nova Properties which comprises two Grade A office buildings with ancillary retail. The property will enhance the resilience, diversification and quality of Suntec REIT's portfolio with income contribution from high quality office tenants and long weighted average lease expiry. As at 31 December 2020, the property is 100% occupied. There is also a 2-year guarantee on the retail income which will provide income protection to ride out the current pandemic.

In Australia, Suntec REIT completed the acquisition of 21 Harris Street in Pyrmont, Sydney in April. Located 2km west of Sydney's Central Business District ("CBD"), 21 Harris Street is a new Grade A office building that received its practical completion on 2 April 2020. As at 31 December 2020, the property has a committed occupancy of 68.7% which is anchored by Publicis Groupe.

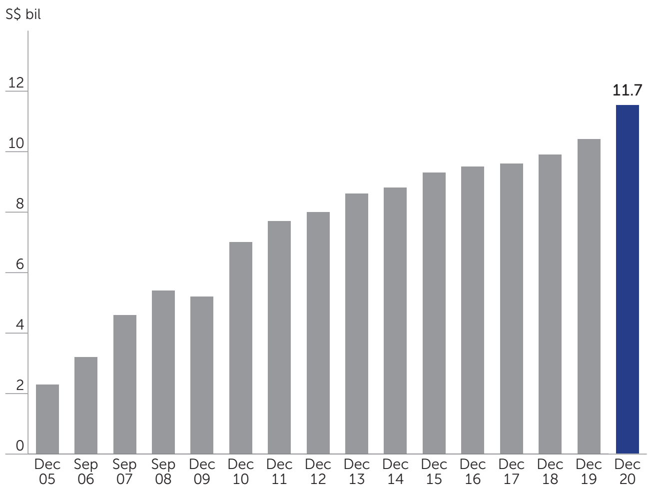
Development works for Olderfleet, 477 Collins Street was also completed during the year, and the building received its practical completion on 31 July 2020. As at 31 December 2020, the property has a committed occupancy of 97.2% with Deloitte as the anchor tenant.

A development application was submitted to relevant authorities in Melbourne for the potential redevelopment of Southgate Complex's retail podium and construction of a new office tower.

In Singapore, asset enhancement works to upgrade the lobbies and restrooms at Suntec City Office are progressing well. Works for Tower Five were completed in 2019 and were well-received by office tenants, while works for Towers One and Four are expected to complete by the first quarter of 2021. For the remaining two office towers, upgrading works are expected to complete by early 2022.

Suntec REIT's property portfolio comprising approximately 4.3 million sq ft of attributable office space and more than 1.0 million sq ft of retail and convention space was valued at S$11.5 billion and together with cash and other assets, the total AUM was S$11.7 billion as at 31 December 2020, or 12.5% higher than the preceding year. The net asset value of Suntec REIT and its subsidiaries stood at S$2.055 per unit as at 31 December 2020.

ASSETS UNDER MANAGEMENT



Property Valuation[1] (S$ millions)	31 Dec 2020	31 Dec 2019
Suntec City[2]	5,088.0	5,206.0
Suntec Singapore[2]	414.4	437.8
One Raffles Quay[2]	1,247.3	1,254.3
MBFC Properties[2]	1,682.0	1,695.3
9 Penang Road[3]	279.0	279.0
177 Pacific Highway[4]	655.7	599.8
21 Harris Street[5]	305.0	-
Southgate Complex[5]	391.9	377.8
Olderfleet, 477 Collins Street[6]	452.4	213.2
55 Currie Street[7]	152.5	140.7
Nova Properties[8]	786.4	-
Total	**11,454.6**	**10,203.9**

Notes:

1 Reflects Suntec REIT's interest in its respective properties.
2 Based on the valuation by Savills Valuation and Professional Services (S) Pte Ltd.
3 Based on the valuation by Colliers International Consultancy & Valuation (Singapore) Pte Ltd on 22 October 2020.
4 Based on the valuation by Savills Valuations Pty Ltd.
5 Based on the valuation by Jones Lang LaSalle Advisory Services Pty Ltd.
6 Based on the valuation by CIVAS (VIC) Pty Limited which was appointed for a third consecutive financial year in accordance with Paragraph 8.3(e) of the Property Funds Appendix.
7 Based on the valuation by Valuation Services (SA) Pty Limited.
8 Based on the valuation by Jones Lang LaSalle Limited on 1 September 2020.

MANAGER'S REPORT

STRONG OCCUPANCY

Suntec REIT's asset portfolio performance continued to remain strong. As at 31 December 2020, the Singapore office portfolio achieved an overall committed occupancy of 96.6%, or 3.4 percentage point higher than the overall CBD Grade A occupancy of 93.2%[1]. For the Singapore retail portfolio, the overall committed occupancy as at 31 December 2020 was 90.2%.

In Australia, the office portfolio achieved an overall committed occupancy of 94.0%, 7.3 percentage point higher than the nationwide CBD occupancy 86.7%[1].

In United Kingdom, the committed occupancy for Nova Properties remained at 100.0%.

Suntec REIT's overall committed occupancy for the office and retail portfolio stood at 95.9% and 90.2% respectively as at 31 December 2020.

Committed Office Occupancy as at	31 Dec 2020	31 Dec 2019
Suntec City Office	95.6%	100.0%
One Raffles Quay	97.3%	97.8%
MBFC Tower 1 & 2	98.2%	98.5%
9 Penang Road	98.5%	96.7%
Singapore Office Portfolio	**96.6%**	**99.1%**
177 Pacific Highway	100.0%	100.0%
21 Harris Street	68.7%[2]	-
Southgate Complex	100.0%	100.0%
Olderfleet, 477 Collins Street	97.2%[2]	-
55 Currie Street	91.7%[2]	91.7%[2]
Australia Office Portfolio	**94.0%**	**97.8%**
Nova Properties	100.0%	-
United Kingdom Office Portfolio	**100.0%**	**-**
Overall Office Portfolio	**95.9%**	**98.7%**

Committed Retail Occupancy as at	31 Dec 2020	31 Dec 2019
Suntec City Mall	90.1%	99.6%
Marina Bay Link Mall	91.8%	97.7%
Singapore Retail Portfolio	**90.2%**	**99.5%**
Southgate Complex	91.7%	92.8%
Australia Retail Portfolio	**91.7%**	**92.8%**
Overall Retail Portfolio	**90.2%**	**99.1%**

Notes:
1 Source: JLL
2 Rent guarantee on vacant spaces.

LEASING ACHIEVEMENTS

For the office portfolio, a total of 527,592 sq ft of new and renewal leases were secured in FY 2020. The tenant retention ratio for FY 2020 was 65.6%. The average rent secured for FY 2020 for the Singapore and Australia office portfolios were S$9.95 per square foot per month ("psf/mth") and S$6.69 psf/mth respectively.

Office Leasing Activities	Tenants	NLA (sq ft)
Renewal leases	100	383,282
New leases	54	144,310
Total	**154**	**527,592**

For the retail portfolio, a total of 289,883 sq ft of new and renewal leases were secured in FY 2020. The tenant retention ratio for FY 2020 was 65.2%.

Retail Leasing Activities	Tenants	NLA (sq ft)
Renewal leases	71	216,700
New leases	33	73,183
Total	**104**	**289,883**

PROPERTY PORTFOLIO

HIGH QUALITY COMMERCIAL ASSETS

Strategically Located in Prime Districts of Singapore, Australia and United Kingdom

Suntec REIT's portfolio comprises prime commercial properties in Suntec City, 66.3% interest in Suntec Singapore Convention & Exhibition Centre ("Suntec Singapore"), one-third interest in One Raffles Quay ("ORQ") and one-third interest in Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall ("MBLM" and collectively known as "MBFC Properties"), and 30.0% interest in 9 Penang Road. These properties are located within Singapore's Central Business District, Marina Bay and the Civic and Cultural District. In Australia, Suntec REIT holds a 100% interest in 177 Pacific Highway and 21 Harris Street both located in Sydney, 50.0% interest in Southgate Complex and 50.0% interest in Olderfleet, 477 Collins Street, both located in Melbourne, as well as 100% interest in 55 Currie Street in Adelaide. In United Kingdom, Suntec REIT owns a 50.0% interest in Nova Properties in Victoria, West End, London.

Spanning a total net lettable area ("NLA") of approximately 5.3 million square feet ("sq ft"), the properties provide a steady stream of income from a well-diversified pool of strong office and retail tenants.

Property Statistics	As at 31 December 2020
Total Net Lettable Area[1]	**5,300,124 sq ft**
Office	4,305,623 sq ft
Retail	994,501 sq ft
No. of tenants	**951**
Office	461
Retail	490
Valuation[1]	**S$11,454.6 million**
Committed Occupancy[1]	
Office	95.9%
Retail	90.2%

Note:
[1] Based on Suntec REIT's interest in its respective properties.

1 Suntec City 2 One Raffles Quay 3 177 Pacific Highway 4 Olderfleet, 477 Collins Street 5 MBFC Properties 6 55 Currie Street 7 21 Harris Street.
8 9 Penang Road 9 Southgate Complex 10 Nova Properties

PROPERTY PORTFOLIO

- 34.5% Banking, Insurance and Financial Services
- 22.6% Technology, Media and Telecommunications
- 9.9% Consultancy / Services
- 8.4% Real Estate and Property Services
- 5.0% Energy and Natural Resources
- 4.2% Government and Government-Linked Offices
- 3.8% Trading and Investments
- 2.9% Legal
- 2.4% Shipping and Freight Forwarding
- 1.7% Manufacturing
- 1.3% Pharmaceutical and Healthcare
- 0.7% Hospitality / Leisure
- 2.6% Others

Note:
[1] Based on Suntec REIT's interest in its respective properties.

- 39.0% Food and Beverage
- 11.8% Fashion and Accessories
- 6.7% Leisure and Entertainment
- 4.6% Fitness
- 4.5% Sporting Goods and Apparel
- 3.1% Specialty and Gifts
- 3.0% Hair, Beauty and Wellness
- 2.8% Homeware and Home Furnishings
- 2.8% Electronics and Technology
- 2.1% Books, Stationery and Education
- 2.0% Hypermart / Supermarket
- 1.8% Beauty Essentials
- 1.8% Optical
- 1.5% Pharmacy
- 1.2% Kids' Fashion, Toys and Kids' Specialty
- 1.2% Jewellery and Watches
- 10.1% Services and Others

Note:
[1] Based on Suntec REIT's interest in its respective properties.

DIVERSE TENANT MIX

Suntec REIT's office portfolio leases are well diversified across more than 13 business sectors. 57.1% of the total gross office revenue for the month of December 2020 was attributable to the major business sectors of Banking, Insurance and Financial Services, and Technology, Media and Telecommunications. The top 10 tenants of the office portfolio contributed 27.9% of Suntec REIT's total gross revenue for the month of December 2020 and occupied an area representing 31.1% of the REIT's total office portfolio leased area.

For the retail portfolio, 50.8% of the total gross retail revenue for the month of December 2020 was attributable to the major business sectors of Food and Beverage, and Fashion and Accessories. The top 10 tenants of the retail portfolio contributed 18.6% of Suntec REIT's total gross revenue for the month of December 2020 and occupied an area representing 25.5% of the REIT's total retail portfolio leased area.

PROPERTY PORTFOLIO

OFFICE PORTFOLIO – TOP 10 TENANTS

(By Gross Rental Income[1])
As at 31 December 2020

Properties[1]	Tenant	Business Sector	NLA (Sq ft)	% of Total Office NLA	% of Total Monthly Gross Rental Income
ORQ Suntec City Office 9 Penang Road	UBS AG	Banking, Insurance and Financial Services	273,763	6.8%	6.4%
MBFC	Standard Chartered Bank	Banking, Insurance and Financial Services	131,604	3.3%	3.7%
Olderfleet, 477 Collins Street	Deloitte	Banking, Insurance and Financial Services	154,953	3.9%	3.0%
177 Pacific Highway	CIMIC Group Limited	Real Estate and Property Services	114,206	2.8%	2.5%
177 Pacific Highway	TPG Telecom Limited	Technology, Media and Telecommunications	107,360	2.7%	2.4%
21 Harris Street	Publicis Groupe	Consultancy / Services	110,935	2.8%	2.3%
ORQ	Deutsche Bank	Banking, Insurance and Financial Services	72,495	1.8%	2.1%
55 Currie Street	Commonwealth of Australia	Government and Government-Linked Offices	147,955	3.7%	1.9%
MBFC	Barclays	Banking, Insurance and Financial Services	61,929	1.5%	1.8%
Suntec City Office	PayPal Pte. Ltd.	Technology, Media and telecommunications	73,668	1.8%	1.8%
Total			**1,248,868**	**31.1%**	**27.9%**

RETAIL PORTFOLIO – TOP 10 TENANTS

(By Gross Rental Income[1])
As at 31 December 2020

Properties[1]	Tenant	Business Sector	NLA (Sq ft)	% of Total Retail NLA	% of Total Monthly Gross Rental Income
Suntec City Mall	Pure Yoga (Suntec) Pte Ltd	Fitness	41,464	4.2%	3.0%
Suntec City Mall	Golden Village Multiplex Pte Ltd	Leisure and Entertainment	60,098	6.1%	2.7%
Suntec City Mall, ORQ, MBLM	Cold Storage Singapore (1983) Pte Ltd	Hypermart / Supermarket, Pharmacy, Services and Others	31,151	3.1%	2.4%
Suntec City Mall	Arcade Planet Pte. Ltd.	Leisure and Entertainment	27,124	2.7%	2.2%
Suntec City Mall	Food Republic Pte. Ltd.	Food and Beverage	13,134	1.3%	1.7%
Suntec City Mall	Uniqlo (S) Pte Ltd	Fashion and Accessories	14,767	1.5%	1.5%
Suntec City Mall	Pertama Merchandising Pte Ltd	Electronics and Technology	22,217	2.2%	1.4%
Suntec City Mall	Broadway Food Centre (Holdings) Pte Ltd	Food and Beverage	12,688	1.3%	1.4%
Suntec City Mall	The Ink Room Pte. Ltd.	Services and Others	15,312	1.5%	1.2%
Suntec City Mall	National University of Singapore Society	Services and Others	15,653	1.6%	1.1%
Total			**253,608**	**25.5%**	**18.6%**

Note:
1 Based on Suntec REIT's interest in its respective properties.

PROPERTY PORTFOLIO

LEASE EXPIRY PROFILE

In FY 2020, approximately 527,592 sq ft of office space was renewed and replaced, including forward renewal of approximately 181,099 sq ft of the office leases expiring in FY 2021 and FY 2022. As at 31 December 2020, 47.7% of the total office NLA is due to expire during the period from FY 2021 to FY 2023, while 47.2% is due to expire in FY 2024 and beyond.

For the retail portfolio as at 31 December 2020, 61.0% of the total retail NLA is due to expire during the period from FY 2021 to FY 2023, while 27.6% is due to expire in FY 2024 and beyond.

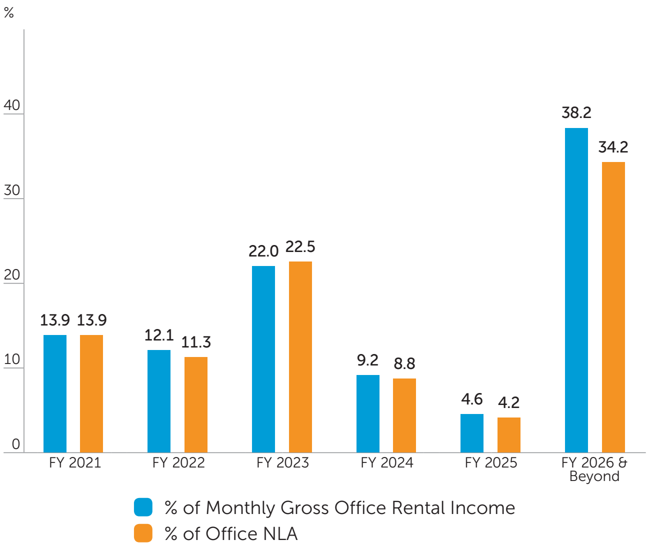
WEIGHTED AVERAGE LEASE EXPIRY PROFILE

The weighted average lease expiry ("WALE") of the overall office portfolio was 4.66 years as at 31 December 2020. The Singapore and overseas office portfolios' WALE was 2.97 years and 6.69 years respectively. The WALE of the office leases committed in FY 2020 was 2.80 years. These leases contribute 16.9% to the total monthly gross office rental income.

The WALE of the overall retail portfolio was 2.56 years as at 31 December 2020. The Singapore and overseas retail portfolios' WALE was 2.49 years and 3.90 years respectively. The WALE of the retail leases committed in FY 2020 was 3.21 years. These leases contribute 29.1% to the total monthly gross retail rental income.

OFFICE PORTFOLIO LEASE EXPIRY PROFILE[1]

As at 31 December 2020

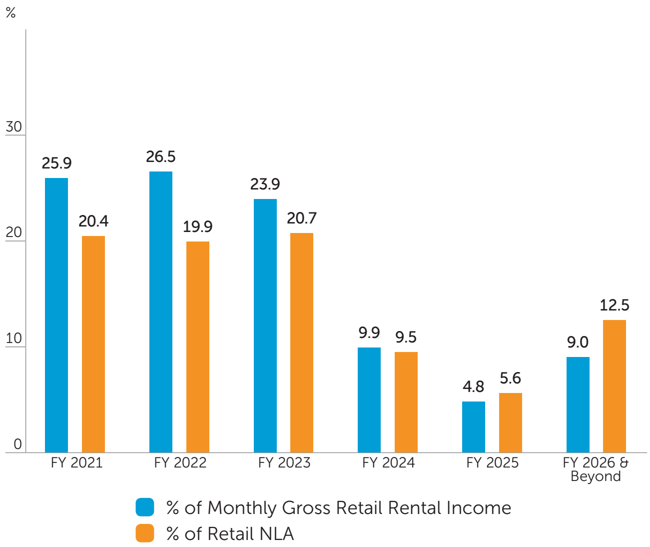


Note:

1 Based on Suntec REIT's interest in its respective properties.

RETAIL PORTFOLIO LEASE EXPIRY PROFILE[1]

As at 31 December 2020



Note:

1 Based on Suntec REIT's interest in its respective properties.

PROPERTY DETAILS

Suntec City
Singapore

Total Net Lettable Area
2,242,563 sq ft[1]

Office
1,332,425 sq ft

Retail
910,138 sq ft[1]

Suntec City is an iconic integrated commercial development located in the Marina Centre precinct.

A premier business, MICE[2], shopping and lifestyle destination, Suntec City comprises five Grade A office towers, one of Singapore's largest shopping malls and a world-class convention and exhibition centre. The development is interlinked by street level plazas and underground walkways, with the iconic Fountain of Wealth nestled in the heart of the city.

Property Statistics	As at 31 December 2020
Location	3, 5, 6, 7, 8 and 9 Temasek Boulevard, Singapore 038983/85/86/87/88/89 and 1 Raffles Boulevard, Singapore 039593
Title	Leasehold 99 years from 1989
Number of Tenants	628
Car Park Lots	3,066[3]
Purchase Price	S$2,524.6 million[4]
Market Valuation	S$5,502.4 million[5] (31 December 2019: S$5,643.8 million)
Gross Revenue	S$243.0 million[6] (2019: S$323.8 million)
Net Property Income	S$140.2 million (2019: S$199.8 million)
Committed Occupancy	93.4% (31 December 2019: 99.8%)

Notes:

1 Based on Suntec REIT's interest in Suntec Singapore.
2 Meetings, Incentives, Conventions and Exhibitions.
3 Owned and managed by the Management Corporation Strata Title Plan No. 2197 ("MCST 2197").
4 Includes the purchase price for strata office space and the investment of a 66.3% interest in Suntec Singapore.
5 Includes the value of a 66.3% interest in Suntec Singapore of S$414.4 million. The valuation of S$5,502.4 million was 2.5% lower year-on-year due to changes in cashflow assumptions.
6 Comprises gross rental income of S$209.2 million, other income of S$3.0 million, and S$30.8 million from Suntec Singapore.

PROPERTY DETAILS

Suntec REIT owns 59.0% of Suntec City Office, 100% of Suntec City Mall, and 66.3% interest in Suntec Singapore Convention and Exhibition Centre ("Suntec Singapore")[1]. Easily accessible by car and public transport networks, Suntec City houses a total of 3,066 carparks over two basement levels. It is directly connected to the Promenade and Esplanade Mass Rapid Transit ("MRT") stations and is also a 5-minute walk to City Hall MRT station.

The Manager's objective for Suntec City is to generate sustainable growth for the office, retail and convention businesses.

Note:
[1] Includes 66.3% interest in Suntec Singapore (Retail).

PROPERTY DETAILS

Suntec City Office

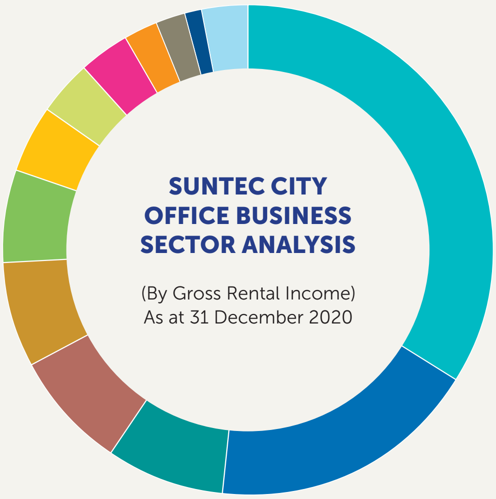
Singapore

Suntec REIT owns a NLA of approximately 1.3 million sq ft in Suntec City Office, comprising strata units across Towers One, Two and Three, and all strata units in Towers Four and Five. Towers One to Four are 45-storey buildings with typical floor plates ranging from 10,000 sq ft to 14,000 sq ft, whilst Tower Five is an 18-storey building with large floor plates of about 28,000 sq ft.

With good building specifications and a strong ecosystem, Suntec City Office draws a good stream of diverse multinational firms from sectors such as Technology, Media and Telecommunications, Banking, Insurance and Financial Services and Trading and Investments.

In 2018, MCST 2197 received approval for the upgrading works for Suntec City Office. Upgrading works for Tower Five had been completed and office tenants now enjoy seamless facial recognition entry system and new visitor management system at the upgraded lift lobbies, new lift interior finishes and new washrooms. Upgrading works for Towers One and Four will complete by first quarter of 2021 while works for the remaining two towers are expected to complete by early 2022.

PROPERTY DETAILS



- 33.9% Technology, Media and Telecommunications
- 18.0% Banking, Insurance and Financial Services
- 7.8% Consultancy / Services
- 7.6% Trading and Investments
- 7.1% Shipping and Freight Forwarding
- 6.1% Real Estate and Property Services
- 4.4% Manufacturing
- 3.5% Energy and Natural Resources
- 3.3% Pharmaceutical and Healthcare
- 2.3% Government and Government-Linked Offices
- 1.9% Legal
- 1.1% Hospitality / Leisure
- 3.0% Others

DIVERSE TENANT MIX

For the month of December 2020, 33.9% of the total gross office revenue was attributable to the Technology, Media and Telecommunications sector, followed by 18.0% and 7.8% from Banking, Insurance and Financial Services sector and Consultancy / Services sector respectively.

The Technology, Media and Telecommunications sector, Banking, Insurance and Financial Services sector, and Consultancy / Services sector, constitute 34.5%, 19.1% and 7.6% of Suntec City's Office NLA respectively as at 31 December 2020.

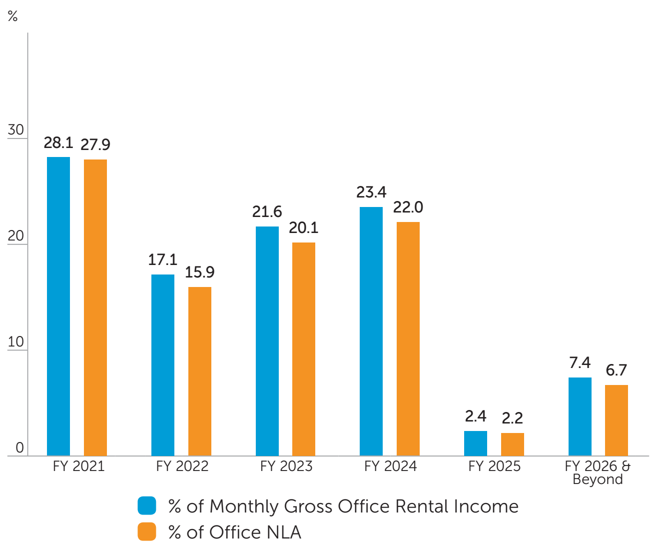
The top 10 office tenants of Suntec City Office contributed 17.3% of Suntec City's total gross revenue for the month of December 2020, representing 31.2% of the Suntec City Office NLA owned by Suntec REIT.

LEASE EXPIRY PROFILE

As at 31 December 2020, 63.9% of Suntec City's office NLA is due to expire during the period from FY 2021 to FY 2023, whilst 30.9% is due to expire in FY 2024 and beyond.

SUNTEC CITY OFFICE LEASE EXPIRY PROFILE

As at 31 December 2020



PROPERTY DETAILS

Suntec City Mall

Singapore

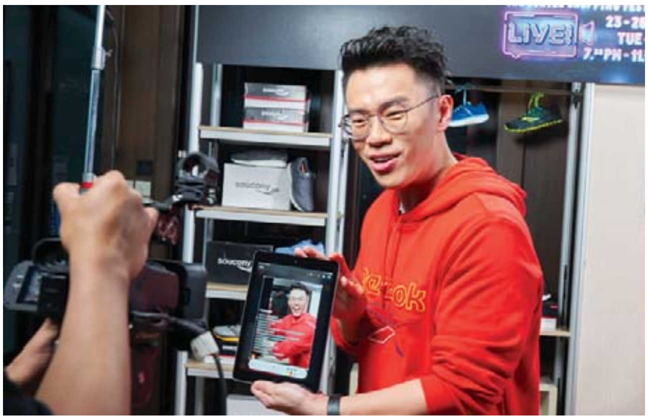
Suntec City houses close to 340 retail establishments featuring a wide range of speciality stores, food and beverage options and entertainment concepts.

In addition to local residents and tourists, the mall caters to the needs of the working population in and around Suntec City, as well as the vast network of local and international delegates who convene at Suntec Singapore for exhibitions, seminars and conferences.

EVENTS AT SUNTEC CITY

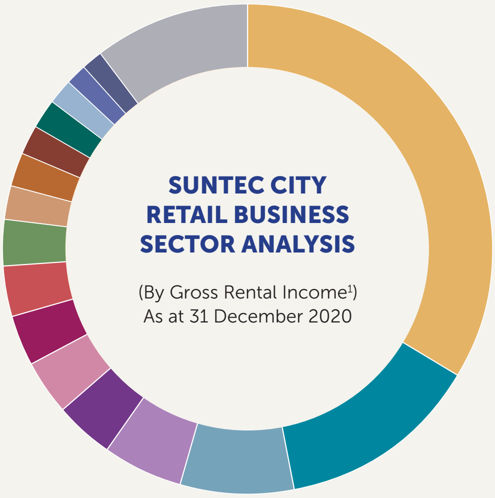
Suntec City hosted a myriad of activities and events both physically and virtually in 2020 in line with safe management measures.

In June 2020, Suntec City launched Singapore's first-ever interactive live-streaming shopping festival with the four-day event garnering strong viewerships. Suntec+ Eats was also launced via the Suntec+ app to provide shoppers and office workers the convenience of having food within the mall delivered.



In 2020, Suntec City was a supporting partner for the virtual Purple Parade for the fifth consecutive year. The Purple Parade is Singapore's largest movement that supports inclusion and celebrates the abilities of People with Disabilities.

PROPERTY DETAILS



- 33.7% Food and Beverage
- 13.5% Fashion and Accessories
- 7.3% Leisure and Entertainment
- 5.3% Sporting Goods and Apparel
- 4.0% Fitness
- 3.6% Specialty and Gifts
- 3.3% Hair, Beauty and Wellness
- 3.3% Homeware and Home Furnishings
- 3.2% Electronics and Technology
- 2.2% Hypermart / Supermarket
- 2.1% Beauty Essentials
- 2.0% Optical
- 1.9% Books Stationery and Education
- 1.7% Pharmacy
- 1.4% Kids' Fashion, Toys and Kids' specialty
- 1.4% Jewellery and Watches
- 10.1% Services and Others

Note:
[1] Includes 66.3% interest in Suntec Singapore (Retail).

ATTRACTIVE TENANT MIX

For the month of December 2020, 33.7% of the total gross retail revenue was attributable to the Food and Beverage sector, followed by 13.5% and 10.1% from Fashion and Accessories sector and Services and Others sector respectively.

As at 31 December 2020, 26.9% of Suntec City's retail NLA was attributable to the Food and Beverage sector, followed by 13.4% and 13.2% from the Fashion and Accessories sector and Leisure and Entertainment sector respectively.

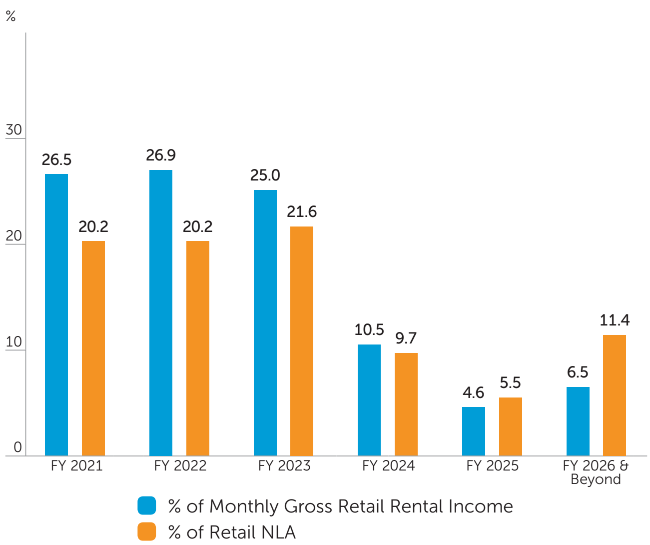
The top 10 retail tenants of Suntec City contributed 9.5% of Suntec City's total gross revenue for the month of December 2020, representing 28.6% of the mall's total NLA.

LEASE EXPIRY PROFILE

As at 31 December 2020, 62.0% of Suntec City's total retail NLA is due to expire during the period from FY 2021 to FY 2023, whilst 26.6% is due to expire in FY 2024 and beyond.

SUNTEC CITY RETAIL LEASE EXPIRY PROFILE[1]

As at 31 December 2020



Note:
[1] Includes 66.3% interest in Suntec Singapore (Retail).

PROPERTY
DETAILS

Suntec Singapore Convention & Exhibition Centre

Singapore

Suntec Singapore Convention & Exhibition Centre ("Suntec Singapore"), is a world-class meeting, convention and exhibition venue.

The award-winning facility offers flexible and customisable spaces that can cater to events from 10 to 10,000 persons. The venue has direct access to approximately 5,800 hotel rooms, 1,000 retail outlets, 300 restaurants and is within close proximity to Singapore's entertainment and cultural attractions.

Since 1995, Suntec Singapore has hosted many key notable events such as the World Trade Organization Ministerial Meetings in 1996, the Annual Meetings of the Board of Governors of the International Monetary Fund and World Bank Group in 2006 and the APEC

PROPERTY DETAILS

Leaders Week in 2009. It served as one of the largest sporting venues for the inaugural Youth Olympic Games in 2010. Suntec Singapore also hosted the 33rd ASEAN Summit Meetings in 2018.

On 18 August 2011, Suntec REIT secured strategic majority control of Suntec Singapore through the acquisition of an additional 40.8% equity stake, raising the effective stake from 20.0% to 60.8%.

The convention business was severely impacted by the pandemic due to border closures, travel restrictions and prohibition of large scale events. To support its business needs, S$40.0 million was injected into Suntec Singapore on 1 July 2020, increasing Suntec REIT's equity interest from 60.8% to 66.3%.

PROPERTY DETAILS

One Raffles Quay
Singapore

Total Net Lettable Area
1,324,417 sq ft

Number of Tenants
61

Market Valuation
S$**1,247.3** mil[1]

Net Income Contribution
S$**27.8** mil[3]

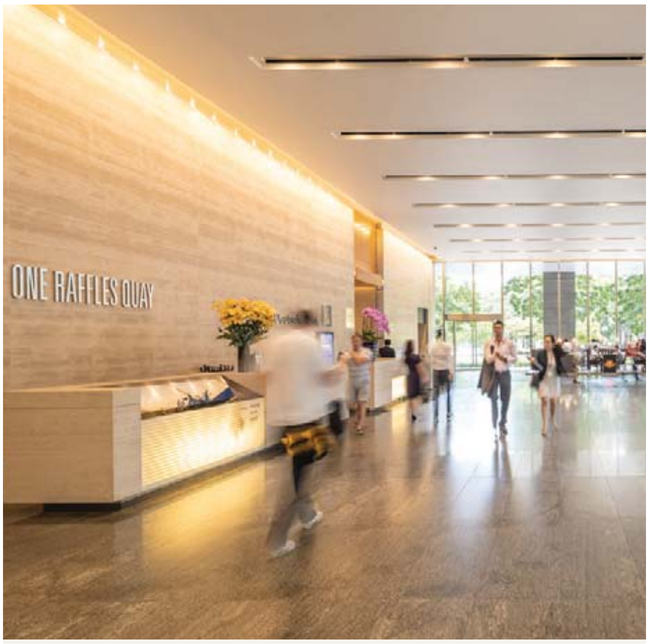
One Raffles Quay is a prime landmark commercial development strategically located in Marina Bay.

Designed by internationally renowned architectural firm Kohn Pedersen Fox Associates of New York, One Raffles Quay comprises a 50-storey office tower (the "North Tower") and a 29-storey office tower (the "South Tower"). An underground pedestrian network connects the development directly to the Downtown and Raffles Place MRT stations and the major buildings within Marina Bay and Raffles Place. The development has a sheltered plaza serving as a drop-off point and a hub car park with 713 car park lots.

Property Statistics	As at 31 December 2020
Location	1 Raffles Quay Singapore 048583
Title	Leasehold 99 years from 2001
Net Lettable Area	441,472 sq ft[1]
Car Park Lots	713
Purchase Price	S$941.5 million[1]
Market Valuation	S$1,247.3 million[1,2] (31 December 2019: S$1,254.3 million)
Net Income Contribution	S$27.8 million[3] (2019: S$23.9 million)
Committed Occupancy	97.3% (31 December 2019: 97.8%)

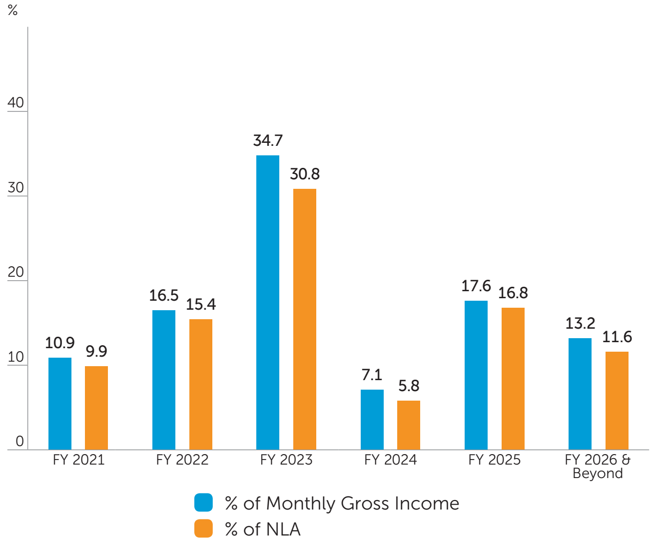
Notes:
1 Based on Suntec REIT's interest in the property.
2 The valuation of S$1,247.3 million was 0.6% lower year-on-year due to changes in cashflow assumptions.
3 Comprises dividend income and interest income from the joint venture.

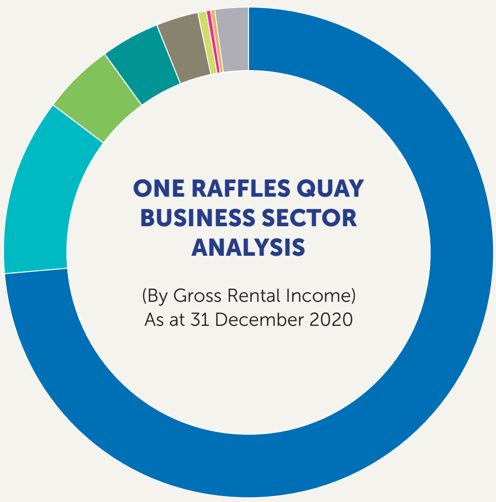
PROPERTY DETAILS



ONE RAFFLES QUAY LEASE EXPIRY PROFILE

As at 31 December 2020





- 73.8% Banking, Insurance and Financial Services
- 11.6% Technology, Media and Telecommunications
- 4.8% Real Estate and Property Services
- 3.9% Consultancy / Services
- 2.8% Legal
- 0.4% Energy and Natural Resources
- 0.3% Pharmaceutical and Healthcare
- 0.3% Food and Beverage
- 2.1% Services and Others

In recognition of its outstanding achievements in environmental sustainability, One Raffles Quay has been conferred the BCA Green Mark Platinum Award.

One Raffles Quay has a large and diversified tenant base comprising 56 office tenants and five retail tenants. The major office tenants include Capital International Research and Management, Inc., Deutsche Bank, Ernst & Young, Tik Tok Pte Ltd and UBS AG.

In equal partnership with Hongkong Land and Keppel REIT, Suntec REIT holds a one-third interest in One Raffles Quay.

STRONG TENANT MIX

For the month of December 2020, 73.8% of the total gross revenue was attributable to the Banking, Insurance and Financial Services sector.

LEASE EXPIRY PROFILE

As at 31 December 2020, 56.1% of the total NLA of the One Raffles Quay is due to expire during the period from FY 2021 to FY 2023, whilst 34.2% is due to expire in FY 2024 and beyond.

The Manager's objective for One Raffles Quay is to generate sustainable growth from its interest in the property for Suntec REIT unitholders.

PROPERTY DETAILS

MBFC Properties
Singapore

Total Net Lettable Area
1,735,416 sq ft

Number of Tenants
107

Market Valuation
S$**1,682.0** mil[1]

Net Income Contribution
S$**51.8** mil[3]

The Marina Bay Financial Centre is a prime landmark integrated development strategically located in the heart of Marina Bay.

Designed by the internationally renowned architectural firm Kohn Pedersen Fox Associates of New York, Phase 1 of the development comprises a 33-storey office tower ("Tower 1"), a 50-storey office tower ("Tower 2"), Marina Bay Residences and the Marina Bay Link Mall which consists of approximately 94,960 sq ft of NLA for retail use and 686 car park lots. It is directly connected to the Downtown MRT station and is easily accessible via an underground pedestrian network to the Raffles Place MRT station.

Property Statistics	As at 31 December 2020
Location	8, 8A and 10 Marina Boulevard, Singapore 018981/83/84
Title	Leasehold 99 years from 2005
Net Lettable Area	578,472 sq ft[1]
Car Park Lots	686
Purchase Price	S$1,495.8 million[1]
Market Valuation	S$1,682.0 million[1,2] (31 December 2019: S$1,695.3 million)
Net Income Contribution	S$51.8 million[3] (2019: S$57.2 million)
Committed Occupancy	97.8% (31 December 2019: 98.4%)

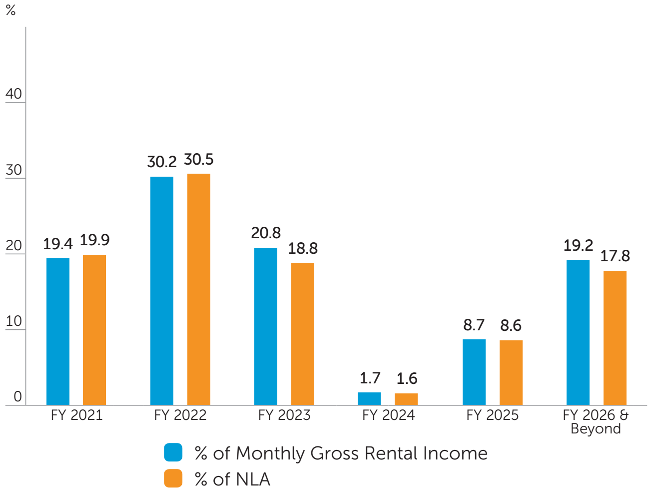
Notes:

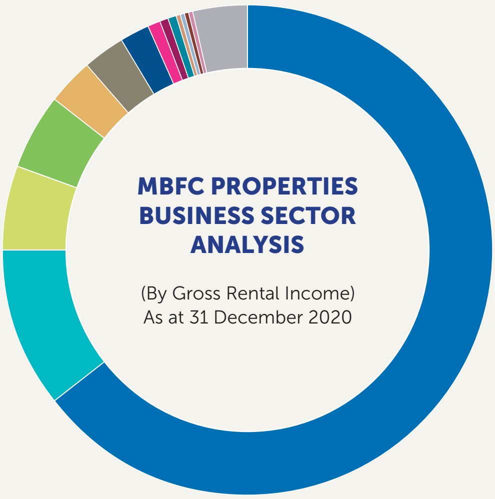
1 Based on Suntec REIT's interest in the property.
2 The valuation of S$1,682.0 million was a decline of 0.8% year-on-year due to changes in cashflow assumptions.
3 Comprises distribution income and interest income from the joint venture.

PROPERTY DETAILS

MBFC PROPERTIES LEASE EXPIRY PROFILE

As at 31 December 2020





- 65.7% Banking, Insurance and Financial Services
- 10.7% Technology, Media and Telecommunications
- 5.6% Energy and Natural Resources
- 4.8% Real Estate and Property Services
- 3.1% Food and Beverage
- 2.8% Legal
- 1.9% Hospitality / Leisure
- 0.9% Pharmaceutical and Healthcare
- 0.4% Hair and Beauty & Wellness
- 0.2% Fashion and Accessories
- 0.2% Hypermart / Supermarket
- 0.1% Pharmacy
- 0.1% Optical
- 0.1% Specialty and Gifts
- 3.4% Services and Others

In recognition of its achievements in environmental sustainability, the development has been conferred the BCA Green Mark Platinum Award for its environmentally sustainable design features.

The MBFC Properties has a premier tenant base, with major office tenants including Barclays, HSBC, LinkedIn, Nomura and Standard Chartered Bank.

In equal partnership with Hongkong Land and Keppel REIT, Suntec REIT holds a one-third interest in the MBFC Properties.

STRONG TENANT MIX

For the month of December 2020, 65.7% of the total gross revenue was attributable to the Banking, Insurance and Financial Services sector.

LEASE EXPIRY PROFILE

As at 31 December 2020, 69.2% of the total NLA of the MBFC Properties is due to expire during the period from FY 2021 to FY 2023, whilst 28.0% is due to expire in FY 2024 and beyond.

The Manager's objective for the MBFC Properties is to generate sustainable growth from its interest in the property for Suntec REIT unitholders.

PROPERTY DETAILS

9 Penang Road

Singapore

Total Net Lettable Area
399,044 sq ft

Number of Tenants
7

Market Valuation
S$**279.0** mil[1]

9 Penang Road is a new Grade A commercial building which is undertaken through a joint venture with Haiyi Holdings Pte Ltd, Singhaiyi Group Ltd and Suntec REIT, with an interest of 35.0%, 35.0% and 30.0% respectively.

The ten-storey development consists of two towers with office space across eight floors and retail space at the first and second level.

Property Statistics	As at 31 December 2020
Location	9 Penang Road, Singapore 238459
Title	Leasehold 99 years from 2016
Net Lettable Area	119,713 sq ft[1]
Car Park Lots	121
Purchase Price	S$245.1 million[2]
Market Valuation	S$279.0 million[1] (31 December 2019: S$279.0 million)
Net Income Contribution	Nil[3] (31 December 2019: Nil[3])
Committed Occupancy	98.5% (31 December 2019: 96.7%)

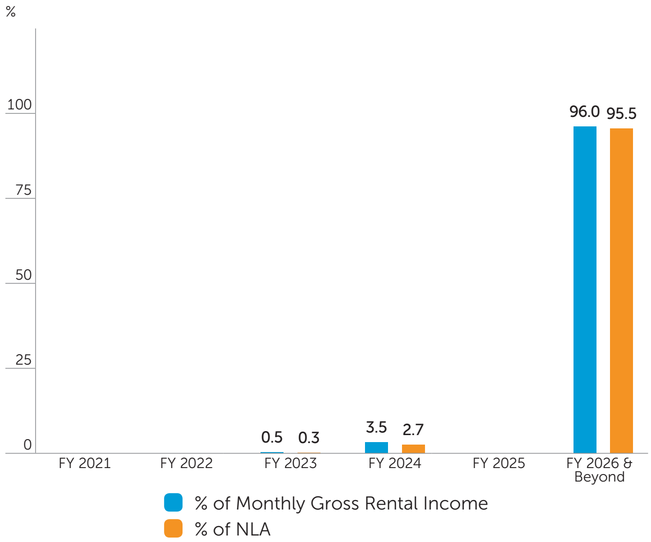
Notes:

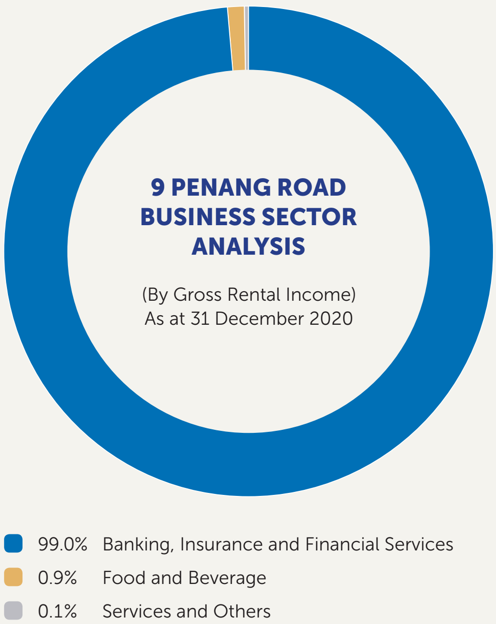
[1] Based on Suntec REIT's interest in the property.
[2] Refers to the original purchase price of Park Mall acquired in 2005 and includes the purchase price for the additional land amounting to 1,316.2 sqm along Penang Road.
[3] No income contribution was declared from the joint venture in FY 2019 and FY 2020.

PROPERTY DETAILS

9 PENANG ROAD LEASE EXPIRY PROFILE

As at 31 December 2020





The development is situated at the former Park Mall site which the Manager divested in December 2015 as part of its proactive portfolio management strategy. Redevelopment works for 9 Penang Road commenced on 1 December 2016 and the development received its Temporary Occupation Permit on 30 October 2019.

The office component had been fully leased to UBS AG which started moving into their new premises in November 2020, and the retail component is predominantly Food and Beverage.

STRONG TENANT MIX

For the month of December 2020, 99.0% of the total gross revenue was attributable to the Banking, Insurance and Financial Services sector.

LEASE EXPIRY PROFILE

As at 31 December 2020, 3.0% of the total NLA of 9 Penang Road is due to expire between FY 2023 and FY 2024 , whilst 95.5% is due to expire in FY 2025 and beyond.

The Manager's objective for 9 Penang Road is to generate sustainable growth from the property for Suntec REIT unitholders.

PROPERTY DETAILS

177 Pacific Highway

Australia

Total Net Lettable Area
430,915 sq ft

Number of Tenants
10

Market Valuation
S$**655.7** mil[2]

Net Income Contribution
S$**33.3** mil[4]

177 Pacific Highway is a freehold 31-storey Grade A commercial tower strategically located in North Sydney CBD.

The 31-storey landmark building is designed by award-winning architecture firm Bates Smart and boasts state-of-the-art design and harbour views. The property's prime location enables it to enjoy direct access to a number of major surrounding roadways and is well served by public transport. The property is a 5-minute walk from North Sydney station.

Property Statistics	As at 31 December 2020
Location	177 Pacific Highway, North Sydney NSW 2060
Title	Freehold
Net Lettable Area	430,915 sq ft
Car Park Lots	112
Purchase Price	S$457.5 million[1]
Market Valuation	S$655.7 million[2] (31 December 2019: S$599.8 million[3])
Gross Revenue	S$38.5 million[4] (2019: S$38.1 million[5])
Net Property Income	S$33.3 million[4] (2019: S$32.7 million[5])
Committed Occupancy	100% (31 December 2019: 100%)

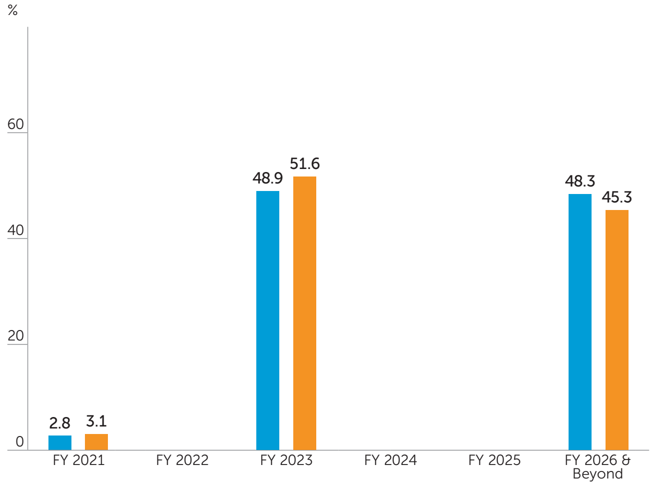
Notes:

1 Based on total actual progress payment made, at an average exchange rate of A$1.00 = S$1.107.
2 Based on exchange rate of A$1.00 = S$1.0166 as at 31 December 2020.
3 Based on exchange rate of A$1.00 = S$0.9445 as at 31 December 2019.
4 Based on exchange rate of A$1.00 = S$0.9529.
5 Based on exchange rate of A$1.00 = S$0.9482.

PROPERTY DETAILS

177 PACIFIC HIGHWAY LEASE EXPIRY PROFILE

As at 31 December 2020



- 40.0% Technology, Media and Telecommunications
- 29.8% Real Estate and Property Services
- 16.6% Consultancy / Services
- 12.4% Banking, Insurance and Financial Services
- 1.2% Food and Beverage

177 Pacific Highway premier tenant base include CBRE, CIMIC Group Limited, Cisco Systems, Jacobs Engineering Group Inc, Objective Corporation, Pepper Group Limited and TPG Telecom Limited (formerly known as Vodafone Hutchison Australia Pty Limited).

The building has a 5 Star Green Star – Office Design v3 Certified Rating, 6 Star NABERS Energy Rating and 4 Star NABERS Water Rating.

STRONG TENANT MIX

For the month of December 2020, 40.0% of the total gross revenue was attributable to the Technology, Media and Telecommunications sector.

LEASE EXPIRY PROFILE

As at 31 December 2020, 3.1% and 51.6% of the total NLA of 177 Pacific Highway is due to expire in FY 2021 and FY 2023 respectively, whilst 45.3% is due to expire in FY 2023 and beyond.

The Manager's objective for 177 Pacific Highway is to generate sustainable growth from the property for Suntec REIT unitholders.

PROPERTY DETAILS

21 Harris Street

Australia

Total Net Lettable Area	Number of Tenants	Market Valuation	Net Income Contribution
202,706 sq ft	**5**	S$**305.0** mil[1,3,4]	S$**6.5** mil[5]

21 Harris Street is a new freehold Grade A office building located in Pyrmont, an inner-city fringe area 2km west of Sydney's CBD. The building received its practical completion on 2 April 2020.

Suntec REIT deepened its footprint in Australia with the acquisition of a second asset in Sydney. The property is a strategic fit with Suntec REIT's portfolio of high quality assets and further enhances the stability of the REIT's income.

Property Statistics	As at 31 December 2020
Location	21 Harris Street, Pyrmont, NSW 2009
Title	Freehold
Net Lettable Area	202,706 sq ft
Car Park Lots	171
Purchase Price	S$257.4 million[1,2,3]
Market Valuation	S$305.0 million[3,4]
Gross Revenue	S$8.2 million[5]
Net Property Income	S$6.5 million[5]
Committed Occupancy	68.7%

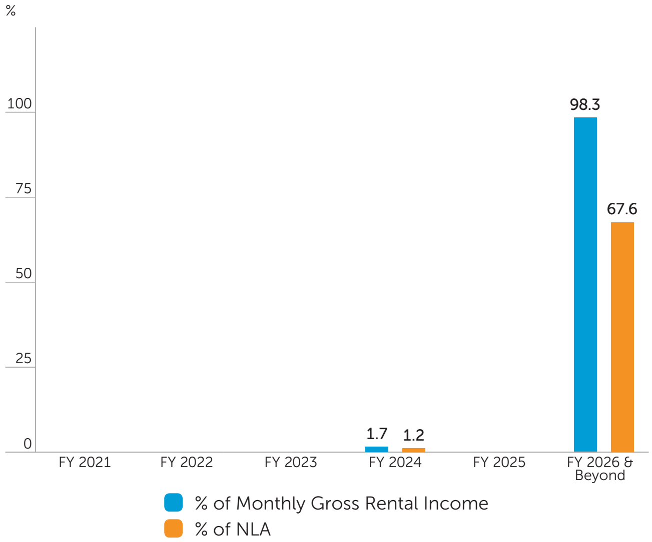
Notes:

1 Based on exchange rate of A$1.00 = S$0.8726 at the time of acquisition.
2 The purchase price took into account an independent valuation of A$309.0 million.
3 Based on the discounted cashflow method and capitalisation approach.
4 Based on exchange rate of A$1.00 = S$1.0166 as at 31 December 2020.
5 For the period from 6 April 2020 to 31 December 2020 and based on the exchange rate of A$1.00 = S$0.9529.

PROPERTY DETAILS

21 HARRIS STREET LEASE EXPIRY PROFILE

As at 31 December 2020



87.8%	Consultancy / Services
9.0%	Fitness
2.4%	Real Estate and Property Services
0.8%	Services and Others

The nine storey campus style buildling has amenities including a café, childcare, gymnasium, basement carpark and end-of-trip facility.

The Pyrmont precinct has evolved into Sydney's technology media and entertainment hub and the property is within a 10-minute drive or 15 to 20 minutes' walk to Sydney core CBD. It is also next to John Street Light Rail Station which is a 15 minutes' direct ride to Sydney's Central Train Station.

Key tenants at 21 Harris Street include Publicis Groupe, Viva Leisure and Lloyd Group.

The acquisition of 21 Harris Street from 21 Harris Street Pty Ltd, as trustee for ATF 21 Harris Street Unit Trust was completed on 6 April 2020.

STRONG TENANT MIX

For the month of December 2020, 87.8% of the total gross revenue was attributable to the Consultancy / Services sector.

LEASE EXPIRY PROFILE

As at 31 December 2020, 1.2% of the total NLA of 21 Harris Street is due to expire in FY 2024 and 67.6% is due to expire in FY 2026 and beyond.

The Manager's objective for 21 Harris Street is to generate sustainable growth from the property through increasing the occupancy.

PROPERTY DETAILS

Southgate Complex

Australia

Total Net Lettable Area	Number of Tenants	Market Valuation	Net Income Contribution
814,562 sq ft	**97**	S$**391.9** mil[1,3]	S$**14.7** mil[5]

Southgate Complex is a freehold, landmark waterfront integrated development located alongside the Yarra River in the Southbank arts and leisure precinct of Melbourne.

Southgate Complex comprises two Grade A office towers, the 30-storey "IBM Tower", the 25-storey "HWT Centre", a 3-storey retail podium and a car park with 1,026 lots.

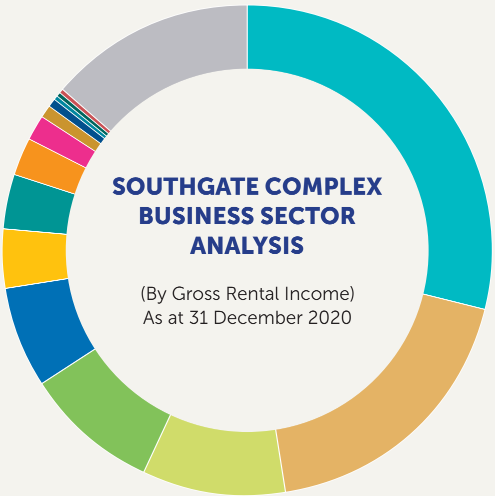
Southgate Complex is directly opposite Flinders Street train station and within close proximity to Melbourne's city rail loop. It is also surrounded by business, residential, recreational and retail amenities.

Property Statistics	As at 31 December 2020
Location	40 and 60 City Road, 3 Southbank Avenue, Southbank, Melbourne, VIC 3006
Title	Freehold
Net Lettable Area	407,281 sq ft[1] Office: 354,571 sq ft Retail : 52,710 sq ft
Car Park Lots	1,026
Purchase Price	S$299.8 million[2]
Market Valuation	S$391.9 million[1,3] (31 December 2019: S$377.8 million[4])
Net Income Contribution	S$14.7 million[5] (31 December 2019: S$17.5 million[6])
Committed Occupancy	98.9% (31 December 2019: 99.1%)

Notes:

1. Based on Suntec REIT's interest in the property.
2. Based on an exchange rate of A$1.00 = S$1.0615 and A$1.00 = S$1.013 being the exchange rates at the time of acquisitions.
3. Based on exchange rate of A$1.00 = S$1.0166 as at 31 December 2020.
4. Based on exchange rate of A$1.00 = S$0.9445 as at 31 December 2019.
5. Based on exchange rate of A$1.00 = S$0.9529.
6. Based on exchange rate of A$1.00 = S$0.9482.

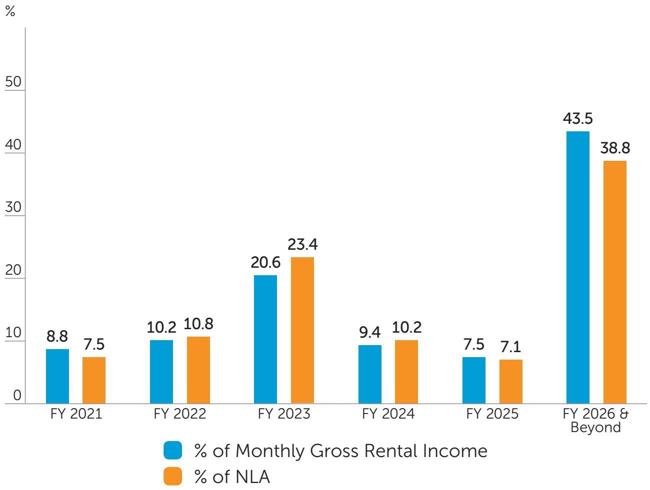
PROPERTY DETAILS



28.9%	Technology, Media and Telecommunications
18.6%	Food and Beverage
9.6%	Energy and Natural Resources
8.9%	Real Estate and Property Services
6.5%	Banking, Insurance and Financial Services
4.0%	Manufacturing
3.5%	Consultancy / Services
2.6%	Government and Government-Linked Offices
1.6%	Pharmaceutical and Healthcare
0.9%	Shipping and Freight Forwarding
0.5%	Hospitality / Leisure
0.4%	Fashion and Accessories
0.2%	Books, Stationery and Education
0.1%	Homeware and Home furnishings
13.7%	Services and Others

SOUTHGATE COMPLEX LEASE EXPIRY PROFILE

As at 31 December 2020



Southgate Complex has a premier tenant base with major office tenants including Alinta, Regus, IBM Australia, JB Hi-Fi and The Herald and Weekly Times.

IBM Tower has a 4.5 Star NABERS Energy Rating and a 3.5 Star NABERS Water Rating while HWT Centre has a 4.5 Star NABERS Energy Rating and 4.0 Star NABERS Water Rating.

On 31 May 2018, Suntec REIT increased its interest in Southgate Complex from 25.0% to 50.0%. The remaining 50.0% is owned by PIP Trust.

In June 2020, a development application was submitted to relevant authorities in Melbourne for the potential redevelopment of the retail podium and construction of a new office tower.

STRONG TENANT MIX

For the month of December 2020, 28.9% of the total gross revenue was attributable to the Technology, Media and Telecommunications sector.

LEASE EXPIRY PROFILE

As at 31 December 2020, 41.7% of the total NLA of Southgate Complex is due to expire during the period from FY 2021 to FY 2023 and 56.1% is due to expire in FY 2024 and beyond.

The Manager's objective for Southgate Complex is to generate sustainable growth from the property for Suntec REIT unitholders.

PROPERTY DETAILS

Olderfleet, 477 Collins Street

Australia

Total Net Lettable Area	Number of Tenants	Market Valuation	Net Income Contribution
630,858 sq ft	**18**	S$**452.4** mil[1,3]	S$**8.0** mil[5]

Olderfleet, 477 Collins Street is a new premium grade office building within Melbourne CBD. Designed by award winning Grimshaw Architects, the main entrance incorporates facades of three heritage listed buildings. The 39-level state-of-the-art building received practical completion on 31 July 2020.

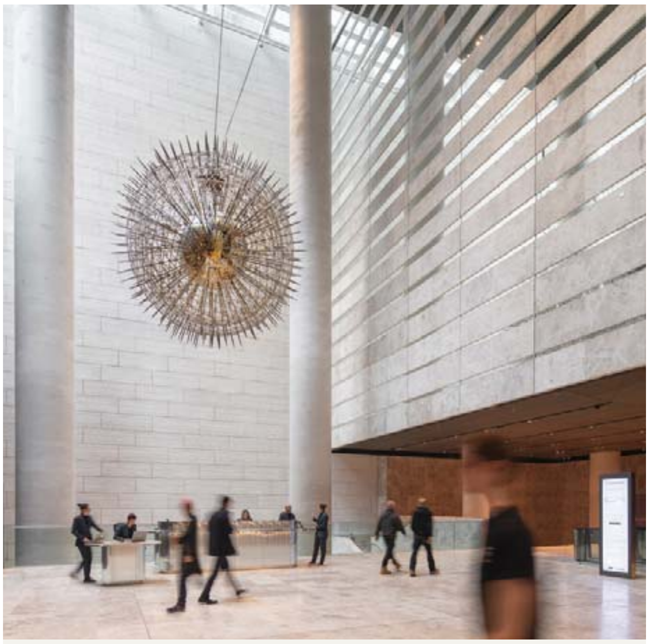
The development is targeting to achieve 5 Star Green Star rating, 5.0 Star NABERS Energy rating as well as International WELL Platinum rating for Core & Shell. The property provides market leading amenities including business lounge, wellness centre, childcare centre and hotel-style end-of-trip facilities and concierge services.

Property Statistics	As at 31 December 2020
Location	477 Collins Street, Melbourne, VIC 3000
Title	Freehold
Net Lettable Area	315,429 sq ft[1]
Car Park Lots	416
Purchase Price	S$430.9 million[2]
Market Valuation	S$452.4 million [1,3] (31 December 2019: S$406.1 million[4])
Gross Revenue	S$9.9 million[1,5]
Net Property Income	S$8.0 million[1,5]
Committed Occupancy	97.2%

Notes:

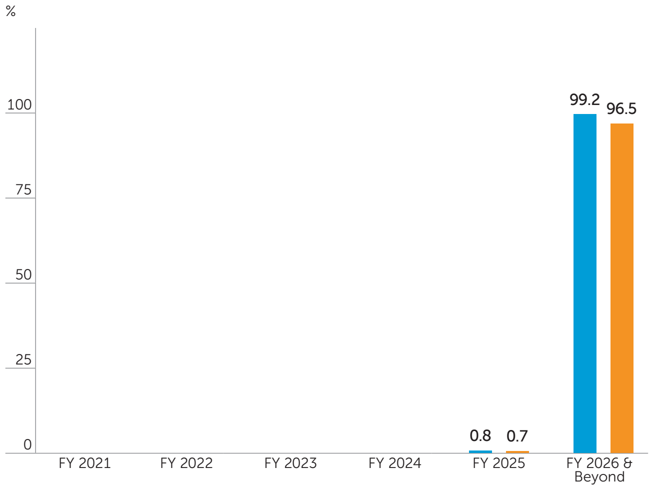
1 Based on Suntec REIT's interest in the property.
2 Based on total actual progress payment made, at an average exchange rate of A$1.00 = S$1.0041.
3 Based on exchange rate of A$1.00 = S$1.0166 as at 31 December 2020.
4 Based on exchange rate of A$1.00 = S$0.9445 as at 31 December 2019. The property was under construction and the valuation was on a "as if complete basis". The carrying value as at 31 December 2019 was S$213.2 million.
5 For the period from 1 August 2020 to 31 December 2020 based on exchange rate of A$1.00 = S$0.9529.

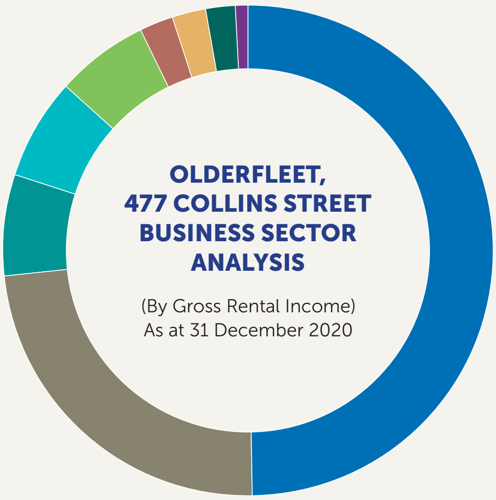
PROPERTY DETAILS



OLDERFLEET, 477 COLLINS STREET LEASE EXPIRY PROFILE

As at 31 December 2020





- 49.9% Banking, Insurance and Financial Services
- 23.6% Legal
- 6.7% Consultancy / Services
- 6.6% Technology, Media and Telecommunications
- 6.0% Real Estate and Property Services
- 2.4% Trading and Investments
- 2.1% Food and Beverage
- 1.9% Books Stationery and Education
- 0.8% Fitness

The property is adjacent to the 5-Star Intercontinental Melbourne Hotel, and is located within the Melbourne CBD Free Tram Zone. In addition to the four tram lines serving Collins Street, the Southern Cross Station, Victoria's primary metropolitan and regional transportation hub is also a short walking distance away.

In equal partnership with leading diversified Australian property group, Mirvac, Suntec REIT holds 50.0% interest in the property.

Olderfleet, 477 Collins Street premier tenant base includes, Deloitte, Lander & Rogers, Norton Rose, Urbis and Workclub.

STRONG TENANT MIX

For the month of December 2020, 49.9% of the total gross revenue was attributable to the Banking, Insurance and Financial Services sector.

LEASE EXPIRY PROFILE

As at 31 December 2020, 97.2% of the total NLA of Olderfleet, 477 Collins Street is due to expire in FY 2025 and and beyond.

The Manager's objective for Olderfleet, 477 Collins Street, is to generate sustainable growth from the property for Suntec REIT unitholders.

PROPERTY DETAILS

55 Currie Street

Australia

Total Net Lettable Area
282,020 sq ft

Number of Tenants
9

Market Valuation
S$**152.5** mil[2]

Net Income Contribution
S$**11.8** mil[4]

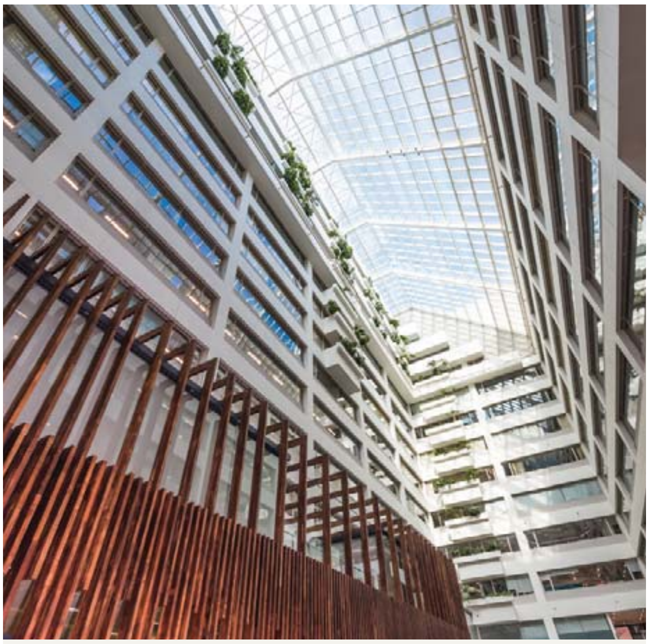
55 Currie Street is a freehold Grade A office development located in the heart of Adelaide's CBD.

The 12-storey property had undergone several rounds of refurbishment and in the asset enhancement exercise completed in 2018, major mechanical and electrical plant and equipment were upgraded and solar panels were installed. In addition, end-of-trip facilities were installed together with the upgrading of the central atrium, lift lobbies and toilets. The property has a 5.0 NABERS Energy rating.

Property Statistics	As at 31 December 2020
Location	55 Currie Street, Adelaide, SA 5000
Title	Freehold
Net Lettable Area	282,020 sq ft
Car Park Lots	95
Purchase Price	S$138.9 million[1]
Market Valuation	S$152.5 million[2] (31 December 2019: S$140.7 million[3])
Gross Revenue	S$15.9 million[4] (2019: S$4.8 million[5])
Net Property Income	S$11.8 million[4] (2019: S$3.6 million[5])
Committed Occupancy	91.7% (31 December 2019: 91.7%)

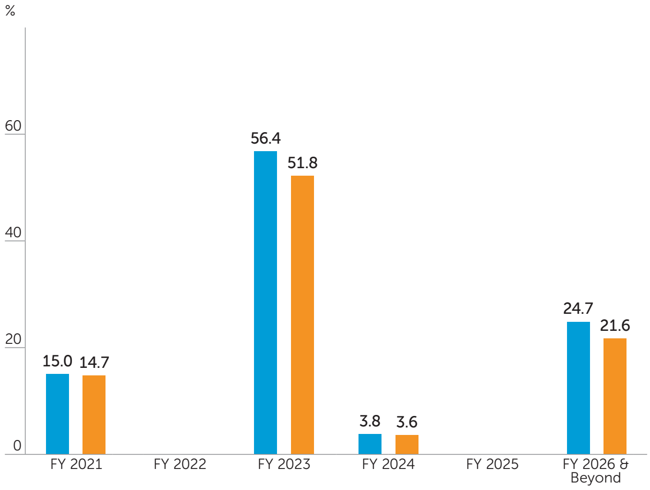
Notes:
[1] Based on exchange rate of A$1.00 = S$0.9364 at the time of acquisition.
[2] Based on the exchange rate of A$1.00 = S$1.0166 as at 31 December 2020.
[3] Based on exchange rate of A$1.00 = S$0.9445 as at 31 December 2019.
[4] Based on exchange rate of A$1.00 = S$0.9529.
[5] Based on exchange rate of A$1.00 = S$0.9482

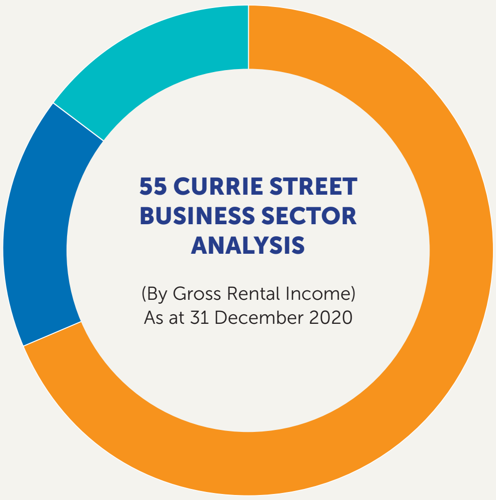
PROPERTY DETAILS



55 CURRIE STREET LEASE EXPIRY PROFILE

As at 31 December 2020





- 68.7% Government and Government-Linked Offices
- 16.7% Banking, Insurance and Financial Services
- 14.6% Technology, Media and Telecommunications

The property is a 5-minute walk to Adelaide railway station and is also strategically located at the center of Adelaide's burgeoning laneway network.

Key tenants at 55 Currie Street include Commonwealth of Australia, South Australia Government, Allianz and Data Action.

STRONG TENANT MIX

For the month of December 2020, 68.7% of the total gross revenue was attributable to the Government and Government-Linked Offices sector.

LEASE EXPIRY PROFILE

Based on the committed leases as at 31 December 2020, 66.5% of the total NLA of 55 Currie Street is due to expire during the period from FY 2021 to FY 2023 and 25.2% is due to expire in FY 2024 and beyond.

The Manager's objective for 55 Currie Street is to generate sustainable growth from the property through increasing the occupancy.

PROPERTY DETAILS

Nova Properties

London

Total Net Lettable Area
559,104 sq ft

Number of Tenants
35

Market Valuation
S$**786.4** mil[1,4,5]

The Nova Properties consists of two Grade A office buildings with ancillary retail and is located in the heart of Victoria, West End, London. Completed in 2016 and 2017, the Nova Properties was constructed to the highest standards and is the newest large scale addition to the West End.

Suntec REIT made its maiden foray into London with the acquisition of Nova Properties. The asset is a strategic fit with Suntec REIT's existing portfolio of high quality commercial assets in Singapore and Australia.

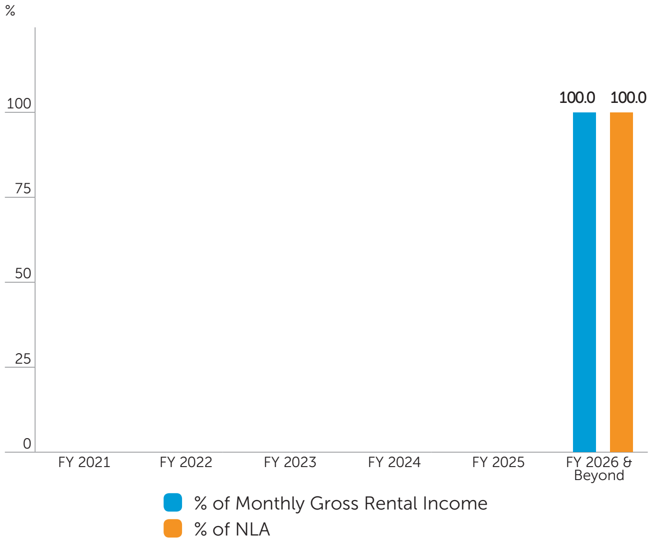
Property Statistics	As at 31 December 2020
Location	Nova Estate, Buckingham Palace Road and Bressenden Place, London SW1
Title	Leasehold expiring on 27 April 3062
Net Lettable Area	279,552 sq ft[1]
Car Park Lots	20
Purchase Price	S$772.6 million[2,3,4]
Market Valuation	S$786.4 million[1,4,5]
Net Income Contribution	Nil[6]
Committed Occupancy	100%

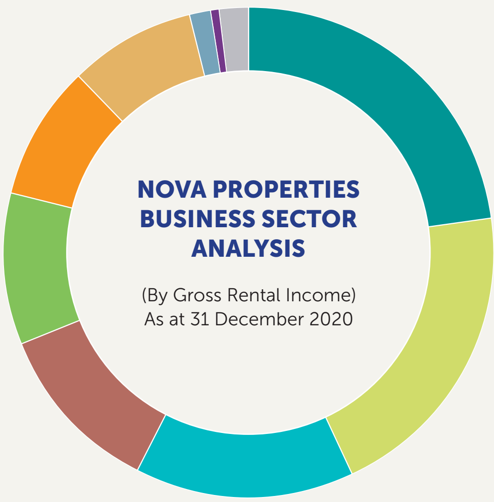
Notes:
1 Based on Suntec REIT's interest in the property.
2 Based on exchange rate of £$1.00 = S$1.7942 at the time of acquisition.
3 The purchase price took into account an independent valuation of £436.0 million.
4 Based on capitalisation approach.
5 Based on exchange rate of £1.00 = S$1.8037.
6 No income contribution was declared from the joint venture in FY 2020.

PROPERTY DETAILS

NOVA PROPERTIES LEASE EXPIRY PROFILE

As at 31 December 2020





- 23.0% Consultancy / Services
- 20.1% Energy and Natural Resources
- 14.5% Technology, Media and Telecommunications
- 11.5% Trading and Investments
- 10.0% Real Estate and Property Services
- 8.8% Government and Government-Linked Offices
- 8.5% Food and Beverage
- 1.3% Leisure and Entertainment
- 0.7% Fitness
- 1.7% Services and Others

Nova Properties is near to key landmarks such as the Buckingham Palace, Westminster Abbey and the Houses of Parliament. The buildings are also situated opposite the Victoria Station, an important interchange for the London Underground network and Victoria Coach station.

Key tenants at Nova Properties include Atkins, The Argyll Club, a government ministry, Vitol and BlueCrest. In terms of sustainability, Nova Properties has a Office BREEAM rating of Very Good and Retail BREEAM rating of Good.

In equal partnership with Landsec, one of the largest commercial property development and investment companies in the United Kingdom, Suntec REIT holds 50.0% interest in the property. The acquisition of Nova Properties from CPPIB US Re-3 Inc and CPP Investment Board Real Estate Holdings Inc was completed on 18 December 2020.

STRONG TENANT MIX

For the month of December 2020, 23.0% of the total gross revenue was attributable to the Consultancy / Services sector.

LEASE EXPIRY PROFILE

With the long lease tenures, the leases are only due to expire in FY 2026 and beyond.

The Manager's objective for Nova Properties is to generate stable income from the property for Suntec REIT unitholders.

INDEPENDENT MARKET REPORT

SINGAPORE OFFICE PROPERTY MARKET

1. ECONOMIC OVERVIEW

The Ministry of Trade and Industry ("MTI") announced in February 2021 that the Singapore economy contracted by 2.4% on a year-on-year ("y-o-y") basis in 4Q 2020. This translates to an overall 5.4% contraction for the whole of 2020, a reversal from the 1.3% growth recorded in 2019. The disruption to economic activities caused by the COVID-19 pandemic exacted a heavy toll. While an overall contraction was registered for most sectors, the manufacturing sector expanded by 7.3% in 2020, a turnaround from the 1.5% contraction in 2019. This was supported by output expansions in the electronics, biomedical manufacturing, precision engineering and chemicals clusters. MTI has forecasted Singapore's Gross Domestic Product ("GDP") growth for 2021 to be in the range of 4.0% to 6.0%.

2. OVERVIEW OF OFFICE MARKET

2.1 Demand, Supply and Occupancy

According to estimates by the Urban Redevelopment Authority ("URA"), the total existing islandwide stock of net office space in 2020 stood at 87.6 million sq ft, with 41.6 million sq ft of office space located within the Downtown Core.

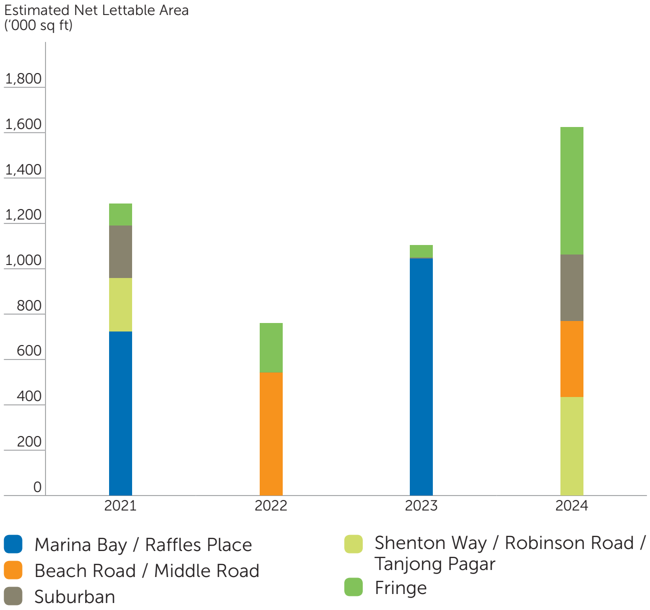
The redevelopment of several commercial buildings led to the withdrawal of approximately 2.1 million sq ft of supply from the market. This included Shaw Towers, Keppel Towers and Tower Fifteen which totalled about 880,000 sq ft. The affected tenants have generated and will continue to generate leasing demand in the months ahead. Within the Downtown Core, 79 Robinson Road (518,000 sq ft) was completed in 2020. At 72.9% occupancy, the take-up rate is encouraging given the COVID-19 pandemic. Overall, new supply of approximately 324,000 sq ft of space was added to the office market in 2020.

The islandwide net occupied office inventory recorded a decline of over 850,000 sq ft in 2020 as a result of reductions in space take-up in the first three quarters of 2020 amid the pandemic. The office market saw modest recovery in space take-up in 4Q 2020, mainly attributed to the stabilisation of market conditions and entry of Chinese tech players. As more companies seek to adopt hybrid work arrangements, the progressive return of the workforce to their offices provided near-term support to space demand. Despite the decline in net absorption of office space, occupancy level was recorded at 88.2% in 4Q 2020, a marginal drop compared to 89.5% in 4Q 2019.

2.2 Supply Pipeline

Based on URA's data, Knight Frank projects new lettable office supply of approximately 5.0 million sq ft to be slated for completion between 2021 to 2024, of which over 3.6 million sq ft are currently under construction. Major projects expected to be completed in 2021 include Afro-Asia I-Mark (154,000 sq ft) and CapitaSpring (635,000 sq ft). Another key commercial development, Central Boulevard Towers (1.3 million sq ft) located at Central Boulevard is expected to complete in 2023 (Chart 1). While the bulk of the pipeline supply are located in the central areas (CBD and Beach Road / Middle Road), some other developments such as Labrador Park (562,000 sq ft) will also add to the new office supply from 2024 and beyond.

CHART 1 - UPCOMING SUPPLY OF OFFICE SPACES (2021 TO 2024)



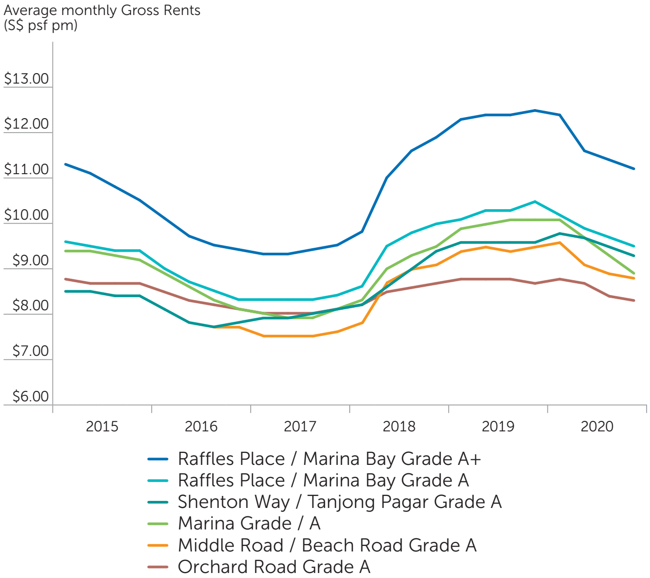
Source: Knight Frank, URA Realis (as at 4Q 2020)

2.3 Rental Performance

Based on estimates by Knight Frank, the Downtown Core prime grade (Grade A+ / A) office rents exhibited contraction throughout 2020 (Chart 2). Rental performance of prime grade offices in Raffles Place / Marina Bay precinct contracted 10.3% y-o-y in 4Q 2020, to $10.16 per sq ft per month. Factors that contributed to downward pressure on rents include challenging business conditions amid the COVID-19 outbreak, heightened cost-consciousness amongst tenants as they sought to rationalise their space usage and pressures on office take-up. However, the extent of rental decline is mitigated by the demand for high quality office spaces from enterprises such as tech players and fund management companies, as well as proactive efforts by landlords in retaining and attracting tenants. Many office occupiers are also adopting a wait-and-see approach to monitor the pandemic situation and changes in business conditions before reassessing their office space needs.

INDEPENDENT MARKET REPORT

CHART 2 - AVERAGE MONTHLY GROSS RENTS IN PRIME SPACES



Source: Knight Frank (as at 4Q 2020)

Note: Based on Knight Frank's basket of properties.
Downtown Core area comprises Raffles Place, Marina Bay, Marina, Shenton Way / Tanjong Pagar and Middle Road / Beach Road precincts.

2.4 Outlook

As the key demand drivers for office spaces in Singapore, Information and Technology Communications ("ICT") and non-bank financial services sectors contributed to half of the leasing volume in 2020 and this is expected to continue into 2021. Due to the global and regional geopolitical tensions, technology giants such as Bytedance and Tencent have announced plans to relocate their head offices to Singapore, which could potentially lead other tech firms to similarly establish a foothold in Singapore when border restrictions ease.

The Singapore Government's effective handling of the COVID-19 outbreak and commitment to develop key sectors of the economy, coupled with Singapore's stable pro-business environment provide a beacon of confidence for firms around the world.

Following an estimated injection of S$3.5 billion into ICT procurement in 2020, the Singapore Government will be pumping S$25 billion into the Research, Innovation and Enterprise ("RIE") 2025 plan over the next five years. Together with the issuance of four digital bank licences, more employment opportunities will be generated in various fields, hence driving office demand. This could potentially offset some vacancy risks from the downsizing of office space due to the structural changes such as the adoption of hybrid-work arrangements.

Despite economic recovery and the growing presence of technology companies, the wider adoption of hybrid-work model is expected to lower the demand for office space in the near term. Many industries, particularly corporates in the banking and insurance sectors, were observed to have started consolidating and paring down their real estate footprint. Furthermore, as the government withdraws business support measures, this will likely add to contractionary pressures for office space as most businesses are likely to stay cautious with their occupancy costs and space requirements thus keeping demand measured. Barring new virus strains and resurgences of infections, and provided continual improvements in economic conditions, Knight Frank envisages prime office rents to fall by around 5.0% in 2021 before bottoming out into recovery in 2022.

3. OVERVIEW OF RETAIL MARKET

3.1 Retail Sales Performance

According to the Department of Statistics, Singapore's Retail Sales Index (excluding Motor vehicles) experienced y-o-y declines for 23 consecutive months, with the latest December 2020 index recorded at 111.0. Despite the y-o-y declines, there was a 13.1% month-on-month ("m-o-m") improvement. This points towards initial signs of recovery of the retail scene, though most of the retail sales volume was likely driven by the year-end shopping season and campaigns such as "12.12". Throughout 2020, Singapore's retail sales were affected by the substantial drop in tourist receipts, which deteriorated significantly due to travel restrictions since March 2020. Retail performance started to improve gradually from May 2020, with the easing of safe distancing measures as Singapore started to reopen her economy.

Among the various trade categories, Supermarkets and Hypermarkets were the most resilient, registering double-digit y-o-y growth for almost the entire year. Grocery chains such as HAO Mart and Medi-Ya undertook expansion plans, opening more branches and flagship stores. The Furniture and Household Equipment and Computer and Telecommunications Equipment categories also saw increase in demand due to mandatory telecommuting and work-from-home measures.

The total international visitor arrivals ("IVA") for 2020 amounted to 2.7 million, registering a decline of 85.7% as compared to the previous year. Although the establishment of 'green lanes' with low-risk countries had helped to increase IVA, this understandably did not contribute much to tourist receipts.

The impact of COVID-19 has undoubtedly accelerated the process of retail digitalisation, pushing brick-and-mortar stores to enhance their online presence and driving brands to sharpen their digital marketing efforts to increase their outreach and better connect with consumers. Departmental stores such as Isetan and Metro started selling their products on e-commerce platforms such as Lazada, while BHG launched their own online shopping platform.

INDEPENDENT MARKET REPORT

3.2 Demand, Supply and Occupancy

The existing stock of retail space totalled almost 66.1 million sq ft as at 4Q 2020, representing a decline of 1.4% y-o-y. In 2020, net new supply of retail space fell by about 969,000 sq ft as some stock was taken off the market for asset enhancement works, such as the revamp of i12 Katong. Some developers also viewed the challenges brought about by COVID-19 as an opportunity to enhance older assets in preparation for future market recovery. Major retail completions in 2020 comprised mainly ancillary projects such as Change Alley Mall (51,400 sq ft), Woods Square (39,264 sq ft) and Le Quest (55,079 sq ft).

Despite the limited new supply, the 4Q 2020 islandwide occupancy posted a y-o-y reduction of 1.3 percentage points (pp) to 91.2%. However, this was a slight improvement from 90.4% as recorded in 2Q and 3Q 2020. Due to the pandemic, many prospective retailers who previously planned for business expansion and lease renewals had to put these plans on hold. The slow take-up of new retail projects during this period also placed additional pressure on occupancy rates. Budget 2020 support measures had helped to provide some support to occupancy rates through mandatory rental support by landlords, deferred payment schemes and rental restructuring. While some traditional retailers had to cease operations due to the challenging operating environment, others (e.g. Don Don Donki, Decathlon and IKEA) saw it as an opportunity to expand their businesses (Chart 3).

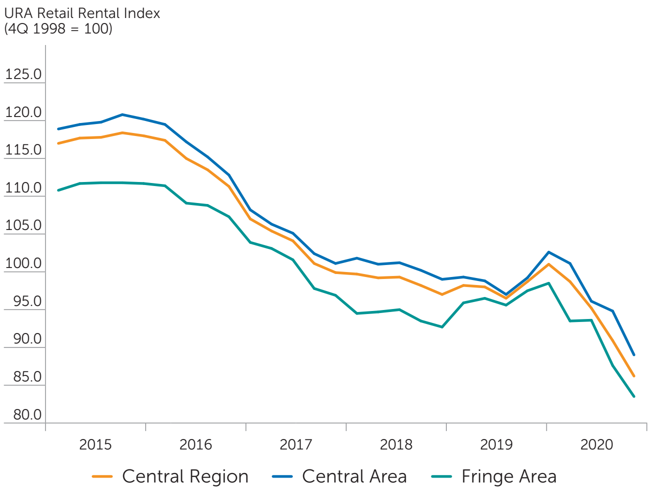
3.3 Supply Pipeline

Based on URA's data, Knight Frank projects approximately 2.2 million sq ft of new lettable retail space to come on stream from 2021 to 2024. Notable retail projects due for completion include Keppel Towers, Keppel Towers 2 (68,150 sq ft in total), Boulevard 88 (29,000 sq ft) and Rochester Commons (15,000 sq ft). Beyond 2022, there will be new retail offerings at suburban areas, such as Anchorvale Village (52,200 sq ft) and Sengkang Grand Mall (54,000 sq ft).

3.4 Retail Rental Index

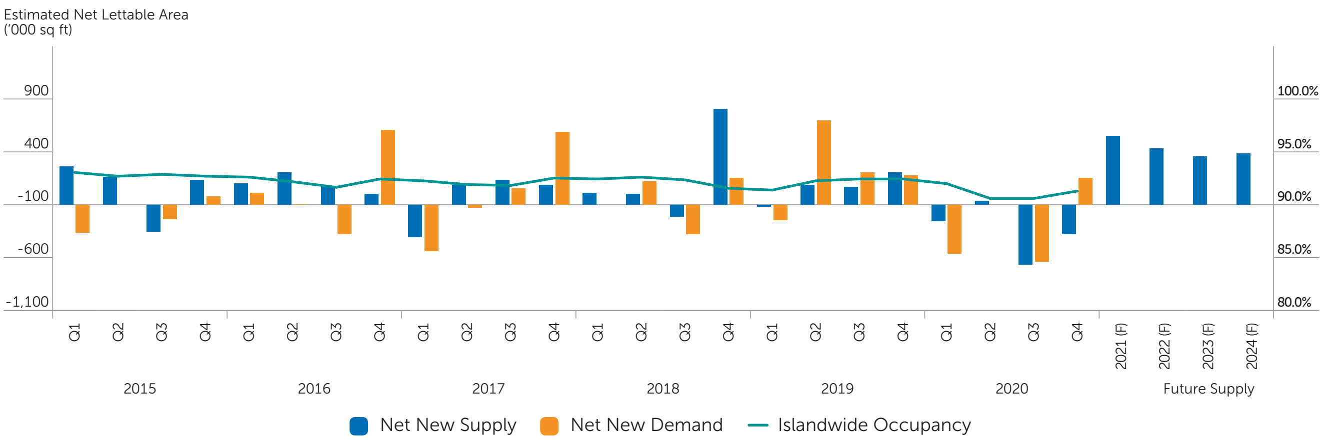
Despite the gradual reopening of physical retail stores and relaxation of safe distancing measures towards the end of 2020, the retail scene has yet to recover to pre-COVID-19 performance levels. The Central Region retail rental index declined 5.2% quarter-on-quarter ("q-o-q") in 4Q 2020, translating to a full year decline of 12.7%. Retailers in the vicinity of Orchard Road, who typically rely heavily on the tourist dollar, remained caught in the COVID-19 fallout (Chart 4).

CHART 4 - URA RETAIL RENTAL INDEX (2015 TO 2020)



Source: Knight Frank, URA Statistics (as at 4Q 2020)

CHART 3 - RETAIL SPACE CHANGE IN DEMAND AND SUPPLY (2015 TO 2024) AND OCCUPANCY



Source: Knight Frank, URA Realis (as at 4Q 2020)

Notes: Net new demand refers to the change in occupied space across time period.
Net new supply refers to the change in available space across time.

3.5 Outlook

With many employees still working from home, retail spaces in suburban areas have recorded higher footfall than those in the city centre. Although retail sales and rents of prime retail spaces in suburban areas are expected to recover sooner due to nearby residential catchment, demand for prime retail spaces in the city centre could gradually pick up as more employees return to the office. The latter will likely return to pre-pandemic levels only after mass vaccinations were proven successful enough for countries to relax existing travel restrictions. The pace of border restrictions has slowed in early 2021 amidst the global resurgence of COVID-19 infections. Globally, the US and Eurozone are working towards population immunity by 2H 2021 while domestically, Singapore's COVID-19 situation has remained under control due to the continued efforts in virus containment and the ongoing vaccination programme, which will likely help in the further easing of safe management measures. This will aid in supporting the momentum in retail sales recovery and further improve market sentiment amongst retailers. Occupancy rates are expected to stabilise, and retail rents are likely to bottom out in the first half of 2021.

The COVID-19-led acceleration of digitalisation and changing consumer behaviour will continue. It is therefore important for retailers and landlords alike to adapt to the rapidly evolving retail scene to ride out the ongoing challenges and to remain relevant and competitive in the long run.

Knight Frank

AUSTRALIAN OFFICE PROPERTY MARKET

1. ECONOMIC OVERVIEW

The Australian economy continues to recover at a stronger than anticipated pace from the pandemic. National GDP rose by 3.1% in 4Q 2020, following a 3.4% expansion in 3Q 2020. The improvement was driven by a strong rebound in consumer spending following the easing of COVID-19 restrictions. Updated data points to ongoing strength in consumer spending, with retail sales having risen 10.7% over the year. Looking ahead, the Reserve Bank of Australia ("RBA") expects growth of around 3.5% for both 2021 and 2022.

The labour market exceeded expectations in the second half of 2020, with stronger increases in employment observed following the easing of COVID-19 restrictions. Nationally, employment has recovered to be just below pre-pandemic levels.

To stimulate the economy, the Australian Federal Government has enacted $257 billion (13.0% of GDP) in direct economic support since the onset of the pandemic. In addition, the RBA reduced the cash rate and the three-year government bond yield target from 0.25% to 0.10% and announced a $100 billion quantitative easing program in November and will commence an additional $100 billion of bond purchases from April 2021.

2. OVERVIEW OF AUSTRALIA OFFICE MARKET

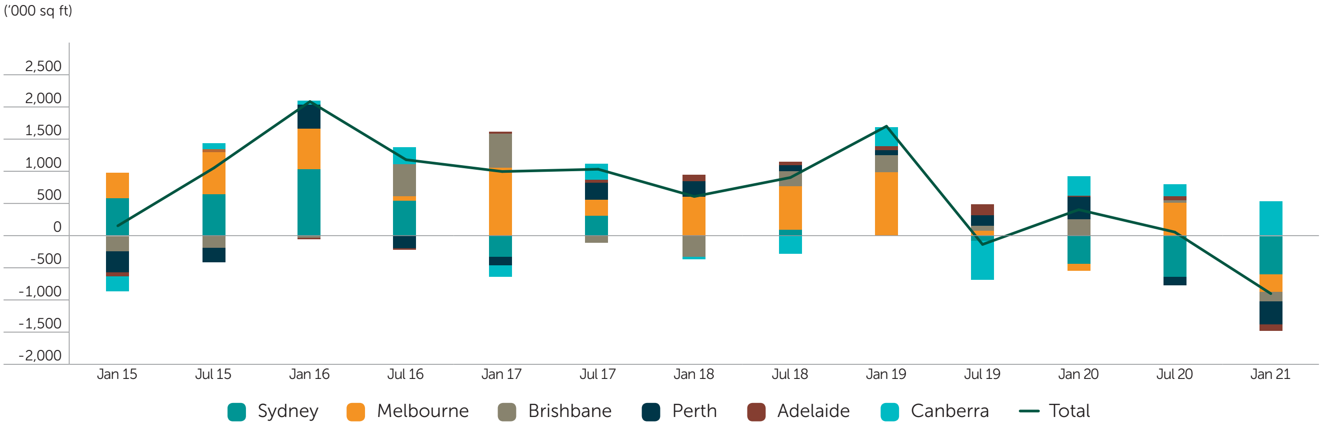
Despite improvements in economic outlook, the Australian office markets are still facing a period of elevated uncertainty. The COVID-19 pandemic has weighed on occupier demand, with firms more cautious to make new commitments to office space. Vacancy rates in Sydney and Melbourne have risen significantly from record low levels. The adjustment to the pandemic has mostly come through higher incentives and falling effective rents, while prime net face rents[1] have generally remained stable. Investment market activities slowed significantly in 2020, but investor appetite for prime office property assets remains strong underpinned by low interest rates. Prime office yields have remained stable despite the pandemic.

Note:

[1] Prime net face rent refers to the contractual rent less building maintenance costs such as property rates, insurance, repairs and maintenance, and management fees, for a basket of prime (premium and A grade office buildings) as defined by the Property Council of Australia and Knight Frank.

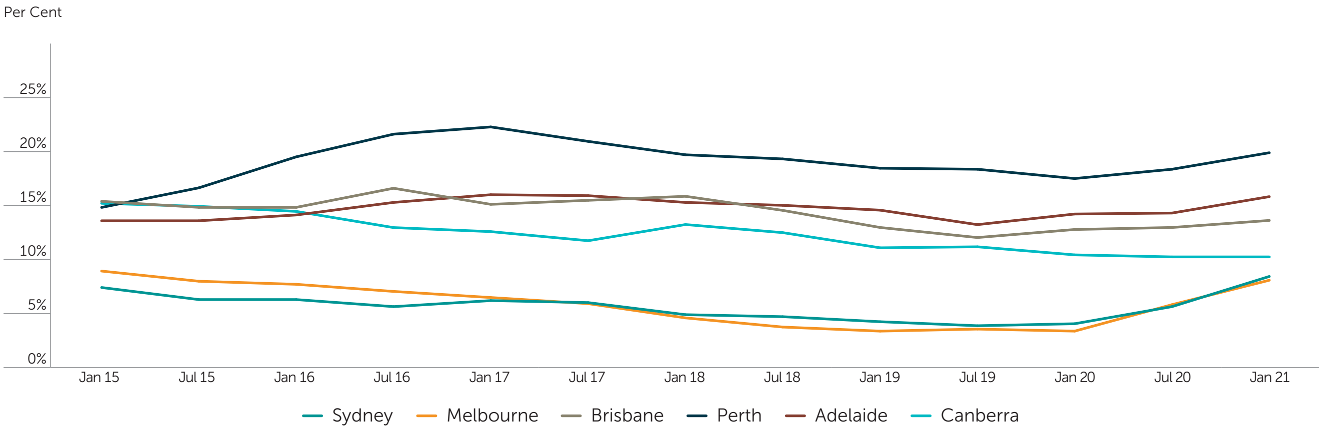
INDEPENDENT MARKET REPORT

CHART 1 - NET ABSORPTION



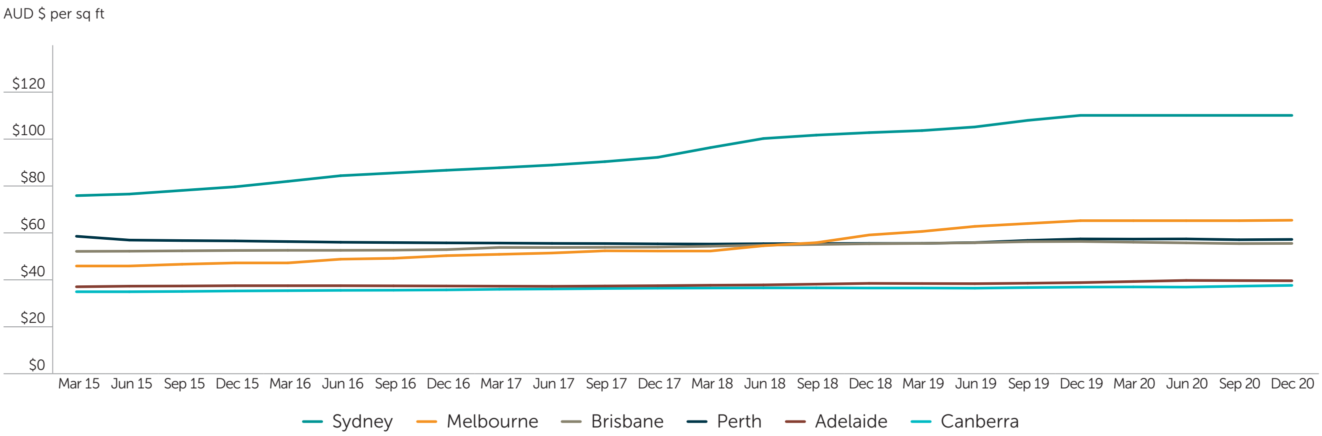
Source: Knight Frank, Property Council of Australia

CHART 2 - CBD OFFICE VACANCY RATE



Source: Knight Frank, Property Council of Australia

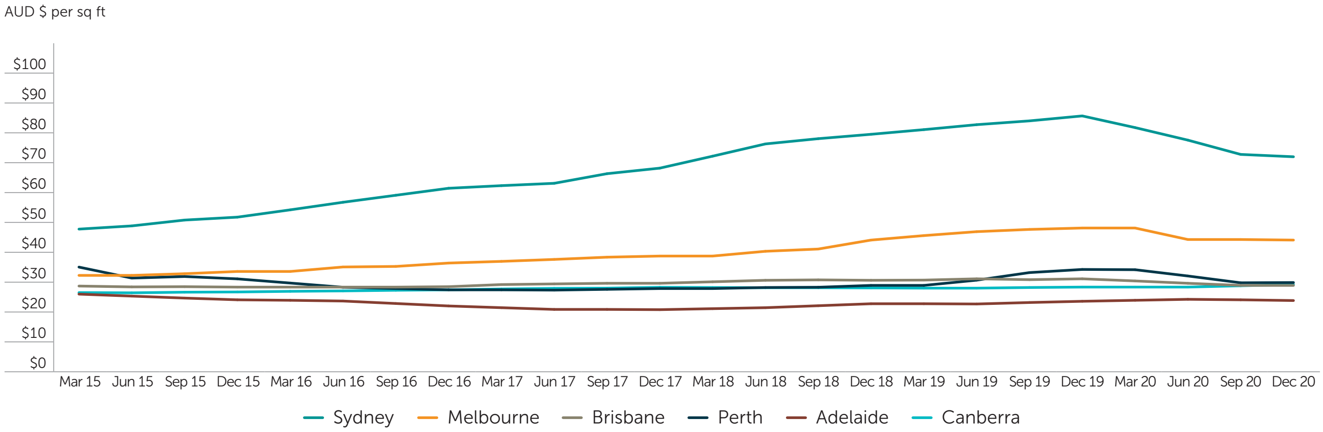
CHART 3 - PRIME NET FACE RENTS



Source: Knight Frank

INDEPENDENT MARKET REPORT

CHART 4 - PRIME NET EFFECTIVE RENTS



Source: Knight Frank
Note: Net effective rents are net face rent less any incentives such rent-free period. It measures the economic rents paid by the tenant.

3. SYDNEY CBD MARKET

3.1 Demand, Supply and Occupancy

Demand for office space in the Sydney CBD weakened in 2020. Sub-lease space rose significantly with the increase in adoption of remote working arrangements. While businesses are gradually transitioning back to their workplaces, there is still considerable uncertainty for many firms over their future workspace requirements. Reflecting this, net absorption in the Sydney CBD fell by 1.2 million sq ft in 2020. Together with a 1.4 million sq ft increase in net supply, the vacancy rate for the Sydney CBD rose to 8.6% in January 2021, up from 3.9% the year before.

3.2 Investment Activities

Investment activities slowed markedly in 2020, with $2.5 billion transacted in the Sydney CBD, down from a record high volume of $9.2 billion in 2019. However, the activities picked up strongly in 4Q 2020, with the transaction of several large deals including stakes in Grosvenor Place, One Farrer Place, and the sale of Telstra's Pitt Street Exchange.

3.3 Supply Pipeline

The upcoming pipeline of new projects currently under construction totals 2.5 million sq ft. This includes Brookfield Place (655,000 sq ft; 1H 2021), Quay Quarter Tower (950,000 sq ft; 1H 2022), and Circular Quay Tower (592,000 sq ft; 1H 2023).

3.4 Rental Performance

Growth in prime net face rents was flat throughout 2020, moderating from the 7.5% y-o-y growth recorded in 2019. Growth in secondary market face rents also slowed to zero, down from 5.1% growth in 2019. Prime incentives have increased sharply to 30.0% of gross face rent at the end of 2020, up from just under 20.0% at the end of 2019, leading to a 16.3% y-o-y fall in net effective rents in 2020.

3.5 Outlook

The Sydney CBD vacancy rate is expected to peak at around 10.5% in 2022 before gradually declining. Rental growth is expected to remain subdued while incentives will likely remain relatively high. Investment activity is expected to rebound from the low levels seen in 2020, with a significant pipeline of assets on the market. Average prime office property yields are expected to remain unchanged at 4.4% in the short-term before gradually tightening.

4. MELBOURNE CBD MARKET

4.1 Demand, Supply and Occupancy

Victoria's economy has been the hardest hit by the pandemic due to the Stage 4 lockdown in Melbourne from mid to late 2020. However, economic activities have rebounded following the easing of COVID-19 containment restrictions. Net absorption of Melbourne CBD office space rose by 241,000 sq ft in 2020, well below the long run average of over 860,000 sq ft. The CBD office vacancy rate rose to 8.2% in January 2021, up from a record low of 3.2% the year before.

4.2 Investment Activities

Investment activity in the Melbourne CBD declined in 2020, with volume falling by a third to around $2 billion. Offshore investors were a key driver of investment, with GIC's half-stake acquisition of Rialto Towers (joint venture with Dexus), and a half-stake acquisition of 222 Exhibition Street, as well as Deka's purchase of 452 Flinders Street. Melbourne CBD office yields remained stable with prime yields currently ranging between 4.5% to 5.0%, and secondary yields ranging between 5.3% to 5.8%.

4.3 Supply Pipeline

Around two million sq ft of office space is due for completion in Melbourne CBD in 2021, following completions of 3.8 million sq ft in 2020. Beyond that, around two million sq ft of new supply is expected to be added from 2022 onwards, including Melbourne Quarter Tower (732,000 sq ft; 1H 2024) and 435 Bourke Street (624,000 sq ft; 1H 2024).

4.4 Rental Performance

Growth in both prime and secondary market face rents has moderated, while incentives have risen significantly leading to declines in effective rents. Growth in prime net face rents slowed to 0.3% y-o-y in 2020, down from the 11.1% y-o-y growth in 2019. Average prime incentives rose from 26.4% to 33.0% in 2020, leading to an 8.7% y-o-y decline in prime net effective rents in 2020.

4.5 Outlook

The vacancy rate is expected to peak in the mid to high 10.0% range in 2021 before moderating towards average levels as net absorption is expected to recover from 2022 onwards. Rental growth will likely remain soft over the next few years but will gradually recover as leasing market conditions improve.

Investment activity is expected to rebound in 2021, supported by low interest rates and demand for prime office property assets. Average prime office property yields should remain fairly stable at 4.75%.

5. ADELAIDE CBD OFFICE MARKET

5.1 Demand, Supply and Occupancy

Net absorption in the Adelaide CBD declined by 34,100 sq ft in 2020. The CBD vacancy rate increased to 16.0% as at January 2021, up from 14.2% the year before, with 305,000 sq ft of supply additions in 2020.

5.2 Investment Activities

Investment volume in the CBD totalled a little over $400 million in 2020, approximately half of what was achieved in the previous year. Despite the fall in volume, prices remained resilient.

5.3 Supply Pipeline

No new developments are expected in 2021 and 2022. Beyond that, 73-85 Pirie Street (320,000 sq ft) is expected to complete by 2023. Festival Plaza (470,000 sq ft) has also received development approval, although the timeline for completion remains uncertain.

5.4 Rental Performance

In 2020, the average prime net face rents and secondary rents registered y-o-y growth rates of 3.0% and 3.4% respectively. Average prime incentives rose to 31.8% at the end of 2020, up by 0.8 pp from a year earlier. While the average prime net effective rents declined by 1.9% in 2H 2020, an overall growth of 1.5% y-o-y was recorded in 2020.

5.5 Outlook

Vacancy in the Adelaide CBD is likely to rise in the medium term reflecting subdued tenant demand and several major developments that are expected to reach completion from 2023 onwards. Reflecting the likely continuation of above-average vacancy, rental growth is expected to be subdued.

Knight Frank

LONDON OFFICE PROPERTY MARKET

1. ECONOMIC OVERVIEW

The agreement of a UK-EU trade deal in late 2020 averted much of the disruption to goods flow feared by some market watchers in the event of a no-deal scenario. However, the agreement offered little detail on the UK's much larger trade in services with the EU, which account for approximately 80% of GDP according to the Office for National Statistics.

The next goal for the UK is to establish a memorandum of understanding on financial services. As part of its withdrawal from the EU, the UK no longer enjoys financial services "passporting rights" – i.e. the ability to easily undertake work in other EU countries without establishing a presence there. This is significant, given that EU member states account for almost 35% of UK financial services exports.

The government's decision to impose tougher lockdown restrictions on the UK for a period of at least seven weeks in early 2021 has delayed a rebound in London's economic activity this year with the outlook likely to be more optimistic from the middle of 2021. Much of the negative economic impacts of lockdown periods will be rapidly reversed once restrictions are eased, as evidenced by the record growth rates experienced in mid-2020 when similar restrictions were eased.

Additionally, the Bank of England has cut base rates to just 0.1% and injected £895 billion of quantitative easing, double that unleashed during the 2008 Global Financial Crisis. Further measures cannot be ruled out depending on the pandemic situation and impact on the economy.

INDEPENDENT MARKET REPORT

2. OVERVIEW OF LONDON OFFICE MARKET

2.1 Demand, Supply and Vacancy Rates

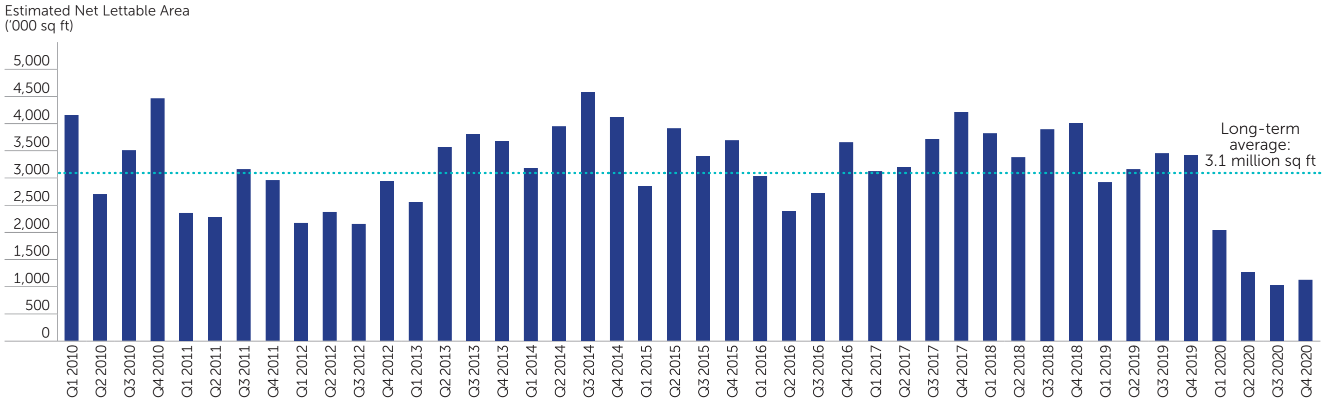
Occupier activities in London's office market remained subdued throughout 2020 as businesses assess their occupational strategies with a view to incorporating greater remote working as a possible work mode amidst the pandemic.

The slowdown in office leasing activity was best reflected in 3Q 2020 (1.0 million sq ft), where it emerged as the weakest quarter on record for office take-up. By contrast, the long-term quarterly average take-up stands at 3.1 million sq ft. Activity during 4Q 2020 (1.1 million sq ft) remained weak. Total take-up in 2020 reached 5.4 million sq ft, 58.0% down on the long-term (i.e. 10-year) average (Chart 1).

Based on 4Q 2020 findings by Knight Frank, the total tenant-released space (i.e. office space released by tenants to the landlord, including pre-terminated space as well as space being sub-let by tenants) stands at around 3.1 million sq ft. Of this amount, some 590,000 sq ft was planned pre-pandemic. In previous years, the volume of tenant-released space in the market in any given year has been approximately 3.5 million sq ft, thus the 2020 level is below the historical 10-year average. Taking into consideration the quality of stock factor: just over 50.0% of tenant-released space falls into the Grade B (or lower) category. It is expected that much of this space will be discounted by occupiers, unless refurbished to a new modern standard.

At the close of 4Q 2020, total availability across London rose by 17.4% to reach 17.6 million sq ft of net lettable area (NLA). Of this total, 50.0%, or 8.9 million sq ft was second-hand space (i.e. space occupied by previous tenant, with or without air-conditioning), including tenant-released space (Chart 2).

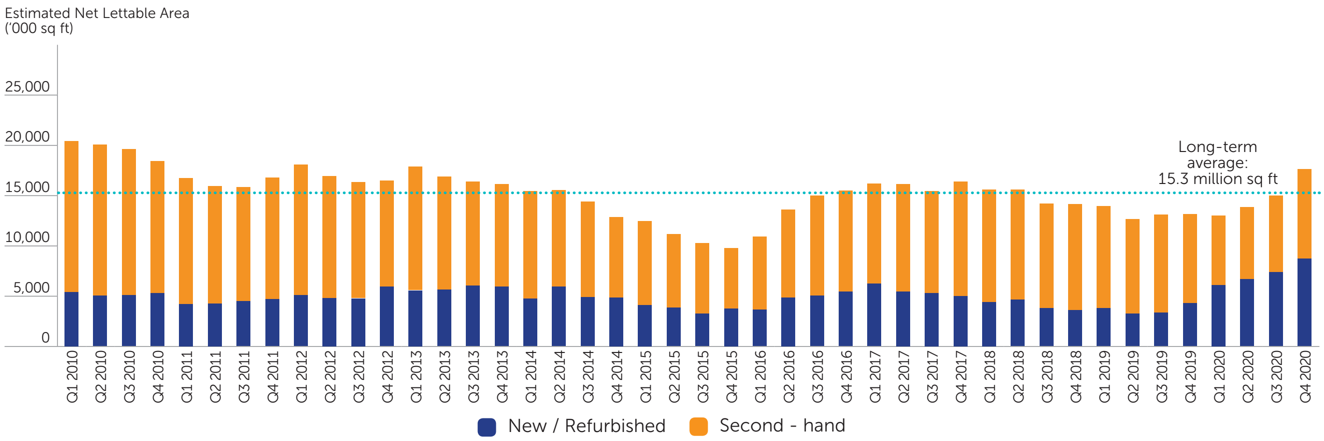
CHART 1 - LONDON OFFICE TAKE-UP (2010 TO 2020)



Source: Knight Frank

Note: Take-up, as shown in the chart above, is defined as the total amount of office space let each quarter.

CHART 2 - LONDON OFFICE AVAILABILITY (2010 TO 2020)



Source: Knight Frank

INDEPENDENT MARKET REPORT

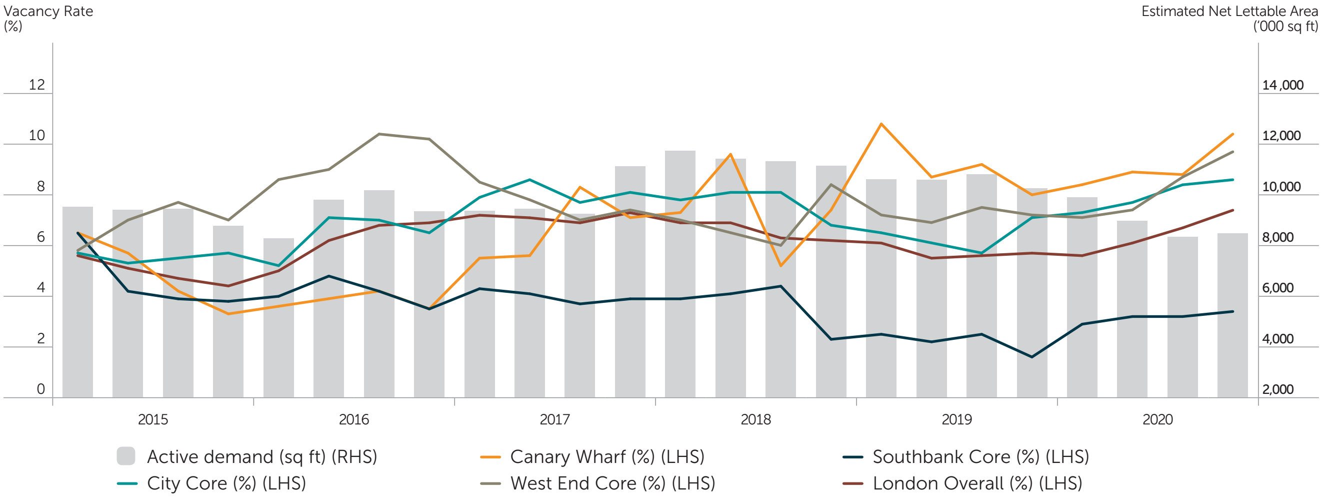
The rising availability, in part driven by tenant-released space resulted in an increase in vacancy rates in 2020, as illustrated in Chart 3.

As at end-2020, the supply of new and refurbished stock stood at 8.7 million sq ft. In the past two years, a significant proportion of prominent newly completed office developments (larger than 100,000 sq ft) was concentrated within the City Core and Southbank region. This includes 22 Bishopsgate (1.3 million sq ft) and 100 Liverpool (434,000 sq ft), of which both developments were completed in 2020 (Chart 4).

2.2 Supply Pipeline

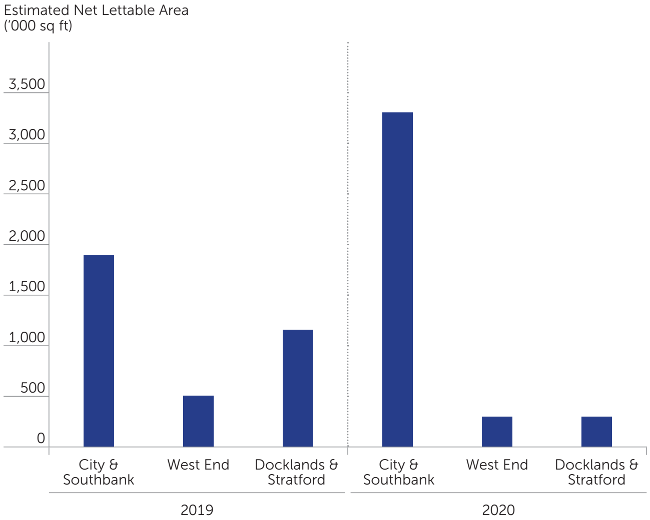
Over 6.5 million sq ft of office space are currently being developed or refurbished speculatively across London, due for completion within the next four years. The 10-year average take-up of new and refurbished stock stands at

CHART 3 - LONDON OFFICE VACANCY RATES AND ACTIVE DEMAND (2015 TO 2020)



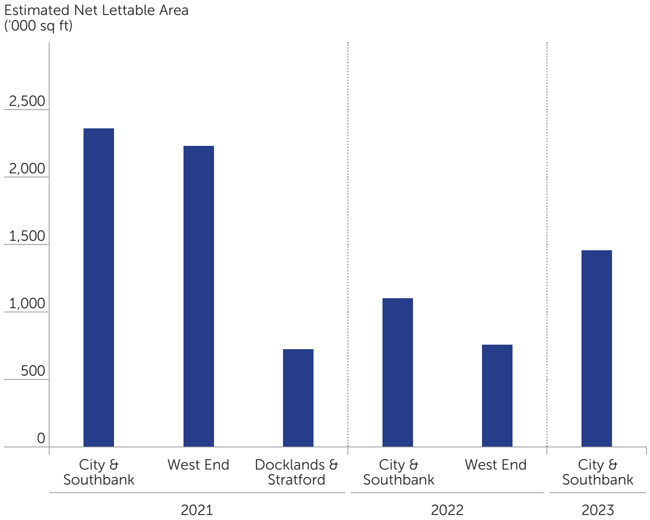
Source: Knight Frank
Note: Active demand represents all known office space requirements in the London market.

CHART 4 - RECENT COMPLETIONS OF OFFICE BUILDINGS (>100,000 SQ FT) (2019 TO 2020)



Source: Knight Frank

CHART 5 - UPCOMING SUPPLY OF OFFICE BUILDINGS (>100,000 SQ FT, CURRENTLY UNDER CONSTRUCTION) (2021 TO 2023)



Source: Knight Frank

INDEPENDENT MARKET REPORT

5.3 million sq ft. Upcoming office development slated for completion includes 21 Moorfields (564,000 sq ft) in 2021 and 8 Bishopsgate (572,000 sq ft) in 2022 (Chart 5).

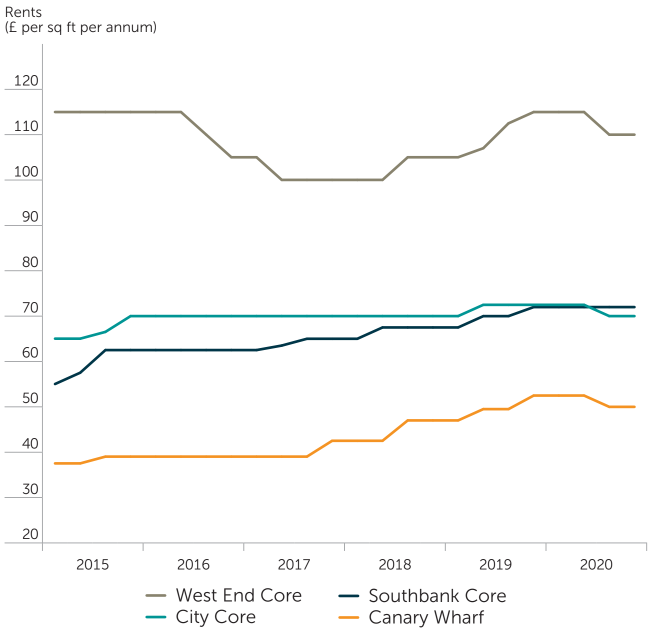
The persistence of an acute shortage of Grade A space in London's office market has helped to lift pre-let levels to 56.0% of all development stock under construction.

2.3 Rental Performance

Despite the quieter conditions, headline rents for best-class, prime office space have remained relatively resilient for most of 2020.

Sentiment has however remained weak, filtering through in the form of diminished new leasing activity, leading to lowered prime headline rents in the second half of 2020 across all submarkets. Prime headline rents in the City Core and West End Core reduced to £70.00 per sq ft and £110.00 per sq ft respectively in 2H 2020, from £72.50 per sq ft in the City Core and £115 per sq ft in the West End Core as recorded in the 1H 2020 (Chart 6).

CHART 6 - LONDON OFFICE RENTS (2015 TO 2020)



Source: Knight Frank

Prime headline rents held steady in the fourth quarter of 2020, although lease incentives on 10-year terms extended further to between 27-30 months.

Despite the decrease in prime headline rents during 3Q 2020, rents remain within a slight notch from pre-pandemic record-high levels, highlighting the resilience of rents for top quality space.

3. OUTLOOK

Since early 2020, office occupiers paused relocation and expansion decisions amid the pandemic, while reassessing their occupational strategies. In fact, there is evidence to suggest that occupier demand is being deferred, rather than eliminated altogether. The Knight Frank London Tenant Representation team has registered a sharp increase in the number of occupiers that have extended leases in the short-term.

There are several other rapidly evolving factors that are being closely monitored, all of which are factored in the view on rents:

i. Rising UK unemployment;
ii. Health of the global economy and;
iii. Amount of space released by businesses.

In addition to the above evolving factors, a long-term structural shift in the market could accelerate as the status quo has been fundamentally altered by the pandemic. This translates to a projection that occupiers are likely to shrink their existing office footprints by up to 10% over the next five years. However, the shortage of planned supply combined with expected growth in new businesses means that every London submarket, even in such a scenario, will see prime headline rents rise.

Prime headline West End core rents ended 2020 at £110.00 per sq ft, 4.3% lower than 2019. 2021 is expected to see no change as the COVID-19 situation is likely to remain a key dampener on both economic growth and sentiment. Rents are expected to grow by 4.5% to £115.00 during 2022.

In comparison, after falling by 3.4% in 2020, prime headline rents in the City Core are expected to end 2021 at £68.50 per sq ft before a recovery begins in 2022, lifting rents to £72.50 per sq ft by the end of 2022, which equates to a rise of 5.8% between 2021 and 2022.

INVESTOR COMMUNICATIONS

The Manager is committed towards upholding the utmost standards of accountability to Suntec REIT's unitholders. It achieves this through good corporate transparency practices, maintaining an active channel of communication for investors, analysts and other stakeholders to access accurate and timely information on Suntec REIT, and in working towards fostering good long-term relationships with its stakeholders.

The senior management team of the Manager held regular virtual meetings and conference calls with institutional investors throughout the year. Our participation in various key regional equity and property conferences as well as seminars, enabled us to remain accessible to both institutional and retail investors and gave us the opportunity to provide key strategic and performance updates on Suntec REIT. The eleventh annual general meeting of Suntec REIT unitholders in June 2020 and extraordinary general meeting in December 2020 were held by electronic means and were well-attended by retail investors. It was an opportune time for senior management of the Manager to actively engage retail investors in their enquiries and discussions about Suntec REIT.

The Manager conducts regular business updates and post-results briefings on a quarterly and half-yearly basis respectively. There is extensive coverage on Suntec REIT, with research coverage by analysts from 18 local and foreign brokerage firms, providing a global reach to shareholders and potential investors worldwide.

The Suntec REIT website is regularly updated with current financial and corporate information on Suntec REIT, including press releases, announcements, corporate earnings results and other key information. Users can access the website at www.suntecreit.com to download these reports.

Investor Relations Activities in 2020	
January	• FY 2019 post-results investor meetings
April	• 1Q 2020 Updates investor meetings
May	• Citi Pan Asia Regional Investor Conference
June	• Annual General Meeting • Citi Asia-Pacific Property Conference
July	• 1H 2020 post-results investor meetings
August	• Citi-REITAS-SGX C-Suite Singapore REITs and Sponsors Forum 2020
September	• CITIC CLSA Flagship Investors' Forum
October	• 3Q 2020 Updates investor meetings
November	• SGX-UBS Singapore REIT / Infrastructure Virtual Corporate Day 2020
December	• Extraordinary General Meeting

Proposed Suntec REIT FY 2021 Calendar

April 2021
- Books closure date to determine the first quarter distribution entitlement

May 2021
- Payment of first quarter distribution

July 2021
- Announcement of the half-year results

August 2021
- Books closure date to determine the second quarter distribution entitlement
- Payment of second quarter distribution

October 2021
- Books closure date to determine the third quarter distribution entitlement
- Payment of third quarter distribution

January 2022
- Announcement of the full year results

February 2022
- Books closure date to determine the fourth quarter distribution entitlement
- Payment of fourth quarter distribution

UNITHOLDER ENQUIRIES

For more information on Suntec REIT and its operations, please contact the Manager, ARA Trust Management (Suntec) Limited, via the following:

Ms Melissa Chow
Manager, Investor Relations
Telephone : +65 6835 9232
Fax : +65 6835 9672
Email : enquiry@suntecreit.com
Website : www.suntecreit.com

RISK MANAGEMENT

The Manager recognises that effective and proactive risk management is an important part of Suntec Real Estate Investment Trust's ("Suntec REIT") business strategy. The Board and the Audit Committee (the "AC") are responsible for ensuring that the Manager establishes robust risk management policies and procedures to safeguard Suntec REIT's assets and address its strategic enterprise, operational, financial and compliance risks.

Suntec REIT's enterprise risk management framework (the "ERM Framework") is adapted from The Committee of Sponsoring Organizations of the Treadway Commission (the "COSO Model"). The COSO Model is designed to provide reasonable assurance on safeguarding of assets, maintenance of reliable and proper accounting records, compliance with relevant legislations and against material misstatement of losses.

The Manager applies the ERM Framework as a structured process in making risk-based strategies and decisions across respective functions, identifying potential issues and events that may affect Suntec REIT, managing risks to an acceptable level and within risk appetite as approved by the Board and the AC and providing assurance to the Board that the system of risk management and internal controls are adequate and effective in mitigating the identified risks.

In its ERM Framework, key risks and mitigating controls are identified and monitored in the risk profile and reviewed by the Manager and the AC on a regular basis. The risk profiles highlight the changes in risk assessment, quantitative and qualitative factors affecting the inherent risk levels and effectiveness of mitigating controls supporting the residual risks, within the risk appetite or tolerance approved by the Board. In addition, the internal auditors perform a review of the risk profile as part of the internal audit plan approved by the AC, providing reasonable assurance to the AC on the adequacy and effectiveness of the internal control system.

The key risks identified include but are not limited to:

STRATEGIC RISK

Strategic risks relate to sustainable long-term growth of Suntec REIT. All investment proposals are subject to a rigorous, disciplined and thorough evaluation process according to the relevant investment criteria including, but not limited to, alignment to Suntec REIT's investment as well as environmental, social and governance objectives, asset quality, location, total expected returns, growth potential and sustainability of asset performance, taking into account the existing economic and financial market conditions.

Asset enhancement, development and/or redevelopment initiatives are initiated when necessary to ensure that Suntec REIT's properties remain competitive. To mitigate against execution risks, the Manager has in place a robust tender assessment and selection process as well as regular project control group meetings to monitor and track development milestones, project budget and pre-leasing status.

OPERATIONAL RISK

The Manager has established and strictly adheres to a set of standard operating procedures ("SOPs") to identify, monitor and manage operational risks associated with day-to-day management, sustainability targets and maintenance of Suntec REIT's properties. The SOPs are reviewed periodically to ensure relevance, effectiveness and they are in line with industry best practices. In addition, compliance is reinforced by staff training and regular checks by the internal auditors.

To mitigate against leasing risk, the Manager employs proactive leasing strategies including actively engaging tenants for forward renewals, active marketing of vacant spaces to minimise rental voids, spreading out the portfolio lease expiry profile as well as achieving a diversified tenant base to reduce concentration risk.

Human capital risk is mitigated by maintaining a robust human resource policy which includes interview assessment of selected candidates, fair and competitive remuneration and welfare benefits in line with industry conditions, and personal development and training opportunities to enhance staff progression and retention in a conducive workplace.

A business continuity plan is in place to mitigate the business continuity risk of interruptions or catastrophic loss to its operations arising from unanticipated events such as outbreak of contagious diseases, natural disasters like flood, bush fires and earthquakes. In addition, Suntec REIT's properties are also properly insured in accordance with current industry practices. The Information Technology (IT) team from the Manager's parent group (ARA Asset Management Limited) has in place a disaster recovery plan which is reviewed and tested periodically.

FINANCIAL RISK

The Manager actively and closely monitors Suntec REIT's financial risks and capital structure under both normal and stressed conditions. The Manager ensures that funding sources are diversified and that the maturity profile of borrowings is well spread. Borrowings are refinanced early, where possible, to reduce refinancing risk and lengthen debt maturity. The Manager also adheres closely to the bank covenants in loan agreements and also abides by the requirements set out in Appendix 6 of the Code of Collective Investment Schemes issued by the Monetary Authority of Singapore (the "MAS").

Interest rate risk is monitored on a continuing basis with the objective of limiting Suntec REIT's exposure to changes in interest rates. The Manager manages Suntec REIT's exposure to interest rate volatility through interest rate swaps. The Manager proactively seeks to mitigate interest rate risks and, as at end 2020, approximately 61% of Suntec REIT's consolidated borrowings were either hedged or on fixed rates.

Credit risk is mitigated by conducting tenant credit assessments. For new leases, credit evaluation is performed and on an on-going basis, tenant credit and arrears are closely monitored by the property manager. Credit risks are further mitigated through the upfront collection of security deposits of an amount typically equivalent to three to four months' rental.

The Manager monitors Suntec REIT's foreign currency exposure regularly and manages the exposure through appropriate financial instruments such as forward currency contracts. In 2020, the Manager adopted a set of foreign currency hedging guideline and forward-hedged the net income for its Australian assets.

COMPLIANCE RISK

Suntec REIT is subject to applicable laws and regulations of the various jurisdictions in which it operates, including the Listing Manual of the Singapore Exchange Securities Trading Limited, the Code of Collective Investment Schemes issued by the MAS and tax rulings issued by the Inland Revenue Authority of Singapore. The Manager, being a Capital Markets Services ("CMS") Licence holder, is required to comply with the conditions of the CMS Licence for REIT Management issued by the MAS under the Securities and Futures Act, Chapter 289 of Singapore.

The Manager has put in place policies and procedures with the necessary checklists to facilitate compliance with the applicable laws and regulations. The Manager works closely with external legal professionals and internal compliance support from the ARA Group on legal and regulatory matters. The Manager stays well informed of the latest developments on the relevant laws and regulations through training and attending relevant seminars.

CORPORATE GOVERNANCE

ARA Trust Management (Suntec) Limited, as the manager of Suntec Real Estate Investment Trust ("Suntec REIT", and the manager of Suntec REIT, the "Manager"), adopts an overall corporate governance framework designed to meet best practice principles. The Manager recognises that an effective corporate governance culture is fundamental to delivering its success to Suntec REIT and the Manager has an upmost obligation to act honestly, with due care and diligence, and in the best interests of unitholders of Suntec REIT ("Unitholders").

The Manager holds a Capital Markets Services ("CMS") Licence issued by the Monetary Authority of Singapore (the "MAS") to carry out REIT management activities. Accordingly, the Manager shall comply with the regulations as required under the licensing regime for REIT Managers.

The Manager is committed to its corporate governance policies and practices and observes high standards of conduct in line with the recommendations of the Code of Corporate Governance 2018 (the "2018 CG Code"), the listing manual of the Singapore Exchange Securities Trading Limited (the "Listing Manual" of "SGX-ST") as well as other applicable rules and regulations.

The following segments describe the Manager's main corporate governance policies and practices. They encompass proactive measures for avoiding situations of conflict or potential conflicts of interest, prioritising the interests of Unitholders, complying with applicable laws and regulations, and ensuring that the Manager's obligations under the Trust Deed (as defined below) are properly and efficiently carried out. The Manager confirms that it has adhered to the principles and provisions as set out in the 2018 CG Code, and to extent that there are any deviation from the 2018 CG Code, such as in respect of the independence composition, the formation of a nominating committee and a remuneration committee, the disclosure of remuneration, and the implementation of absentia voting at general meetings of Unitholders, the Manager will provide explanations for such deviations and details of the alternative practices adopted by the Manager which are consistent with the intent of the relevant principles of the 2018 CG Code.

THE MANAGER OF SUNTEC REIT

The Manager has general powers of management over the assets of Suntec REIT and its main responsibility is to manage Suntec REIT's assets and liabilities in the best interests of Unitholders. The Manager's executive officers are qualified CMS Licence representatives who fulfil the requirements under the applicable MAS regulations.

The primary role of the Manager is to set the strategic direction of Suntec REIT and make recommendations to HSBC Institutional Trust Services (Singapore) Limited, as the trustee of Suntec REIT (the "Trustee"), on the acquisition, divestment and enhancement of assets of Suntec REIT in accordance with its stated investment strategy.

Other main functions and responsibilities of the Manager include:

1. using its best endeavours to ensure that the business of Suntec REIT is carried out and conducted in a proper and efficient manner and to conduct all transactions with or for Suntec REIT at arm's length and on normal commercial terms;

2. preparing property reports on a regular basis, which may contain forecasts on the net income, capital expenditure, sales and valuations, explanations of major variances from previous forecasts, written commentary on key issues and underlying assumptions on inflation, annual turnover, occupancy costs and any other relevant assumptions. The purpose of these reports is to monitor and explain the performance of Suntec REIT's assets;

3. ensuring compliance with the principles and provisions of the 2018 CG Code and other applicable laws, rules and regulations including the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), the Securities and Futures (Licensing and Conduct of Business) Regulations (the "SF(LCB)R"), the Listing Manual, the Code on Collective Investment Schemes (the "CIS Code") issued by the MAS, including Appendix 6 of the CIS Code (the "Property Funds Appendix"), the Singapore Code on Takeovers and Mergers, the Trust Deed, the relevant MAS Notices and Guidelines, the tax ruling dated 15 June 2004 issued by the Inland Revenue Authority of Singapore, the CMS licensing conditions and all other relevant legislation or contracts;

4. attending to all communications with Unitholders; and

5. supervising the property managers who provide property management, lease management, marketing and marketing coordination services in relation to Suntec REIT's properties pursuant to the respective property management agreements.

CORPORATE GOVERNANCE

The Manager was appointed in accordance with the terms of the trust deed constituting Suntec REIT dated 1 November 2004 which has been amended by a first supplemental deed dated 25 January 2006, a second supplemental deed dated 20 April 2006, a third supplemental deed dated 30 July 2007, a fourth supplemental deed dated 11 October 2007, a fifth supplemental deed dated 29 September 2008, a sixth supplemental deed dated 14 April 2010, a first amending and restating deed dated 7 September 2010, a second amending and restating deed dated 14 April 2016, a ninth supplemental deed dated 21 May 2018, a tenth supplemental deed dated 23 July 2018 and an eleventh supplemental deed dated 2 April 2020 (collectively, the "Trust Deed").

(A) BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1 The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The board of directors of the Manager (the "Board" of "Directors") is entrusted with responsibility for the overall management of the Manager and its corporate governance, to establish goals for the management team of the Manager (the "Management"), hold the Management accountable for performance and monitor the achievement of these goals. All Directors are fiduciaries who act objectively in the best interests of Suntec REIT. The Board sets an appropriate tone from the top and the desired organisational culture and ensures proper accountability within the Manager.

The Board is also responsible for the strategic business direction and risk management of Suntec REIT. All Board members participate in matters relating to corporate governance, business operations and risks, financial performance and the nomination and appointment of Directors. The Board has established a framework for the Management and Suntec REIT and the framework comprises a system of robust internal controls, risk management processes and clear policies and procedures and sets out the code of conduct and ethics of Suntec REIT. The Board also reviews the sustainability issues relevant to its business environment and stakeholders. Where a Director is conflicted in a matter, he or she will recuse himself or herself from the deliberations and abstain from voting on the matter.

The Board has adopted a set of prudent internal controls to safeguard Unitholders' interests and Suntec REIT's assets. A set of internal guidelines setting out the level of authorisation and financial authority limits for operating and capital expenditure, capital management, leasing and other corporate matters which facilitate operational efficiency with oversight by the Board. Apart from matters stated below that specifically require approval from the Board, the Board approves transactions which exceed established threshold limits, and delegates its authority for transactions below those limits to the relevant Board Committees (as defined below), where appropriate, and clearly communicates this to the Management in writing.

Matters that are specifically reserved for the Board's decision and approval include:

- corporate strategies and policies of Suntec REIT;
- financial restructuring;
- any material acquisitions and disposals;
- annual budgets;
- the release of half-year and full year results;
- audited financial statements;
- issue of new units of Suntec REIT ("Units");
- income distributions and other returns to Unitholders; and
- Interested Person Transactions (as defined below) of a material nature.

BOARD COMMITTEE

The Board is supported by various board committees, in particular, the audit committee (the "Audit Committee") and the designated committee (the "Designated Committee") (collectively referred to as the "Board Committees"), which assist the Board in discharging its responsibilities and enhancing its corporate governance framework. The Board has delegated specific responsibilities to these Board Committees and their composition, terms of reference and a summary of their activities are further described in this Report.

The Board accepts that while these Board Committees have the authority to examine particular issues in their specific areas respectively, the Board Committees shall report to the Board with their decision(s) and/or recommendation(s) and the ultimate responsibility on all matters lies with the Board.

Audit Committee

The Audit Committee has its own terms of reference, operating under the authority delegated from the Board, with the Board retaining oversight. The Audit Committee's composition, terms of reference, delegation of authority to make decisions and a summary of its activities are set out in page 78 to 81 of this Annual Report.

Designated Committee

The Designated Committee has its own terms of reference and is tasked with assisting the Board in reviewing matters relating to financing, refinancing, hedging strategies and arrangements and transactions involving derivative instruments for hedging purposes, in accordance with its terms of reference. The Designated Committee also assists the Board in other reviews and projects.

No Designated Committee meeting was held during the financial year ended 31 December 2020 ("FY 2020"). The Designated Committee reviewed matters relating to financing, refinancing and hedging arrangements through email communications with the Management. The members of the Designated Committee comprise:

- Mr Chow Wai Wai, John (Chairman)
- Mr Yap Chee Meng (Member)
- Mr Chan Pee Teck, Peter (Member)
- Ms Seow Bee Lian, Cheryl* (Member)

* Ms Seow is the Assistant Group Chief Executive Officer cum Group Chief Financial Officer of ARA Asset Management Limited ("ARA").

Board Meetings

The Board meets regularly to review the Manager's key activities. Board meetings are held once every quarter (or more often if necessary). Where necessary, additional meetings would be held to address significant transactions or issues requiring the Board's attention. The Constitution of the Manager allows Directors to convene meetings via teleconferencing, videoconferencing or other similar means of communication.

Prior to Board meetings and on an on-going basis, the Management provides complete, adequate and timely information to the Board on Suntec REIT's affairs and issues that require the Board's decision. Explanatory background information relating to matters brought before the Board includes quarterly investor slides, half-year and full year results announcements, budgets and documents related to the operational and financial performance of Suntec REIT.

Board meetings for the year are scheduled in advance to facilitate the Directors' administrative arrangements and commitments. Board papers are generally circulated at least three (3) days in advance of each meeting and include background explanatory information for the Directors to prepare for the meeting and make informed decisions. Information provided to the Board includes financial performance, market and business developments, and business and operational information. Management also highlights key risk issues for discussion and confers with the Audit Committee and the Board regularly.

The Chief Executive Officer ("CEO") keeps all Board members abreast of key developments and material transactions affecting Suntec REIT so that the Board is kept fully aware of its affairs, business, financial environment and risks faced by Suntec REIT and the Manager. All Directors have separate, independent and unrestricted access to the Management, the Company Secretary, the Internal Auditors and the External Auditors (each as defined herein), as well as other external advisers (where necessary), at all times and at the Manager's expense (where applicable).

If a Director is unable to attend the Board meetings, he or she would review the Board papers and advise the Chairman or the chairman of the Board Committee of his or her views on the matters to be discussed and conveyed to other Directors at the meetings. Where appropriate, Management will be requested to attend meetings of the Board and Board Committees in order to provide their input and insight into the matters being discussed, and to respond to any queries that the Directors may have.

In addition, Directors may request for briefings and discussions with the Management on any aspect of Suntec REIT's operations and may request for any additional reports and documents requiring the Board's attention. When circumstances require, Board members may exchange views outside the formal environment of Board meetings.

The company secretary of the Manager (the "Company Secretary") and/or her authorised designate(s) attend(s) all Board meetings and assist(s) the Board in ensuring that Board procedures and all other rules and regulations applicable to the Manager are complied with. The Company Secretary advises the Board on governance matters and works with the Chairman to ensure that information flows within the Board and the Board Committees and between the Management and the Directors. The Company Secretary will also assist with professional development and training for Directors when required to do so. The appointment and the removal of the Company Secretary shall be reviewed and decided by the Board as a whole.

The Manager has in place procedures to enable Directors, whether as a group or individually, to obtain independent professional advice as and when necessary, in furtherance of their duties, at the Manager's expense. The appointment of such independent professional advisors is subject to approval by the Board.

Four Board meetings were held in FY 2020. The attendance of the Directors at Board meetings and Board Committee meetings, as well as the frequency of such meetings, are set out below.

DIRECTORS' ATTENDANCE AT BOARD AND AUDIT COMMITTEE MEETINGS IN FY 2020

	Board Meetings		Audit Committee Meetings	
Directors	Participation	Attendance / Number of Meetings	Participation	Attendance / Number of Meetings
Ms Chew Gek Khim	Chairman	4/4	NA	NA
Mr Lim Hwee Chiang, John	Member	4/4	NA	NA
Mr Yap Chee Meng	Member	4/4	Chairman	4/4
Mr Chan Pee Teck, Peter	Member	4/4	Member	4/4
Mrs Yu-Foo Yee Shoon	Member	4/4	Member	4/4
Mr Lock Wai Han	Member	4/4	Member	4/4
Mr Chow Wai Wai, John	Member	3/4	NA	NA
Mr Chong Kee Hiong	Member and CEO	4/4	CEO	NA

Professional Development

Changes to regulations, policies and accounting standards are monitored closely. Where the changes have an important impact on Suntec REIT and its disclosure obligations, the Directors are briefed on such changes either during a Board meeting, at specially convened sessions by External Auditors, lawyers and professionals, or via circulation of Board papers. Relevant regulatory updates and news releases issued by the SGX-ST, the MAS and the Accounting and Corporate Regulatory Authority will also be circulated to the Board for information.

The Directors receive regular training and are able to participate in conferences, seminars or any training programme in connection with their duties such as those conducted by the Singapore Institute of Directors, SGX-ST and REIT Association of Singapore ("REITAS"). A list of training courses and seminars which might be of interest is sent to the Directors for their consideration. The costs of arranging and funding the training of the Directors will be borne by the Manager. The Manager notes the requirements under the 2018 CG Code and Listing Manual on the training requirements for directors with no prior experience on listed companies and would arrange for the necessary training for such directors in future appointment. No Director was appointed during FY 2020.

All approved Directors are given formal appointment letters explaining the terms of their appointment as well as their duties and obligations. An induction programme is arranged for new Directors to be briefed on the business activities of Suntec REIT and its strategic directions and policies. This allows new Directors to understand the business of the Manager and Suntec REIT as well as their directorship duties (including their roles as non-executive and independent directors).

BOARD COMPOSITION AND GUIDANCE

Principle 2 **The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decision in the best interests of the company.**

The Board currently comprises eight members: one Executive Director, three Non-Executive Directors and four Independent Non-Executive Directors. Non-Executive Directors make up a majority of the Board. Each Director is a well-respected individual from the corporate and/or industry circles with diverse experience and network.

The Chairman of the Board is Ms Chew Gek Khim.

The composition of the Board is determined using the following principles:

1. the Chairman of the Board should be a Non-Executive Director;

2. the Board should comprise Directors with a broad range of commercial experience including expertise in fund management and the property industry; and

3. at least half the Board should comprise Independent Directors.

The Board seeks to continuously refresh its membership in an orderly and progressive manner, in line with its Board diversity policy and in compliance with the applicable regulatory requirements.

Independence Composition

The Independent Non-Executive Directors exercise objective judgement on Suntec REIT's affairs and are independent from the Management. The independence of each Independent Director is reviewed upon appointment and thereafter annually by the Board through the annual independence declaration. The declaration makes reference to the guidelines set out in the 2018 CG Code and other applicable laws and regulations.

The assessment of a Director's independence takes into account, among others, the enhanced independence requirements and the definition of Independent Director as set out in the SF(LCB)R. An Independent Director is one who: (i) is independent in conduct, character and judgement, and has no relationship with the Manager, its related corporations, its shareholders who hold 5.0% or more of the voting shares (the "Substantial Shareholders"), or Unitholders who hold 5.0% or more of the Units (the "Substantial Unitholders") in issue, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independence business judgement, in the best interests of the Unitholders; (ii) is independent from any management and business relationship with the Manager and Suntec REIT, and from every Substantial Shareholder of the Manager and any Substantial Unitholder; (iii) is not a Substantial Shareholder of the Manager or a Substantial Unitholder; (iv) has not served on the Board for a continuous period of nine years or longer; and (v) is not employed or has been employed by the Manager or Suntec REIT or any of their related corporations for the current year or any of the past three financial years and does not have an immediate family member who is employed or has been employed by the Manager or Suntec REIT or any of their related corporations for the current year or any of the past three financial years and whose remuneration is or was determined by the Board.

Each Independent Non-Executive Director has declared whether there were any relationships or any instances that would otherwise deem him or her not to be independent. None of the Independent Non-Executive Directors has served for a continuous period of nine years or longer on the Board. The Independence declarations have been duly reviewed by the Board. On the basis of the declarations of independence provided, the Board has determined that the Independent Non-Executive Directors are independent as defined under the relevant regulations. Each of the Independent Non-Executive Director has recused himself or herself from reviewing his or her own independence.

The Board has noted from Mr Lock Wai Han's independence declaration form that he is currently an Executive Director and CEO of OKH Global Ltd, a SGX-ST listed company, which is an associated corporation of a Substantial Unitholder. Notwithstanding such relationship, the Board notes that there had not been any transactions between OKH Global Ltd (and its related corporations) and Suntec REIT or the Manager (and their respective related companies). Where Mr Lock or any of his associates, has any interest in a transaction with Suntec REIT or the Manager, Mr Lock is also required to abstain from passing any related board resolutions or participating in the review and approval of such a transaction. As at the last day of FY 2020, Mr Lock was able to act in the best interests of all unitholders as a whole and the Board has determined and is satisfied that Mr Lock was able to act in the best interests of all unitholders as a whole.

All Non-Executive Directors contribute to the Board process by monitoring and reviewing Management's performance against their goals and objectives. Their views and opinions provide alternative perspectives to Suntec REIT's business and enable the Board to make informed and balanced decisions. Non-Executive Directors constructively provide inputs and enable the Board to interact and work with the Management to establish strategies.

When reviewing Management's proposals or decisions, the Non-Executive Directors provide their objective judgement on business activities and transactions involving conflicts of interest and other complexities. The Non-Executive Directors and/or Independent Non-Executive Directors meet without the presence of the Management on a needs-basis, as led by the Independent Directors, and provides updates to the Board where necessary.

The composition of the Board is reviewed regularly to ensure that the Board has the appropriate mix of industry expertise and experience. In particular, the Board's diversity policy strives to ensure that the Board as a whole has the requisite background, gender mix and diverse experience and knowledge in business, accounting and finance and management skills critical to Suntec REIT's business. The Manager has adopted the Board Diversity Policy of ARA, which has an established framework for setting the board diversity approach, including the qualitative and measurable quantitative objectives to ensure diversity of its composition. The current composition of the Board has achieved the objectives of having international and industry experience, expertise in related fields including real estate, investing, financial and legal and gender and age diversity. Collectively and individually, the Directors act in good faith and exercise due diligence and care in the course of their deliberations and, at all times, consider objectively the interests of Suntec REIT and its Unitholders.

A healthy exchange of ideas and views between the Board and Management during regular meetings and updates enhances the management of Suntec REIT. This, together with a clear separation of roles between the Chairman and the CEO, establishes a healthy and professional relationship between the Board and Management.

The current composition of Independent Directors has made up half of the Board notwithstanding that the Chairman is non-independent. Under the 2018 CG Code, Independent Directors shall make up a majority of the Board where the Chairman is not independent (as required under Provision 2.2). Rule 210(5)(c) of the Listing Manual, which requires independent directors to make up at least one-third of the board, will come into effect on 1 January 2022. The Board will continuously review and increase its independence composition, where necessary. With three Non-Executive Directors and four Independent Non-Executive Directors making up a majority of the Board, the Board is satisfied and assured that no individual or group of Directors has unfettered powers of decision that could create a potential conflict of interest. Accordingly, the Board will also explain and implement additional measures to enhance its independence.

Based on the assessment of its independence element, the Board is of the view that the current composition of Directors provides an appropriate level of independence, in consideration of the following factors:

(i) there are four Independent Non-Executive Directors and three Non-Executive Directors, out of a total of eight members. Independent Non-Executive Directors make up 50% of the Board and Non-Executive Directors make up 88% of the Board;

(ii) the Independent Non-Executive Directors have been assessed based on the independence criteria which include (a) length of service not being more than nine years; (b) independence from management and business relationships with the Manager and Suntec REIT; (c) independence from Substantial Shareholders of the Manager and Substantial Unitholders; and (d) other factors described in Principles 2 and 4 of this report;

(iii) a Lead Independent Director has been appointed given that the Chairman is a Non-Independent Director. The Lead Independent Director serves in a lead capacity to co-ordinate the activities of the non-executive members in circumstances where the Chairman is conflicted or when it is inappropriate for the Chairman to direct and address matters relating to Suntec REIT and its Unitholders; and

(iv) interested Director(s) are required to abstain from voting when passing Board resolutions and the quorum for such matter must comprise a majority of Independent Non-Executive Directors, excluding such interested Director(s).

Based on the above assessment, the Board is of the view that the current composition of Directors, as a group, provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age and that the current Board size is appropriate, taking into consideration the nature and scope of Suntec REIT's operations. The Board values the benefits that diversity can bring to the Board in its deliberations by avoiding groupthink and fostering constructive debate. In addition, prior approval of the MAS is required for appointment of any Board member or the CEO. The Board will continue to review its composition to ensure that it adheres to the requirements under Principle 2. The Manager is accordingly of the view that its practice is consistent with the intent of Principle 2 of the 2018 CG Code as a whole.

Profiles of the Directors and other relevant information are set out on pages 15 to 18 of this Annual Report. There were no Alternate Directors in FY 2020.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3 **There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.**

The roles of Chairman and CEO are separate and held by Ms Chew Gek Khim and Mr Chong Kee Hiong respectively. The Chairman and the CEO are not immediate family members. In addition, the Board establishes and sets out in writing the division of responsibilities between the Chairman and the CEO. The separation of responsibilities between the Chairman and the CEO facilitates effective oversight and a clear segregation of duties and accountability. This ensures an appropriate balance of power, increased accountability and greater capacity of the Board for sound and independent decision making.

The Chairman leads the Board and ensures that its members work together with the Management in a constructive manner to address strategies, business operations and enterprise issues. The Chairman also ensures that there is effective communication with Unitholders and promotes a culture of openness and a high standard of corporate governance. The CEO has full executive responsibilities over the business direction and day-to-day operational decisions in relation to the management of Suntec REIT, in accordance with the objectives established by the Board. The CEO is a licensed representative approved by the MAS and is resident in Singapore.

Separately, a Lead Independent director, Mr Yap Chee Meng is available to Unitholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate. The Lead Independent Director also co-ordinates meetings with other Independent Non-Executive Directors as and when required, without the presence of the Management, and provides feedback to the Chairman.

BOARD MEMBERSHIP

Principle 4 **The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

The Board has not established a nominating committee (as required under Provision 4.1) as the Board, taking into account the activities of Suntec REIT and its current Board composition, considers that the objectives of a nominating committee, as required under Principle 4, are currently achieved by the Board and consistent with the intent under Principle 4 of the 2018 CG Code. Therefore a separate committee, comprising at least three Directors (including the Lead Independent Director), a majority of whom, including the committee chairman are independent, is not necessary (as required under Provisions 4.1 and 4.2). The Board has assessed its independence element under Principle 2 and is of the view that it can effectively perform the role of a nominating committee.

The Board performs the various functions of the nominating committee, including:

- tabling nominations for appointment and re-appointment of Director(s) to the Board and reviewing as well as taking into account the succession plan and framework for the Chairman, the CEO and key management personnel;
- reviewing the structure, size and composition of the Board;
- reviewing the overall performance and progress of the Board, the Board Committees and the Directors;
- reviewing the independence of Board members; and
- reviewing the training and professional development of the Board and the Directors.

The Board believes that it can achieve orderly succession and renewal through continuously reviewing the appropriate composition of the Board.

Process for Appointment of New Directors

When reviewing and recommending the appointment of new Directors, the Board takes into consideration the current Board's size and mix, and the principles outlined in the subsequent part of this Report. The Board has put in place a process for shortlisting, evaluating and nominating candidates for appointment as Directors. The selection and appointment of candidates is evaluated through taking into account various factors including the current and mid-term needs and goals of Suntec REIT, as well as the relevant background of the candidates and their potential contributions. Candidates may be put forward or sought through contacts and recommendations by the Directors or through external referrals where applicable.

Criteria for Appointment and Re-appointment of Directors

The Board reviews each candidate's experience and ability to contribute to the guidance of the Manager in its management of Suntec REIT, including attributes such as complementary commercial experience, time commitment, financial literacy, reputation and whether he or she is a fit and proper person in accordance with the Guidelines on Fit and Proper Criteria issued by the MAS (which require the candidate to be competent, honest, to have integrity and be financially sound). The Board also determines whether its members as a whole have the skills, knowledge and experience required to achieve the objectives of Suntec REIT.

The Board unanimously approves the appointment of new Directors via Board resolution upon assessing the candidates' profiles and credentials. Once appointed, the Board ensures that new Directors are aware of their duties and obligations. For re-appointment of Directors, the Board assesses the relevant Directors' performance as disclosed under Principle 5 below. The Board seeks to refresh its membership progressively, taking into account the balance of skills and experience, tenure and diversity, as well as benchmarking within the industry, as appropriate. No Board member is involved in any decisions relating to his or her own appointment or re-appointment.

Review of Directors' Independence

The Board undertakes the role of determining the independence status of the Directors (as required under Provision 4.4) which was described under Principle 2 above. The independence of each Director is reviewed prior to the appointment and thereafter, annually with reference to the principles and provisions set out in the 2018 CG Code and applicable laws and regulations.

In FY 2020, the Board has reviewed the Directors' independence declarations and determined that Mr Yap Chee Meng, Mr Chan Pee Teck, Peter, Mrs Yu-Foo Yee Shoon and Mr Lock Wai Han are independent and are free from any of the relationships stated in the 2018 CG Code, the Listing Manual and the SF(LCB)R, save for the relevant disclosure made under Principle 2 above in respect of Mr Lock Wai Han.

Annual Review of Directors' Time Commitments

Although the Directors have other listed company board representations and principal commitments (as set out on pages 15 to 18 of this Annual Report), the Board has determined that each individual Director has been adequately carrying out his or her duties and has devoted sufficient time and attention to his or her role as a Director and to the affairs of the Manager (as required under Provisions 1.5 and 4.5) and this is being assessed as part of the Directors' performance as disclosed in Principle 5 below. In FY 2020, the Directors attended Board meetings, had given feedback and participated constructively when discussing the activities of Suntec REIT. The Board has also procured written confirmations from the Directors stating that they are able to carry out their duties as Directors of the Manager and they would address any competing time commitments that may arise, despite their multiple board representations. The Board is of the view that such external appointments do not hinder the Directors from carrying out their duties.

The Manager is of the view that its practice is consistent with the intent of Principle 4 of the 2018 CG Code as the Board can effectively perform the role of the nominating committee as a whole.

BOARD PERFORMANCE

Principle 5 **The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

The Board believes that performance of the whole Board, Board Committees, the Chairman and individual Directors are assessed and reflected in their proper guidance, diligent oversight, able leadership and support that they lend to the Management. The Board takes the lead to steer Suntec REIT in the appropriate direction under both favourable and challenging market conditions. Ultimately, the interests of Suntec REIT are safeguarded and reflected in the maximisation of Unitholders' value in the long-term performance of Suntec REIT.

As part of the Manager's commitment towards good corporate governance, the Board has implemented an objective performance criteria and a structured process in assessing the performance of the Board as a whole and of its Board Committees, as well as the contribution by the Chairman and each of its Directors (as required under Provision 5.1). This process is facilitated by the Company Secretary as an external facilitator and it encompasses the use of confidential questionnaire, laying out the performance criteria determined by the Board. These criteria include an evaluation of the Board's oversight over the performance of Suntec REIT, the size and composition of the Board, overall governance and risk framework, Board meetings participation, access to information, as well as standards of individual Director's conduct, independence and performance, and the upkeep of their professional development. The results are aggregated and presented during the Board meetings for overall analysis, and where necessary, follow up actions are taken to enhance the effectiveness of the Board in discharging its duties and responsibilities. Save as disclosed above, the Company Secretary does not have any other connection with Suntec REIT, the Manager or any of the Directors.

For FY 2020, based on the assessment of the Board and individual Director's performance, the Board is satisfied with the overall result. The Board has also taken on feedback and will arrange an annual discussion amongst its members without the presence of the Management.

The Manager is of the view that its practice is consistent with the intent of Principle 5 of the 2018 CG Code as the Board can effectively undertake a formal assessment of its effectiveness as a whole and that of its Board Committees and individual Directors.

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES AND LEVEL AND MIX OF REMUNERATION

Principle 6 **The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

Principle 7 **The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.**

The Board has assessed its independence element under Principle 2 and is of the view that the current composition of Directors provides sufficient strong independence to perform the role of a remuneration committee. Accordingly, the Board has considered that a separate remuneration committee, comprising at least three Directors and all members to be Non-Executive Directors, the majority of whom, including the committee chairman are independent, would not be necessary (as required under Provisions 6.1 and 6.2).

The Board has assessed the remuneration policies and practices of ARA, in lieu of reviewing specific remuneration packages for key management personnel (as required under Provisions 6.1 and 6.3). As a result, the Board has deemed such remuneration policies, practices and termination terms (if any) to be fair and appropriate for Suntec REIT. Accordingly, the Manager has adopted the remuneration policies and practices of ARA, which has an established framework for the remuneration, compensation, benefits and succession planning for the Directors and key management executives of the Manager.

The Manager is of the view that its practice is consistent with the intent of Principle 6 of the 2018 CG Code as the Board can effectively perform the role of the remuneration committee as a whole.

Remuneration Framework

The Manager advocates a performance-based remuneration framework. In adopting the remuneration policies and practices of ARA, the Manager ensures that such remuneration policies take into account achieving the long-term success of Suntec REIT which:

- comprise a variable component of key performance indicators ("KPIs") that are tied to the financial performance of Suntec REIT and the individual's performance related to the organisational goals, aligning with the interests of the Unitholders;
- comprise a fixed pay component that is benchmarked against the market to maintain competitiveness; and
- attract and retain talented staff for the long term, while considering the prevailing market conditions within the industry.

Link Between Pay and Performance

A comprehensive and structured performance assessment is carried out annually for the CEO and key management executives of the Manager. At the start of the year, KPIs for the CEO and key management executives are discussed and agreed upon to ensure that such indicators are specific, measurable, result-oriented and time bound. The KPIs could be on financial and non-financial metrics such as performance related to growth of net asset value and property income. These KPIs serve to link the rewards to individual's and Suntec REIT's performance and deliver overall Unitholders' value. A mid-year review is carried out to monitor the performance and relevance of these indicators and a year-end review is carried out to measure actual performance against the KPIs. The overall assessment is based on a rating scale where the variable year-end bonus for the CEO and key management executives are determined.

In addition to the base salary and a variable year-end bonus, designated key management executives of the Manager participate in a Performance Based Bonus Scheme (the "Scheme"). Under the Scheme, designated key management executives of the Manager may be entitled to a pool of incentive payments based on certain performance indicators linked to the growth of Suntec REIT and optimising the returns to Unitholders. The incentive payments are paid in cash and allocated amongst the designated key management executives based on various factors and conditions, including seniority, length of service, performance and contributions.

The remuneration of the CEO and key management executives is not linked to the gross revenue of Suntec REIT. As and when required, the Board also has access to independent remuneration consultants, but did not engage any during FY 2020.

In FY 2020, there were no termination, retirement and post-employment benefits granted to Directors, the CEO and key management executives.

DISCLOSURE OF REMUNERATION

Principle 8 **The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

The remuneration of the Non-Executive Directors for FY 2020 comprises entirely Directors' fees paid entirely in cash and the details of the Non-Executive Directors' remuneration are set out below:

Name of Director	Salary (S$)	Bonus (S$)	Directors' Fees (S$)	Others (S$)	Total (S$)
Ms Chew Gek Khim	-	-	120,000	-	120,000
Mr Lim Hwee Chiang, John	-	-	60,000	-	60,000
Mr Yap Chee Meng	-	-	100,000	-	100,000
Mr Chan Pee Teck, Peter	-	-	80,000	-	80,000
Mrs Yu-Foo Yee Shoon	-	-	80,000	-	80,000
Mr Lock Wai Han	-	-	80,000	-	80,000
Mr Chow Wai Wai, John	-	-	60,000	-	60,000

Director's fees are established annually based on the Directors' responsibilities on the Board and the Board Committees. The Board believes that the remuneration for Directors is appropriate to attract, retain and motivate the Directors and is also appropriate to the level of contribution and takes into account the industry practices and norms for Directors to provide stewardship of Suntec REIT, while being commensurate with their efforts, responsibilities and time spent. Each Director is paid a fixed fee, and no Director is involved in deciding his or her own remuneration. The framework for determining the Directors' fees is shown in the table below:

Main Board	Chairman	S$120,000 per annum
	Member	S$60,000 per annum
Audit Committee	Chairman	S$40,000 per annum
	Member	S$20,000 per annum

The Manager is cognisant of the requirement to disclose (i) the remuneration of the CEO and each individual Director on a named basis; (ii) the remuneration of at least the top five key management executives (who are not also Directors or the CEO), on a named basis, in bands of S$250,000; (iii) the aggregate remuneration of its CEO and top five key management executives (who are not also Directors or the CEO); and (iv) any other forms of remuneration and other payments and miscellaneous staff benefits paid to key management executives (who are not also Directors or the CEO) (as required under Provisions 8.1 and 8.3). The Board has assessed and elected not to disclose the above remuneration for the following reasons:

(i) the competition for talent in the REIT management industry is very keen and the Manager has, in the interests of Unitholders, opted not to disclose the remuneration of its CEO and top five key management executives (who are not also Directors or the CEO) so as to minimise potential staff movement which would cause undue disruptions to the management team of Suntec REIT;

(ii) it is important that the Manager retains its competent and committed staff to ensure the stability and continuity of business and operations of Suntec REIT;

(iii) due to the confidentiality and sensitivity of staff remuneration matters, the Manager is of the view that such disclosures could be prejudicial to the interests of Unitholders. Conversely, the Manager is of the view that such non-disclosure will not be prejudicial to the interests of Unitholders as the information provided regarding the Manager's remuneration policies is sufficient to enable Unitholders to understand the link between remuneration paid to the CEO and the top five key management executives (who are not also Directors or the CEO) and their performance; and

(iv) there is no misalignment between the remuneration of the CEO and key management executives and the interests of the Unitholders as their remuneration is paid out from the fees the Manager receives from Suntec REIT, rather than borne by Suntec REIT.

The Manager is accordingly of the view that its practice is consistent with Principle 8 of the 2018 CG Code as a whole. For the above reasons, Unitholders' interest are not prejudiced by the partial deviations.

There were no employees of the Manager who are Substantial Shareholders of the Manager, Substantial Unitholders, or immediate family members of a Director, the CEO or a Substantial Shareholder of the Manager or a Substantial Unitholder, whose remuneration exceeds S$100,000 during the year.

The key management executives were remunerated wholly in cash in FY 2020.

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9 **The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.**

Effective risk management is a fundamental part of Suntec REIT's business strategy. Recognising and managing risks is central to the business and serves to protect Unitholders' interests and Suntec REIT's assets. Suntec REIT operates within the overall guidelines and specific parameters set by the Board. Each transaction is comprehensively analysed to understand the risks involved and appropriate controls and measures are put in place before the Manager proceeds with the execution.

Key risks, process owners, risk factors, mitigating actions and risk indicators are continuously identified, assessed and monitored by the Management as part of Suntec REIT's Enterprise Risk Management Framework (the "ERM Framework") and documented in the risk profile maintained by the Manager and reviewed semi-annually by the Audit Committee and the Board. As a result, the Board determines the nature and extent of such risks identified in achieving Suntec REIT's strategic objectives and value creation.

The ERM Framework lays out the governing policies and procedures ensuring that the risk management and internal control systems provide reasonable assurance on safeguarding of assets, maintenance of reliable and proper accounting records, compliance with relevant legislations and against material misstatement of losses.

Risk Management Committee

A separate risk management committee (the "Risk Management Committee") was established to assist the Audit Committee in assessing the adequacy of internal controls. The Risk Management Committee comprises the CEO, the Chief Operating Officer, the Finance Director and the Head of ARA Group Governance & Sustainability Division ("GGS"). GGS is a corporate division of ARA, the holding company of the Manager.

The Risk Management Committee meets regularly to review the risk profile of Suntec REIT. The Risk Management Committee, which is headed by the CEO, reports to the Audit Committee on overall risk management matters every six months during the Audit Committee meetings.

The Risk Management Committee identifies the material risks that Suntec REIT faces, including strategic, operational, financial, compliance and information technology risks, and sets out the appropriate mitigating actions and monitoring mechanism to respond to these risks and changes in the external business environment. The risk profile highlights the changes in risk assessment, quantitative and qualitative factors affecting the inherent risk levels and effectiveness of mitigating controls supporting the residual risks within the risk appetite approved by the Board.

The CEO and his management team are primarily responsible for maintaining the internal controls and risk management systems. Risks are proactively identified and addressed. The ownership of these risks lies with the respective departmental heads with stewardship residing with the Board. The Internal Auditors conduct reviews of the adequacy and effectiveness of the risk profiles and material internal controls, addressing financial, operational, compliance and information technology controls, as part of the audit plan approved by the Audit Committee. In addition, the External Auditors perform tests of certain controls relevant to the preparation of Suntec REIT's financial statements. Any material non-compliance or improvements identified for the risk management processes is reported to the Audit Committee. The Audit Committee and the Board review the adequacy and effectiveness of Suntec REIT's risk management and internal control systems.

Role of the Board and Audit Committee

The Board and the Audit Committee believe that the internal controls, including financial, operational, compliance and information technology controls, risk management systems and sustainability measures put in place to manage the risks are adequate and effective and the residual risks are acceptable.

For the financial year in review, the Board has received (a) written assurance from the CEO and the Finance Director certifying that the financial records have been properly maintained and that the financial statements give a true and fair view of Suntec REIT's operations and finances; and (b) from the CEO and other responsible key management personnel assuring that Suntec REIT's risk management and internal control systems are adequate and effective. The roles and responsibilities of a Chief Financial Officer are undertaken by the Finance Director instead. As such, the assurance under Provision 9.2(a) of the 2018 CG Code given by the Finance Director in lieu of a Chief Financial Officer would adequately serve the intent of Provision 9.2(a) of the 2018 CG Code. The Manager is accordingly of the view that its practice is consistent with the intent of Principle 9 of the 2018 CG Code as a whole.

In addition, an Internal Assessment Checklist (the "1207(10) Checklist") which captures the requirements under Rule 1207(10) of the Listing Manual had been used by Management as a guide to assess the adequacy of internal controls. The 1207(10) Checklist covers the areas of risk management, internal audit, internal controls, information technology, fraud assessment, external audit and compliance. The completed 1207(10) Checklist is reviewed by the Audit Committee, in conjunction with the reports submitted by the Internal Auditors and External Auditors, as well as the letters of undertaking from the CEO and the Finance Director of the Manager to give assurance on the state of internal controls.

For FY 2020, the Board is satisfied with the adequacy and effectiveness of Suntec REIT's internal controls (including financial, operational, compliance and information technology controls) and risk management systems, taking into account the nature, scale and complexity of the Manager's operations. The Board arrived at this assessment based on the ERM Framework established, the 1207(10) Checklist and the reviews conducted by the Internal Auditors and the External Auditors, together with the Management's confirmation on the adequacy and effectiveness of the internal controls. The Audit Committee has concurred with the Board's assessment. In addition, the Audit Committee has reviewed and is satisfied with the adequacy of resources and qualifications of the Manager's key management executives who are performing accounting, financial reporting and compliance roles.

Suntec REIT has maintained proper records of the discussions and decisions of the Board and the Audit Committee.

Whistle-Blowing Policy

Pursuant to the Whistle-Blowing Programme which has been put in place, the Audit Committee reviews arrangements by which staff of the Manager or any other persons may, in confidence, raise their concerns to the Audit Committee about possible improprieties in matters of financial reporting or such other matters in a responsible and effective manner.

The objective of the Whistle-Blowing Programme, as approved by the Audit Committee, is to ensure that arrangements are in place for independent investigation of such concerns and allow appropriate follow-up actions to be taken.

The Audit Committee is guided by the Whistle-Blowing Programme to ensure proper conduct and closure of investigations, including handling of possible improprieties, prohibition of obstructive or retaliatory actions, confidentiality, disciplinary and civil or criminal actions. All such investigations are undertaken by the Internal Auditors based on instructions from the Audit Committee.

Details of the Whistle-Blowing Programme and arrangements are posted on Suntec REIT's website. The website provides a feedback channel for any complainant to raise possible improprieties directly to the Audit Committee (with such complaints copied to the Head of ARA GGS) to facilitate an independent investigation of any matter raised and appropriate follow-up action as required. The Whistle-Blowing Policy and Code of Conduct, amongst other policies, are circulated to all new incoming staff and are also covered as part of the staff's annual declaration of compliance.

AUDIT COMMITTEE

Principle 10 The Board has an Audit Committee which discharges its duties objectively.

The Board has established an Audit Committee to assist the Board in discharging of its corporate governance responsibilities. The Audit Committee's role is to assist the Board in ensuring the integrity of the financial reporting and that sound internal controls are put in place. In adhering to the best practices of corporate governance, all members of the Audit Committee (including the Audit Committee Chairman) are Independent Non-Executive Directors.

CORPORATE GOVERNANCE

The Audit Committee currently comprises four Independent Non-Executive Directors, namely:

- Mr Yap Chee Meng (Chairman)
- Mr Chan Pee Teck, Peter (Member)
- Mrs Yu-Foo Yee Shoon (Member)
- Mr Lock Wai Han (Member)

The members of the Audit Committee bring with them professional expertise and experience in the financial, business management and consultancy fields. The Board is of the view that the Audit Committee Chairman and members are appropriately qualified, with the necessary accounting and financial management expertise and experience to discharge their responsibilities. Mr Yap Chee Meng has immense experience in providing audit, initial public offerings and advisory services to listed and multinational clients and is a fellow of the Institute of Singapore Chartered Accountants. Mr Chan Pee Teck, Peter has extensive experience in financial, investment and fund management industries as managing partner of a private equity company, Crest Capital Asia Pte Ltd, which previously had funds invested in retail real estate assets. Mrs Yu-Foo Yee Shoon has relevant financial and commercial experience as a Board Member of KOP Limited and adviser for reputable organisations. Mr Lock Wai Han has extensive knowledge and experience in international investment, development, leasing, marketing, operations and financing of integrated real estate.

In compliance with the 2018 CG Code, the Audit Committee does not comprise any former partner or director of the incumbent External Auditors within the previous two years or who hold any financial interest in the auditing firm.

Four Audit Committee meetings were held during FY 2020.

The Audit Committee is guided by its written terms of reference which defines its duties and scope of authority. Specifically, the duties of the Audit Committee include:

1. reviewing the annual audit plan, including the nature and scope of the internal and external audits before the commencement of these audits;

2. reviewing at least annually the adequacy and effectiveness of the internal audit process and Suntec REIT's system of risk management and internal controls, including financial, operational, compliance and information technology controls;

3. reviewing external and internal audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by the Management;

4. reviewing the adequacy, effectiveness, independence, scope and results of the Internal Auditors;

5. reviewing the monitoring procedures in place to ensure compliance with applicable legislation, the Listing Manual and the Property Funds Appendix;

6. reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of Suntec REIT and any announcements relating to Suntec REIT's financial performance;

7. reviewing the assurance from the CEO and the Finance Director on the financial records and financial statements;

8. reviewing the Whistle-Blowing Policy and arrangements by which staff of the Manager and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters;

9. reviewing and discussing with the External Auditors, any suspected fraud or irregularity, or suspected infringement of any applicable law, rules or regulations, which has or is likely to have a material impact on Suntec REIT's operating results or financial position and Management's response;

10. reviewing the adequacy, effectiveness, independence, scope and results of the External Auditors;

11. making recommendations to the Board on (i) the proposed appointment and removal of the External Auditors and (ii) reviewing the proposed fees from the External Auditors and authorising the Manager to confirm the remuneration and terms of engagement of the External Auditors for the financial year; and

12. reviewing the monitoring procedures established to regulate Interested Person Transactions and conflict of interests, including ensuring compliance with the provisions of the Listing Manual relating to transactions between Suntec REIT and an "interested person'', and the provisions of the Property Funds Appendix relating to transactions between Suntec REIT and an "interested party'' (both such types of transactions constituting "Interested Person Transactions"). This includes the requirement to ensure transactions undertaken are on normal commercial terms and not prejudicial to the interests of the Unitholders and that the property manager, as an interested person, is in compliance with the property management agreement.

The Audit Committee has the authority to investigate any matters within its terms of reference. It is entitled to full access and co-operation from the Management and has full discretion to invite any Director or any key management executive of the Manager to attend its meetings. The Audit Committee has full access to resources and is provided with regular updates from external professionals to keep abreast of changes to accounting and regulatory standards.

In FY 2020, the Audit Committee had met with the Internal Auditors and External Auditors without the presence of the Management. The Internal Auditors and External Auditors may also request the Audit Committee to meet if they consider a meeting necessary. Both the Internal Auditors and External Auditors have confirmed that they had full access to and had received the co-operation and support from the Management, with no restrictions placed on the scope of their audits.

The Audit Committee had reviewed and approved the Internal Auditors' and External Auditors' audit plans to ensure that they were sufficiently comprehensive in scope and address the internal controls of Suntec REIT. All audit findings and recommendations by the Internal Auditors and External Auditors were forwarded to the Audit Committee for discussions at the meetings. The Audit Committee discussed with the Management and the External Auditors on significant financial reporting matters, in particular the key audit matter associated with valuation of investment properties. The Audit Committee concurs with the conclusion of the Management and the External Auditors on the key audit matters.

During FY 2020, the Audit Committee performed an independent review of the quarterly business updates and half-yearly financial statements of Suntec REIT. In the process, the Audit Committee reviewed the key areas of management judgement applied for adequate provisioning and disclosure, accounting policies, key audit matters and any significant changes made which have a material impact on the financials. The External Auditors also presented their salient features memorandum to the Audit Committee, covering the audit focus areas, key audit matters findings, quality and independence.

In connection with the ERM Framework under risk management, the Audit Committee had reviewed the approach taken in identifying and assessing risks and internal controls in the risk profile documented and maintained by the Management.

The Audit Committee had also conducted a review of all non-audit services provided by KPMG LLP, the external auditors of Suntec REIT, (the "External Auditors") and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the External Auditors. The aggregate amount of audit and non-audit fees paid/payable to the External Auditors for FY 2020 amounted to S$606,000 and S$121,000 respectively.

The Audit Committee is satisfied that the resources and experience of the audit partner of KPMG LLP and her team are adequate to meet their audit obligations, given the size, nature, operations and complexity of Suntec REIT and its subsidiaries. The Audit Committee had assessed the performance of the External Auditors based on factors such as performance and quality of their audit and their independence. The External Auditors had also confirmed their independence in writing to the Audit Committee.

CORPORATE GOVERNANCE

The Audit Committee, with the concurrence of the Board, has recommended the re-appointment of KPMG LLP as the external auditors of Suntec REIT at the forthcoming annual general meeting. The Manager, on behalf of Suntec REIT, confirms that it has complied with the requirements of Rules 712 and 715 read with 716 of the Listing Manual in respect of the suitability of the auditing firms of Suntec REIT and its significant associated companies and subsidiaries.

The Audit Committee has reviewed the Whistle-Blowing Policy which provides the mechanisms by which employees and other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The Audit Committee is satisfied that arrangements are in place for concerns to be raised and investigated independently, and for appropriate follow-up actions to be taken.

On a quarterly basis, Management reports details of the Interested Person Transactions to the Audit Committee. All Interested Person Transactions together with the Register of Interested Person Transactions are reviewed by the Audit Committee.

Internal Audit Function

The Manager maintains a robust system of internal controls and risk management framework to safeguard Suntec REIT's assets and Unitholders' interests and to provide reasonable assurance against misstatement of loss, ensure maintenance of reliable and proper accounting records and compliance with relevant legislation.

For FY 2020, the internal audit function of the Manager was outsourced to Deloitte & Touche Enterprise Risk Services Pte. Ltd., a member firm of Deloitte Touche Tohmatsu Limited (the "Internal Auditors"). The Internal Auditors are independent of the Management and reports directly to the Audit Committee on audit matters and to the Management on administrative matters.

The Audit Committee is satisfied that the Internal Auditors had met the standards set by internationally recognised professional bodies including the International Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The Audit Committee has assessed the adequacy of the Internal Auditors and is of the view that the Internal Auditors had the relevant qualifications, appropriate standing within the Manager and adequate resources to perform its functions effectively. The Internal Auditors has also maintained their independence from the activities that they audit and had unfettered access to Suntec REIT's documents, records, properties and personnel, including the Audit Committee. The Audit Committee approves the appointment, removal, evaluation and fees of the Internal Auditors, and conducts an assessment of the Internal Auditors' performance during re-appointments.

The Internal Auditors conduct audits to evaluate the effectiveness of the risk management and internal control systems in Suntec REIT which include financial, operational, compliance and information technology. The internal audit plan adopts a risk-based approach covering all businesses of Suntec REIT and support functions of the Manager and property managers. The audit assignments cover the design and operating effectiveness of the internal controls as well as compliance with the stated policies and procedures. Any material non-compliance or lapses in internal controls together with corrective measures and the status of implementation are reported to the Audit Committee. The Internal Auditors also report to the Audit Committee on the status of the corrective or improvement measures undertaken by the Management.

In addition to the work performed by the Internal Auditors, the External Auditors also performed tests of certain controls that are relevant to the preparation of Suntec REIT's financial statements, and they report any significant deficiencies of such internal controls to the Audit Committee.

Pursuant to Rule 1207(10C) of the Listing Manual, the Audit Committee had assessed and is satisfied with the adequacy, effectiveness, independence, scope and results of Suntec REIT's internal audit function.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENREAL MEETINGS AND ENGAGEMENT WITH SHAREHOLDERS

Principle 11 **The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

Principle 12 **The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

The Manager upholds a strong culture of continuous disclosure and transparent communication with Unitholders and the investing community. In the spirit of the disclosure requirements under the Listing Manual, the Manager is committed to actively engaging and keeping all Unitholders and stakeholders informed on the performance and changes in Suntec REIT's business, which would materially affect the price of the Units, on a timely basis. The Manager's Investor Relations Policy is to promote regular, effective and fair communication through timely and full disclosure of all material information by way of public releases or announcements on the SGX-ST via SGXNET, and on Suntec REIT's website (www.suntecreit.com).

Suntec REIT's website provides Unitholders with comprehensive information required to make well-informed investment decisions. Information on Suntec REIT's business strategies and Directors' profiles can be accessed from the website. The website also features a (1) "Newsroom" link, which shows current and past announcements, financial results and annual reports; (2) "Investor Relations" link which shows Suntec REIT's distribution history, historical stock price and research coverage and (3) "Contact Us" link which includes Whistle-Blowing Policy, email alerts and contact details. As part of the Investor Relations Policy, the Manager has a dedicated Investor Relations Manager who facilitates communication with Unitholders, institutional investors, analysts and media representatives. Unitholders can post their queries and feedback to the dedicated investor relations contact via email or the phone.

Unitholders are notified in advance of the date of release of Suntec REIT's half-year and full year financial results through an announcement via SGXNET. The Manager conducts regular briefings for analysts and media representatives/ press conferences, which generally coincide with the release of Suntec REIT's quarterly investor slides, half-yearly and full year results. During these briefings, Management presents Suntec REIT's most recent performance. In line with the Manager's objective of transparent communication, briefing materials are also simultaneously released on the SGX-ST via SGXNET and also made available at Suntec REIT's website.

In FY 2020, Management provided institutional investors and analysts with publicly available information through group presentations, one-on-one meetings and conference calls. Management strives to maintain regular dialogue with retail investors and keep them updated on developments through participations in seminars and symposiums, timely announcements on SGXNET, Suntec REIT's website and the general media in order to ensure a level playing field.

Unitholders are informed of meetings through notices accompanied by Annual Reports or circulars sent to them. All Unitholders are entitled to receive the Annual Reports at least 14 days prior to the Annual General Meeting ("AGM"). The Manager ensures that Unitholders are able to participate effectively and vote at the general meeting of Unitholders (the "Unitholders' meetings"), and informs Unitholders of the rules governing Unitholders' meetings. The Manager has not implemented absentia voting methods such as voting via email or fax (as required under Provision 11.4) due to security, integrity and other pertinent considerations. Unitholders may appoint proxies to attend, speak and vote, on their behalf, at general meetings. As such, Unitholders have opportunities to communicate their views on matters affecting Suntec REIT even when they are not in attendance at general meetings. The Manager is accordingly of the view that its practice is consistent with Principle 11 of the 2018 CG Code as a whole.

At the Unitholders' meetings, each distinct issue is proposed as a separate resolution and full information is provided for each item in the agenda for the AGM in the Notice of AGM, unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Manager will explain the reasons and material implications in the notice of meeting.

The Directors, the Audit Committee, the Management and the External Auditors will be in attendance at these meetings to address questions raised by Unitholders. All Directors, including the Board Chairman and CEO, attended the general meetings held in FY 2020 via electronic means.

Pre-COVID-19 Arrangement

The Unitholders' meetings were generally and physically held in central locations which were easily accessible by public transportation. Unitholders were invited at such meetings to put forth any questions they might have on the resolutions to be debated and decided upon. If any Unitholder was unable to attend, he or she was allowed to appoint in advance up to two proxies to vote on his or her behalf at the meeting using proxy forms sent to the Unitholder. A Unitholder who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than one proxy to attend and vote instead of the Unitholder.

Voting at general meetings was conducted by way of electronic poll voting for all the Unitholders/proxies present at the meeting for all resolutions proposed at the general meeting. Unitholders/proxies were briefed on the voting and vote tabulation procedures involved in conducting a poll before the meeting proceeds. This allowed all Unitholders present or represented at the meetings to vote on a one-unit-one-vote basis. An independent scrutineer was appointed to validate the vote tabulation procedures. The voting results of all votes cast for or against each resolution were then screened at the meeting with respective percentages and these details were announced through SGXNET after the meeting. The Company Secretary prepared the minutes of Unitholders' meetings, which incorporated comments or queries from Unitholders and the corresponding responses from the Board and Management and these minutes were made publicly available on Suntec REIT's website.

Post-COVID-19 Arrangement

In view of the COVID-19 situation and heightened safe distancing measures, the general meetings held on 16 June 2020 and 4 December 2020 were conducted wholly via electronic means. This is made in accordance with the COVID-19 (Temporary Measures) Act 2020 and the related order on the conduct of alternative arrangements for general meetings (the "COVID-19 Order").

Based on COVID-19 Order, Unitholders attend the general meetings via live audiovisual webcast or live audio-only stream and submit questions to the Chairman of the Meeting(s) in advance of the meetings. The Manager shall address substantial and relevant questions received from Unitholders and Securities Investors Association (Singapore) prior to or at the aforesaid meetings and publish the responses to these questions on SGXNET and the Suntec REIT's website.

Unitholders who wish to exercise their right to vote on any or all of the resolutions at the Unitholders' meeting are required to appoint the Chairman of the Meeting(s) as their proxy by submitting the duly completed and signed proxy forms to the designated email address or mailing address. Persons who hold units through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50 of Singapore), and who wish to participate in the general meeting by, among others, appointing the Chairman of the general meeting as proxy to attend, speak and vote on their behalf at the general meeting, should contact the relevant intermediary through which they hold such Units as soon as possible in order to make the necessary arrangements for them to participate in the general meeting.

An independent scrutineer is appointed to validate the proxy forms submitted by the Unitholders and the votes of all such valid proxy forms were counted and verified. The voting results of all votes cast for or against each resolution will be screened at the meeting with respective percentages and these details will be announced through SGXNET after the meeting. The Company Secretary prepares the minutes of Unitholders' meetings, which incorporates comments or queries from Unitholders and corresponding responses from the Board and Management and these minutes will be publicly available at SGX-ST's website and Suntec REIT's website as soon as practicable.

Based on the News Releases issued by the Singapore Exchange Regulation (the "SGX RegCo") on 1 October 2020, issuer and non-listed companies may continue to conduct their general meetings held on or before 30 June 2021 via electronic means in order to keep physical interactions and COVID-19 transmission risks to a minimum, even as safe distancing regulations are gradually and cautiously relaxed. In this regard, the Manager plans to convene the forthcoming Suntec REIT's AGM wholly by electronic means pursuant to the COVID-19 Order.

Suntec REIT's current distribution policy is to distribute at least 90% of its annual distributable income.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13 **The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.**

In keeping with its commitments to good corporate governance, the Manager has put in place a Sustainable Reporting Framework, which is published on Suntec REIT's website. In the report, the Manager focuses on Suntec REIT's Economic, Social, and Governance ("ESG") impacts and its progress towards the goal of sustainable management of its real estate portfolio. The Board has set a strategic direction in ensuring good corporate governance, prudent financial management, fair employment practices and efficient utilisation of resources. The Manager believes in the importance of integrating sustainability into its business strategies and operations in achieving sustainable economic growth and delivering long-term Unitholder value.

The Manager has identified the following as Suntec REIT's key stakeholders: Business Partners, Employees, Government and Authorities, Investment Community, Retail Shoppers and Tenants. For FY 2020, the Manager's strategy is to ensure active engagement and frequent communication with the relevant stakeholders through the various engagement channels including meetings, forums and dialogues, general meetings and announcements, investor conferences, feedback channels and loyalty programs. The area of focus is to understand the stakeholders' concerns and issues which are of relevance to the material ESG factors.

The Manager is committed to upholding Suntec REIT's sustainability practices and creating value for its stakeholders.

Stakeholders can access Suntec REIT's Sustainability Report on Suntec REIT's website under the "Newsroom" link.

(F) ADDITIONAL INFORMATION

EXEMPTIONS IN THE LISTING MANUAL

The Manager notes the exemptions under Practice Note 4.2 of the Listing Manual, which provides that Rules 210(5)(d)(iii), 210(5)(e) and 720(5) of the Listing Manual do not apply to a REIT as long as the REIT continues to comply with the relevant provisions under the SFA and the regulations and notices made thereunder which substantively addresses the requirements under these rules (the "SFA Provisions"). Under the SFA Provisions, the Manager must act in the best interests of all Unitholders as a whole and give priority to their interests over the Manager's own interests and the interests of the shareholders of the Manager, in the event of a conflict. The SFA Provisions also stipulate the requirements for the composition of the Board, circumstances where Directors' appointment shall be endorsed by Unitholders, the establishment of an Audit Committee and criteria in which a Director of the Manager is considered independent. In this regard, the Manager has complied with all the relevant SFA Provisions for FY 2020.

DEALINGS IN SUNTEC REIT UNITS

Effective from 13 March 2020, Suntec REIT has announced the change from its quarterly reporting to half-yearly, having fulfilled the requirements under the Listing Manual. In addition, Suntec REIT shall continue to announce and distribute dividends quarterly without being accompanied by its financial statements announcement for the relevant period.

In lieu of the first and third financial quarters' detailed financial result announcements via SGXNET, the Manager shall prepare a set of investors' presentation slides which include assets/portfolio performance and highly summarised financial information relevant to the quarter's distribution ("Investors Slides"). These slides would be published on Suntec REIT's website as well as announced via SGXNET.

The Manager has adopted the ARA Dealing in Securities Policy to guide its Directors, key management executives and employees (collectively referred to as "the Manager's personnel") in respect of dealings in Units.

This policy prohibits the Manager's personnel from dealing in such Units:

1. during the "black-out period" which is defined as two weeks prior to the quarterly release of Investors Slides (i.e. at Quarter 1 and 3) and one month before the date of announcement of half-year and full year results and (where applicable) any property valuations, and ending on the date of announcement of the relevant results or property valuations; and

2. at any time whilst in possession of unpublished material or price-sensitive information.

The Manager's personnel are also prohibited from communicating price-sensitive information to any persons and to avoid, and be seen to avoid, actual or potential conflict between personal interest and duty to the Unitholders. The Manager confirmed that its Directors, key management executives and employees have adhered to the policy for dealing in the Units for FY 2020.

The Manager makes announcements on SGX-ST in respect of any changes to its unitholding interest in Suntec REIT within one business day. The Manager will not deal in Units during the period commencing two weeks and one month before the public announcement of Suntec REIT's quarterly investors slides and half-year and full year results respectively and (where applicable) any property valuations, and ending on the date of announcement of the said information. The Manager confirmed that it had complied with Rule 1207(19) of the Listing Manual.

DEALING WITH CONFLICTS OF INTEREST

The Manager has instituted the following procedures to deal with potential conflict of interest issues:

1. the Manager shall be a dedicated manager to Suntec REIT and will not manage any other REIT which invests in the same type of properties as Suntec REIT;

2. all executive officers will be employed and will work exclusively under the Manager and will not hold other executive positions in other firms;

3. all resolutions in writing of the Directors in relation to matters concerning Suntec REIT must be approved by all the Directors;

4. at least half of the Board shall comprise Independent Non-Executive Directors;

5. in respect of matters in which a Director or his associates have an interest, direct or indirect, the interested Director will abstain from voting. In such matters, the quorum must comprise a majority of Independent Non-Executive Directors and must exclude such interested Directors;

6. under the Trust Deed, (i) the Manager and its associates are prohibited from voting at or being part of a quorum for any meeting of Unitholders convened to approve any matter in which the Manager or any of its associates has a material interest and (ii) for so long as ARA Trust Management (Suntec) Limited is the Manager of Suntec REIT and Mr Lim Hwee Chiang, John is a controlling shareholder (as defined in the Listing Manual) of ARA Trust Management (Suntec) Limited, Mr Lim Hwee Chiang, John and his associates are prohibited from being part of a quorum or voting at any meeting of Unitholders convened to consider a matter in respect for which Mr Lim Hwee Chiang, John and/or his associates has a material interest; and

7. it is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee with an interested person of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) which shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee has a prima facie case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors of the Manager have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee with an interested person of the Manager, and the Trustee may take such action as it deems necessary to protect the rights of Unitholders and/or which is in the interests of Unitholders. Any decision by the Manager not to take action against an interested person of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such interested person.

The Directors owe a fiduciary duty to Suntec REIT to act in the best interests of Suntec REIT, in relation to decisions affecting Suntec REIT when they are voting as a member of the Board. In addition, the Directors and executive officers of the Manager are expected to act with integrity at all times. The Manager has established a conflict of interest policy for its employees and major service providers to ensure that any conflict of interests or potential conflict of interests are disclosed and approvals are sought where required.

DEALING WITH INTERESTED PERSON TRANSACTIONS

Review Procedures for Interested Person Transactions

The Manager has established internal control procedures to ensure that all Interested Person Transactions will be undertaken on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of Suntec REIT and its Unitholders. As a general rule, the Manager must demonstrate to the Audit Committee that such transactions satisfy the foregoing criteria, which may entail obtaining (where practicable) quotations from independent parties not related to the Manager, or obtaining one or more valuations from independent professional valuers (in accordance with the Property Funds Appendix).

The Manager maintains a register to record all Interested Person Transactions which are entered into by Suntec REIT and the basis thereof, including any quotations from unrelated parties and independent valuations obtained for the purposes of such Interested Person Transactions. The Manager incorporates into its internal audit plan a review of all Interested Person Transactions entered into by Suntec REIT.

In addition, the following procedures will be undertaken:

1. transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S$100,000 in value but below 3.0% of the value of Suntec REIT's latest audited net tangible assets will be subject to review by the Audit Committee at regular intervals;

2. transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of Suntec REIT's latest audited net tangible assets will be subject to the review and prior approval of the Audit Committee. Such approval shall only be given if the transactions are on normal commercial terms and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager.

   The Manager will, in compliance with Rule 905 of the Listing Manual, announce any Interested Person Transaction if such transaction, either individually or when aggregated with other Interested Person Transactions entered into with the same interested person during the same financial year (each equal to or exceeding S$100,000 in value), is 3.0% or more of Suntec REIT's latest audited net tangible assets; and

3. transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year (each equal to or exceeding S$100,000 in value)) equal to or exceeding 5.0% of the value of Suntec REIT's latest audited net tangible assets will be subject to review and approval prior to such transactions being entered into, on the basis described in the preceding paragraph, by the Audit Committee which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Further, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders.

Where matters concerning Suntec REIT relate to transactions entered into or to be entered into by the Trustee with an interested person, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted on an arm's length basis, are on normal commercial terms, are not prejudicial to the interest of Suntec REIT and its Unitholders, and are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question.

Further, the Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving an interested person. If the Trustee is to enter into any agreement with an interested person, the Trustee will review the terms of such agreement to ensure compliance with the requirements relating to the Interested Person Transactions in the Property Funds Appendix and/or the Listing Manual (in each case, as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to REITs.

Suntec REIT will announce any Interested Person Transaction in accordance with the Listing Manual if such transactions, by itself or when aggregated with other Interested Person Transactions entered into with the same interested person during the same financial year (each equal to or exceeding S$100,000 in value), is 3.0% or more of Suntec REIT's latest audited net tangible assets. The aggregate value of all Interested Person Transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in Suntec REIT's Annual Report for that financial year.

Role of the Audit Committee for Interested Person Transactions and Internal Control Procedures

All Interested Person Transactions will be subject to regular periodic reviews by the Audit Committee. The Manager's internal control procedures are intended to ensure that Interested Person Transactions are conducted on an arm's length basis and are under normal commercial terms and are not prejudicial to Unitholders. Where an interested person is engaged as property management agent or marketing agent for the Trust's properties, the Audit Committee will satisfy itself at least once every two (2) to five (5) years, that the Manager has (i) periodically reviewed the compliance of the agent with the terms of the agreement; and (ii) taken remedial actions where necessary and has documented the reasons for its conclusion.

The Manager maintains a register to record all Interested Person Transactions (and the bases, including any quotations from unrelated parties and independent valuations obtained to support such bases) which are entered into by Suntec REIT. The Manager will incorporate into its internal audit plan a review of all Interested Person Transactions entered into by Suntec REIT. The Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor Interested Person Transactions have been complied with. In addition, the Trustee will also have the right to review such audit reports to ascertain that the Property Funds Appendix and the Listing Manual have been complied with. The Audit Committee will periodically review all Interested Person Transactions to ensure compliance with the Manager's internal control procedures and with the relevant provisions of the Property Funds Appendix and the Listing Manual. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary by the Audit Committee.

If a member of the Audit Committee has an interest in a transaction, he or she is required to abstain from participating in the review and approval process in relation to that transaction.

The Manager will disclose in Suntec REIT's Annual Report the aggregate value of Interested Person Transactions conducted during the relevant financial year.

Material Contracts

There are no material contracts entered into by Suntec REIT or any of its subsidiaries that involve the interests of the CEO, any Director or any controlling Unitholder, except as disclosed in this Annual Report.

FINANCIAL CONTENTS

REPORT OF THE TRUSTEE

HSBC Institutional Trust Services (Singapore) Limited (the "Trustee") is under a duty to take into custody and hold the assets of Suntec Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") in trust for the holders ("Unitholders") of units in the Trust (the "Units"). In accordance with the Securities and Futures Act, Chapter 289, of Singapore, its subsidiary legislation, and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of ARA Trust Management (Suntec) Limited (the "Manager") for compliance with the limitations imposed on the investment and borrowing powers as set out in the trust deed dated 1 November 2004 (as amended by a first supplemental deed dated 25 January 2006, a second supplemental deed dated 20 April 2006, a third supplemental deed dated 30 July 2007, a fourth supplemental deed dated 11 October 2007, a fifth supplemental deed dated 29 September 2008, a sixth supplemental deed dated 14 April 2010, a first amending and restating deed dated 7 September 2010, a second amending and restating deed dated 14 April 2016, a ninth supplemental deed dated 21 May 2018, a tenth supplemental deed dated 23 July 2018 and an eleventh supplemental deed dated 2 April 2020) (collectively the "Trust Deed") between the Manager and the Trustee in each annual accounting period and report thereon to Unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Trust during the period covered by these financial statements, set out on pages 94 to 168 in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

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

Authorised Signatory

Singapore
23 March 2021

STATEMENT BY THE MANAGER

In the opinion of the directors of ARA Trust Management (Suntec) Limited, the accompanying financial statements set out on pages 94 to 168, comprising the Statements of Financial Position, Statements of Total Return, Distribution Statements, Statements of Movements in Unitholders' Funds, Portfolio Statements, Consolidated Statement of Cash Flows and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and the portfolio holdings of Suntec Real Estate Investment Trust (the "Trust") and its subsidiaries (the "Group") as at 31 December 2020, the total return, distributable income, movements in Unitholders' funds and cash flows of the Group and the total return, distributable income and movements in Unitholders' funds of the Trust for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants and the provisions of the Trust Deed. At the date of this statement, there are reasonable grounds to believe that the Trust will be able to meet its financial obligations as and when they materialise.

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

Lim Hwee Chiang, John
Director

Chong Kee Hiong
Director and Chief Executive Officer

Singapore
23 March 2021

INDEPENDENT AUDITORS' REPORT

UNITHOLDERS OF SUNTEC REAL ESTATE INVESTMENT TRUST
(CONSTITUTED UNDER A TRUST DEED DATED 1 NOVEMBER 2004 (AS AMENDED) IN THE REPUBLIC OF SINGAPORE)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Suntec Real Estate Investment Trust (the "Trust") and its subsidiaries ("the Group"), which comprise the Statements of Financial Position and Portfolio Statements of the Group and the Trust as at 31 December 2020, and the Statements of Total Return, Distribution Statements and Statements of Movements in Unitholders' Funds of the Group and the Trust and the Statement of Cash Flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 94 to 168.

In our opinion, the accompanying consolidated financial statements of the Group and the Statement of Financial Position, Portfolio Statement, Statement of Total Return, Distribution Statement and Statement of Movements in Unitholders' Funds of the Trust present fairly, in all material respects, the financial position and the portfolio holdings of the Group and the Trust as at 31 December 2020 and the total return, distributable income and movements in Unitholders' funds of the Group and the Trust and cash flows of the Group for the year ended on that date in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *'Auditor's responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties
(Refer to Note 5 to the financial statements)

Risk:

As at 31 December 2020, the Group has interests in ten investment properties, including six properties held through interests in joint arrangements (collectively "investment properties").

The Group has engaged external valuers to perform independent valuations for each of the investment properties. The valuation process involves significant judgement in determining the appropriate valuation methodology and in estimating the underlying assumptions to be applied. Key underlying assumptions include price per square foot, projected cash flows, growth rates, discount rates, terminal yield and capitalisation rates.

The valuation reports obtained from the external valuers also highlighted that given the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the unknown future impact that the Coronavirus Disease 2019 ("COVID-19") pandemic might have on the real estate market, the external valuers have also recommended to keep the valuation of these properties under frequent review.

Our response:

We evaluated the qualification and competence of the external valuers and held discussions with the valuers to understand their valuation methods and assumptions used, where appropriate.

We compared the valuation methodologies used against those used in the past and those applied by other valuers for similar property types.

For the underlying assumptions, we tested the integrity of the projected cash flows used in the valuations to supporting leases and other documents. When a growth rate is assumed in the projected cash flows, we assessed the reasonableness by comparing against historical trend and available industry data. We also assessed the price per square foot, discount rates, terminal yields and capitalisation rates, against historical trends and available industry data, taking into consideration comparability and market factors, as well as understand how the implications of the COVID-19 pandemic were considered in the valuations.

Our findings:

The valuers are members of generally-recognised professional bodies for valuers. The valuation methodologies used are comparable to methods used in the prior years and those used for similar property types. The key assumptions used are comparable to the historical trends and within the range of available industry data.

Other information

ARA Trust Management (Suntec) Limited, the Manager of the Trust (the "Manager") is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report. We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants, and for such internal controls as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Group or to cease operations of the Group, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.

- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Eng Chin Chin.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
23 March 2021

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	Group 2020 $'000	Group 2019 $'000	Trust 2020 $'000	Trust 2019 $'000
Non-current assets					
Plant and equipment	4	**1,616**	1,648	**510**	237
Investment properties	5	**7,262,856**	6,879,695	**5,088,000**	5,206,000
Rental guarantee receivables	6	**16,858**	–	**–**	–
Interests in joint ventures	7	**3,686,493**	2,956,834	**1,469,511**	1,468,719
Interests in subsidiaries	8	**–**	–	**2,356,093**	1,780,370
Long term investment	9	**–**	–	**631**	–
		10,967,823	9,838,177	**8,914,745**	8,455,326
Current assets					
Derivative assets	10	**–**	1	**–**	1
Rental guarantee receivables	6	**6,827**	–	**–**	–
Trade and other receivables	11	**31,949**	36,987	**31,430**	39,708
Cash and cash equivalents	12	**227,474**	157,206	**123,357**	107,258
		266,250	194,194	**154,787**	146,967
Total assets		**11,234,073**	10,032,371	**9,069,532**	8,602,293
Current liabilities					
Interest-bearing borrowings	13	**678,203**	589,429	**678,203**	589,429
Trade and other payables	15	**119,537**	137,500	**66,256**	70,740
Derivative liabilities	10	**9,559**	11,761	**9,559**	11,761
Security deposits		**36,843**	19,967	**24,365**	17,437
		844,142	758,657	**778,383**	689,367
Non-current liabilities					
Interest-bearing borrowings	13	**4,148,258**	3,040,819	**2,973,144**	2,676,260
Security deposits		**39,031**	53,342	**37,411**	50,068
Derivative liabilities	10	**39,054**	20,473	**17,377**	12,540
Deferred tax liabilities	16	**50,418**	52,936	**–**	–
		4,276,761	3,167,570	**3,027,932**	2,738,868
Total liabilities		**5,120,903**	3,926,227	**3,806,315**	3,428,235
Net assets		**6,113,170**	6,106,144	**5,263,217**	5,174,058
Represented by:					
Unitholders' funds		**5,829,657**	5,977,058	**5,064,542**	5,174,058
Perpetual securities holders	18	**198,675**	–	**198,675**	–
Non-controlling interests	19	**84,838**	129,086	**–**	–
		6,113,170	6,106,144	**5,263,217**	5,174,058
Units in issue ('000)	20	**2,825,294**	2,801,016	**2,825,294**	2,801,016
Net asset value per Unit ($)	21	**2.055**	2.126	**1.785**	1.841

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

STATEMENTS OF TOTAL RETURN

YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 $'000	Group 2019 $'000	Trust 2020 $'000	Trust 2019 $'000
Gross revenue	23	**315,390**	366,730	**342,115**	357,879
Property expenses	24	**(111,260)**	(129,978)	**(71,591)**	(70,065)
Impairment loss on trade receivables		**(4,253)**	(565)	**(3,931)**	(565)
Net property income		**199,877**	236,187	**266,593**	287,249
Other income	25	**7,536**	–	**–**	–
Share of profit of joint ventures	7	**56,392**	157,793	**–**	–
Finance income	26	**26,011**	28,739	**70,264**	28,604
Finance costs	26	**(118,853)**	(109,348)	**(103,971)**	(110,664)
Net finance costs		**(92,842)**	(80,609)	**(33,707)**	(82,060)
Asset management fees	27				
- base fee		**(36,920)**	(34,131)	**(33,220)**	(30,500)
- performance fee		**(14,508)**	(15,148)	**(14,508)**	(15,148)
Professional fees		**(749)**	(404)	**(330)**	(225)
Trustee's fees		**(1,832)**	(1,685)	**(1,688)**	(1,566)
Audit fees		**(547)**	(507)	**(409)**	(387)
Valuation fees		**(181)**	(131)	**(80)**	(78)
Other expenses	28	**(1,146)**	(815)	**(715)**	(758)
Net income		**115,080**	260,550	**181,936**	156,527
Net change in fair value of financial derivatives		**(15,595)**	(3,972)	**(2,023)**	3,038
Net change in fair value of investment properties	5	**(214,803)**	154,389	**(115,070)**	93,836
Total return for the year before tax		**(115,318)**	410,967	**64,843**	253,401
Tax expense	29	**(341)**	(15,874)	**(166)**	(584)
Total return for the year after tax		**(115,659)**	395,093	**64,677**	252,817
Attributable to:					
Unitholders of the Trust and perpetual securities holders		**(71,364)**	390,534	**64,677**	252,817
Non-controlling interests	19	**(44,295)**	4,559	**–**	–
		(115,659)	395,093	**64,677**	252,817
Earnings per Unit (cents)					
Basic	30	**(2.581)**	14.158	**2.246**	9.166
Diluted	30	**(2.581)**	13.069	**2.231**	8.470

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

DISTRIBUTION STATEMENTS

YEAR ENDED 31 DECEMBER 2020

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Amount available for distribution to Unitholders at the beginning of the year	**65,816**	69,220	**65,816**	69,220
Total return attributable to Unitholders and perpetual securities holders	**(71,364)**	390,534	**64,677**	252,817
Less: Total return attributable to perpetual securities holders	**(1,375)**	–	**(1,375)**	–
Net tax adjustments (Note A)	**151,969**	(269,697)	**145,908**	(16,087)
Taxable income	**79,230**	120,837	**209,210**	236,730
Add:				
- Tax exempt dividend income (Note B)	**129,980**	115,893	**–**	–
- Others (Note C)	**–**	26,000	**–**	26,000
Amount available for distribution to Unitholders	**275,026**	331,950	**275,026**	331,950
Distributions to Unitholders:				
Distribution of 2.347 cents per Unit for period from 1/10/2019 to 31/12/2019	**(65,978)**	–	**(65,978)**	–
Distribution of 1.760 cents per Unit for period from 1/1/2020 to 31/3/2020	**(49,567)**	–	**(49,567)**	–
Distribution of 1.533 cents per Unit for period from 1/4/2020 to 30/6/2020	**(43,243)**	–	**(43,243)**	–
Distribution of 1.848 cents per Unit for period from 1/7/2020 to 30/9/2020	**(52,212)**	–	**(52,212)**	–
Distribution of 2.590 cents per Unit for period from 1/10/2018 to 31/12/2018	**–**	(69,426)	**–**	(69,426)
Distribution of 3.230 cents per Unit for period from 1/1/2019 to 5/5/2019	**–**	(86,678)	**–**	(86,678)
Distribution of 1.565 cents per Unit for period from 6/5/2019 to 30/6/2019	**–**	(43,786)	**–**	(43,786)
Distribution of 2.365 cents per Unit for period from 1/7/2019 to 30/9/2019	**–**	(66,244)	**–**	(66,244)
	(211,000)	(266,134)	**(211,000)**	(266,134)
Income available for distribution to Unitholders at end of the year	**64,026**	65,816	**64,026**	65,816
Distribution per Unit (cents)*	**7.402**	9.507	**7.402**	9.507

* *The distribution per Unit relates to the distributions in respect of the relevant financial year. The distribution for the last quarter of the financial year will be paid subsequent to the reporting date.*

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

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Note A				
Net tax adjustments comprise:				
- Amortisation of transaction costs	**25,635**	8,659	**25,635**	8,659
- Asset management fees paid/payable in Units	**38,182**	36,519	**38,182**	36,519
- Net profit from subsidiaries and joint ventures	**(151,451)**	(203,630)	**–**	–
- Trustee's fees	**1,832**	1,685	**1,688**	1,566
- Net change in fair value of investment properties	**214,803**	(154,389)	**115,070**	(93,836)
- Net foreign currency exchange differences	**(8,639)**	1,832	**(53,059)**	10,087
- Net change in fair value of financial derivatives	**15,595**	4,084	**2,023**	(2,926)
- Sinking fund contribution	**19,260**	19,260	**16,050**	16,050
- Deferred tax	**(2,518)**	12,915	**–**	–
- Other items (Note D)	**(730)**	3,368	**319**	7,794
Net tax adjustments	**151,969**	(269,697)	**145,908**	(16,087)

Note B

This relates to the dividend income received from Comina Investment Limited, Suntec Harmony Pte. Ltd. and Suntec REIT Capital Pte. Ltd. and distributions of profits from Suntec REIT (Australia) Trust and BFC Development LLP ("BFCD LLP").

Note C

This relates to a portion of the sales proceeds from disposal of an investment property in December 2015.

Note D

This mainly relates to non-tax deductible expenses and rollover adjustments after finalisation of prior year adjustments.

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

STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS

YEAR ENDED 31 DECEMBER 2020

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Unitholders' funds at the beginning of the period	**5,977,058**	5,636,523	**5,174,058**	4,954,558
Total return attributable to Unitholders and perpetual securities holders	**(71,364)**	390,534	**64,677**	252,817
Less: Total return attributable to perpetual securities holders	**(1,375)**	–	**(1,375)**	–
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges[1]	**(5,404)**	756	**–**	–
Foreign currency translation reserve				
Translation differences from financial statements of foreign operations	**103,560**	(17,438)	**–**	–
Net gain/(loss) recognised directly in Unitholders' funds	**98,156**	(16,682)	**–**	–
Unitholders' transactions				
Creation of Units:				
- private placement Units	**–**	200,000	**–**	200,000
- asset management fees paid/payable in Units	**19,472**	18,105	**19,472**	18,105
Units to be issued:				
- asset management fees payable in Units	**18,710**	18,414	**18,710**	18,414
Unit issue expenses	**–**	(3,702)	**–**	(3,702)
Distributions to Unitholders	**(211,000)**	(266,134)	**(211,000)**	(266,134)
Net decrease in Unitholders' funds resulting from Unitholders' transactions	**(172,818)**	(33,317)	**(172,818)**	(33,317)
Unitholders' funds at the end of the period	**5,829,657**	5,977,058	**5,064,542**	5,174,058
Perpetual securities holders at the beginning of the year	**–**	–	**–**	–
Total return attributable to perpetual securities holders	**1,375**	–	**1,375**	–
Transactions with perpetual securities holders				
Issue of perpetual securities	**200,000**	–	**200,000**	–
Issue expenses	**(2,700)**	–	**(2,700)**	–
Net increase resulting from transactions with perpetual securities holders	**197,300**	–	**197,300**	–
Perpetual securities holders at the end of the year	**198,675**	–	**198,675**	–
Non-controlling interests at the beginning of the year	**129,086**	131,583	**–**	–
Total return attributable to non-controlling interests	**(44,295)**	4,559	**–**	–
Transactions with non-controlling interests				
Distribution to non-controlling interests	**–**	(7,056)	**–**	–
Change in ownership of subsidiary with no change in control	**47**	–	**–**	–
Net increase/(decrease) resulting from transactions with non-controlling interests	**47**	(7,056)	**–**	–
Non-controlling interests at the end of the year	**84,838**	129,086	**–**	–

[1] *This represents the share of fair value change of the cash flow hedges as a result of interest rate swaps entered into by a joint venture.*

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

PORTFOLIO STATEMENTS
AS AT 31 DECEMBER 2020

Group

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed Occupancy Rate		Carrying Value		Percentage of Unitholders' funds	
						2020 %	2019 %	**2020 $'000**	2019 $'000	**2020 %**	2019 %
Investment properties in Singapore											
Suntec City Mall	Leasehold	99 years	68 years	3 Temasek Boulevard	Commercial	**90.1**	99.6	**1,990,000**	2,070,000	**34.1**	34.6
Suntec City Office Towers	Leasehold	99 years	68 years	5 - 9 Temasek Boulevard	Commercial	**95.6**	100.0	**3,098,000**	3,136,000	**53.1**	52.5
Suntec Singapore^	Leasehold	99 years	68 years	1 Raffles Boulevard	Commercial	**n/m**	n/m	**625,000**	720,000	**10.7**	12.0
Investment properties in Australia											
177 Pacific Highway	Freehold	–	–	177 – 199 Pacific Highway, North Sydney	Commercial	**100.0**	100.0	**655,707**	599,758	**11.3**	10.0
Olderfleet, 477 Collins Street	Freehold	–	–	477 Collins Street, Melbourne	Commercial	**97.2**	n/m	**452,387**	213,206	**7.8**	3.6
55 Currie Street	Freehold	–	–	55 Currie Street, Adelaide	Commercial	**91.7**	91.7	**152,490**	140,731	**2.6**	2.4
21 Harris Street	Freehold	–	–	21 Harris Street, Pyrmont, New South Wales	Commercial	**68.7**	–	**289,272**	–	**5.0**	–
Investment properties, at valuation								**7,262,856**	6,879,695	**124.6**	115.1
Interests in joint ventures (Note 7)								**3,686,493**	2,956,834	**63.2**	49.5
								10,949,349	9,836,529	**187.8**	164.6
Other assets and liabilities (net)								**(4,836,179)**	(3,730,385)	**(83.0)**	(62.4)
Net assets								**6,113,170**	6,106,144	**104.8**	102.2
Perpetual securities holders								**(198,675)**	–	**(3.4)**	–
Non-controlling interests								**(84,838)**	(129,086)	**(1.4)**	(2.2)
Unitholders' funds								**5,829,657**	5,977,058	**100.0**	100.0

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

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

PORTFOLIO STATEMENTS
AS AT 31 DECEMBER 2020

Trust

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed Occupancy Rate 2020 %	Committed Occupancy Rate 2019 %	Carrying Value 2020 $'000	Carrying Value 2019 $'000	Percentage of Unitholders' funds 2020 %	Percentage of Unitholders' funds 2019 %
Investment properties in Singapore											
Suntec City Mall	Leasehold	99 years	68 years	3 Temasek Boulevard	Commercial	**90.1**	99.6	**1,990,000**	2,070,000	**39.3**	40.0
Suntec City Office Towers	Leasehold	99 years	68 years	5 - 9 Temasek Boulevard	Commercial	**95.6**	100.0	**3,098,000**	3,136,000	**61.2**	60.6
Investment properties, at valuation								**5,088,000**	5,206,000	**100.5**	100.6
Interests in joint ventures (Note 7)								**1,469,511**	1,468,719	**29.0**	28.4
Interests in subsidiaries (Note 8)								**2,356,093**	1,780,370	**46.5**	34.4
								8,913,604	8,455,089	**176.0**	163.4
Other assets and liabilities (net)								**(3,650,387)**	(3,281,031)	**(72.1)**	(63.4)
Net assets								**5,263,217**	5,174,058	**103.9**	100.0
Perpetual securities holders								**(198,675)**	–	**(3.9)**	–
Unitholders' funds								**5,064,542**	5,174,058	**100.0**	100.0

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

PORTFOLIO STATEMENTS

AS AT 31 DECEMBER 2020

Note:

Suntec City Office Towers comprise 15 strata lots in Suntec City Office Tower One, 10 strata lots in Suntec City Office Tower Two, 76 strata lots in Suntec City Office Tower Three and all the strata lots in Suntec City Office Towers Four and Five.

Suntec Singapore comprises more than one million square feet of versatile floor space over six levels which includes approximately 143,000 square feet of retail space.

177 Pacific Highway is a 31-storey commercial building located in North Sydney, Australia.

Olderfleet, 477 Collins Street is a 40-storey office building located in Melbourne, Australia.

55 Currie Street is a 12-storey commercial building located in Adelaide, Australia.

21 Harris Street is a 9-storey commercial office building located in Pyrmont, New South Wales, Australia.

The carrying amounts of the investment properties as at 31 December 2020 were based on independent valuations undertaken by Savills Valuation and Professional Services (S) Pte Ltd, Savills Valuations Pty Ltd, CIVAS (VIC) Pty Limited, Knight Frank Valuation & Advisory South Australia and Jones Lang LaSalle Advisory Services Pty Ltd (2019: Savills Valuation and Professional Services (S) Pte Ltd, Savills Valuations Pty Ltd, Valuations Services (SA) Pty Limited and CIVAS (VIC) Pty Limited). The independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations were based on the discounted cash flow method, capitalisation approach and direct comparison method.

Description of property	Valuation **2020** **$'000**	Valuation 2019 $'000
Suntec City Mall	**1,990,000**	2,070,000
Suntec City Office Towers	**3,098,000**	3,136,000
Suntec Singapore	**625,000**	720,000
177 Pacific Highway	**655,707**	599,758
Olderfleet, 477 Collins Street[(1)]	**452,387**	406,135
55 Currie Street	**152,490**	140,731
21 Harris Street[(2)]	**304,980**	–

[(1)] *For Olderfleet, 477 Collins Street, the carrying amount of the investment property under development of $213,206,000 as at 31 December 2019 was derived based on the valuation amount less estimated costs to complete. Practical completion had been received on 31 July 2020.*
[(2)] *For 21 Harris Street, the carrying amount of the investment property excluded rental guarantee receivables from the seller (Note 6).*

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

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 $'000	2019 $'000
Cash flows from operating activities			
Total return for the year before tax		**(115,318)**	410,967
Adjustments for:			
Impairment loss on trade receivables		**4,253**	565
Bad debts recovered		**(73)**	(255)
Asset management fees paid/payable in Units		**38,182**	36,519
Depreciation of plant and equipment	4	**777**	835
Loss on disposal of plant and equipment		**3**	5
Net change in fair value of financial derivatives		**15,595**	3,972
Net change in fair value of investment properties	5	**214,803**	(154,389)
Net finance costs	26	**92,842**	80,609
Share of profit of joint ventures		**(56,392)**	(157,793)
		194,672	221,035
Changes in:			
- Trade and other receivables		**6,929**	(5,230)
- Trade and other payables		**10,479**	13,649
Cash generated from operations		**212,080**	229,454
Tax paid		**–**	–
Net cash from operating activities		**212,080**	229,454
Cash flows from investing activities			
Capital expenditure on investment properties		**(9,615)**	(5,707)
Acquisition of investment properties		**(267,417)**	(141,542)
Security deposit paid in relation to a development		**–**	(14,079)
Progress payments on construction		**(229,538)**	(86,003)
Dividend income received		**72,316**	78,390
Acquisition of joint ventures	22	**(779,021)**	–
Change in investment in joint ventures		**(5,709)**	(20,794)
Proceeds from capital reduction of joint ventures		**53,580**	–
Loans to joint ventures		**(792)**	(2,523)
Interest received		**18,167**	26,926
Purchase of plant and equipment		**(748)**	(628)
Net cash used in investing activities		**(1,148,777)**	(165,960)

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

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 $'000	Group 2019 $'000
Cash flows from financing activities			
Distributions to Unitholders		**(211,000)**	(265,905)
Distribution to non-controlling interests		**–**	(7,056)
Financing costs paid		**(125,886)**	(97,513)
Redemption of convertible bonds		**(297,250)**	(1,000)
Proceeds from medium term notes		**400,000**	100,000
Repayment of medium term notes		**(310,000)**	–
Proceeds from issuance of units		**–**	200,000
Proceeds from issue of perpetual securities		**200,000**	–
Payment of transaction costs on issue of perpetual securities		**(2,520)**	–
Proceeds from settlement of derivatives		**42**	2,166
Proceeds from interest-bearing loans		**1,499,368**	498,387
Unit issue costs paid		**–**	(3,702)
Repayment of interest-bearing loans		**(161,314)**	(465,000)
Net cash from/(used in) financing activities		**991,440**	(39,623)
Net increase in cash and cash equivalents		**54,743**	23,871
Cash and cash equivalents at beginning of the year		**157,206**	136,657
Effects of exchange rate fluctuations on cash held		**15,525**	(3,322)
Cash and cash equivalents at the end of the year	12	**227,474**	157,206

Significant non-cash transactions

The Group and the Trust had issued and/or will be issuing a total of 26,529,800 (2019: 19,495,145) Units to the Manager, amounting to approximately $38,182,000 (2019: $36,519,000) at unit prices ranging from $1.2147 and $1.5115 (2019: $1.8183 to $1.9537) as satisfaction of asset management fees payable in Units in respect of the year ended 31 December 2020 (2019: 31 December 2019).

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

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Manager and the Trustee on 23 March 2021.

1 GENERAL

Suntec Real Estate Investment Trust (the "Trust") is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 1 November 2004 (as amended by a first supplemental deed dated 25 January 2006, a second supplemental deed dated 20 April 2006, a third supplemental deed dated 30 July 2007, a fourth supplemental deed dated 11 October 2007, a fifth supplemental deed dated 29 September 2008, a sixth supplemental deed dated 14 April 2010, a first amending and restating deed dated 7 September 2010, a second amending and restating deed dated 14 April 2016, a ninth supplemental deed dated 21 May 2018, a tenth supplemental deed dated 23 July 2018 and an eleventh supplemental deed dated 2 April 2020) (collectively the "Trust Deed") between ARA Trust Management (Suntec) Limited (the "Manager") and HSBC Institutional Trust Services (Singapore) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust in trust for the holders ("Unitholders") of units in the Trust (the "Units").

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 9 December 2004 and was included in the Central Provident Fund Investment Scheme ("CPFIS") on 9 December 2004.

The principal activity of the Trust and its subsidiaries is to invest in income producing real estate and real estate related assets, which are used or substantially used for commercial purposes, with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth.

The financial statements of the Trust as at and for the year ended 31 December 2020 comprise the Trust and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in joint ventures.

The Trust has entered into several service agreements in relation to the management of the Trust and its property operations. The fee structures of these services are as follows:

(i) Property management fees

APM Property Management Pte Ltd ("APM"), the property manager of Suntec City Office Towers is entitled to receive 3.0% per annum of gross revenue for provision of lease management services, marketing and marketing co-ordination services and property management services.

APM is also the property manager of Suntec City Mall and the property management fees are charged as follows:

(a) 2.0% per annum of the gross revenue of Suntec City Mall;
(b) 2.0% per annum of the net property income of Suntec City Mall; and
(c) 0.5% per annum of the net property income of Suntec City Mall, in lieu of commissions.

(2019: APM is entitled to receive 3.0% per annum of gross revenue of Suntec City Mall for provision of lease management services, marketing and marketing co-ordination services and property management services. In addition, where the aggregate of all (1) licence fees; (2) media sales; and (3) other advertising and promotion income derived from Suntec City Mall for each financial year exceeds $5,520,000, APM is entitled to receive a commission of 10.0% of the said licence fees, media sales and other advertising and promotion income which exceeds $5,520,000 for each financial year.)

Suntec Singapore International Convention and Exhibition Services Pte Ltd, the operator of Suntec Singapore Convention and Exhibition Centre, is entitled to receive 3.0% per annum of gross revenue for operations, sales and marketing services for conventions, exhibitions, meetings and events facilities.

CBRE Pty Ltd ("CBRE"), the building manager of 177 Pacific Highway, is entitled to receive an agreed annual fee for the provision of property management, real estate accounting and technical services.

1 GENERAL (CONT'D)

(i) Property management fees (cont'd)

APM Australia (ARA) Pty Ltd, the property manager of 55 Currie Street and 21 Harris Street is entitled to receive 1.5% per annum of gross income.

Mirvac Real Estate Pty Limited, the property manager of Olderfleet, 477 Collins, is entitled to receive 1.5% per annum of gross rental income

The property management fees are payable monthly in arrears.

(ii) Asset management fees

Pursuant to the Trust Deed, asset management fees comprise the following:

(a) a base fee not exceeding 0.3% per annum of the value of the Deposited Property (being all the assets of the Trust (including all its Authorised Investments) as defined in the Trust Deed) of the Trust or such higher percentage as may be approved by an extraordinary resolution of a meeting of Unitholders; and

(b) an annual performance fee equal to a rate of 4.5% per annum of the Net Property Income (as defined in the Trust Deed) of the Trust and any Special Purpose Vehicles (as defined in the Trust Deed) for each financial year, or such lower percentage as may be determined by the Manager in its absolute discretion or such higher percentage as may be approved by an extraordinary resolution at a meeting of Unitholders.

Based on the current agreement between the Manager and the Trustee, the base fee is agreed to be 0.3% per annum of the value of the Deposited Property.

The asset management fees shall be paid in the form of Units and/or cash as the Manager may elect. The portion of the base fees payable in the form of Units is payable quarterly in arrears and the portion of the asset management fees payable in cash is payable monthly in arrears. The performance fee is paid annually in arrears, regardless of whether it is paid in form of cash and/or Units.

The Manager is also entitled to receive an acquisition fee at the rate of 1.0% of the acquisition price and a divestment fee of 0.5% of the sales price on all future acquisitions and disposals of properties.

(iii) Trustee's fee

Pursuant to the Trust Deed, the Trustee's fee shall not exceed 0.25% per annum of the value of the Deposited Property (subject to a minimum sum of $9,000 per month) or such higher percentage as may be approved by an extraordinary resolution of a meeting of Unitholders.

The Trustee's fee is payable out of the Deposited Property of the Trust on a monthly basis, in arrears. The Trustee is also entitled to reimbursement of all reasonable out-of-pocket expenses incurred in the performance of its duties under the Trust Deed.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Statement of Recommended Accounting Practice ("RAP") 7 *Reporting Framework for Unit Trusts* issued by the Institute of Singapore Chartered Accountants, and the applicable requirements of the Code on Collective Investment Schemes (the "CIS Code") issued by the Monetary Authority of Singapore ("MAS") and the provisions of the Trust Deed. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards ("FRS").

NOTES TO THE FINANCIAL STATEMENTS

2 BASIS OF PREPARATION (CONT'D)

2.2 Basis of measurement

These financial statements are prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore dollars, which is the Trust's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements and information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes:

- Note 5 – Valuation of investment properties
- Note 17 – Valuation of financial instruments

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Manager has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for all significant fair value measurements, including Level 3 fair values; and reports directly to the Chief Executive Officer.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as property valuations, broker quotes or pricing services, is used to measure fair value, then the team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy in which the valuation should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

2 BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 5 – Valuation of investment properties
- Note 17 – Valuation of financial instruments

2.5 Changes in accounting policies

New standards and amendments

The Group has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 January 2020:

- *Amendments to References to Conceptual Framework in FRS Standards*
- *Definition of a Business* (Amendments to FRS 103)
- *Definition of Material* (Amendments to FRS 1 and FRS 8)
- *Interest Rate Benchmark Reform* (Amendments to FRS 109, FRS 39 and FRS 107)

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group, except as explained in Note 2.5, which addresses changes in accounting policies.

3.1 Basis of consolidation

Property acquisitions and business combinations

At the time of acquisition, the Group considers whether each acquisition represents an acquisition of business or an acquisition of an asset. An acquisition is accounted for as a business combination where an integrated set of activities is acquired, in addition to the property. In determining whether an integrated set of activities is acquired, the Group considers whether significant processes such as strategic management and operational processes, are acquired.

Where significant processes are acquired, the acquisition is considered an acquisition of business and accounted for as stated above. Where the acquisition does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of acquisition is allocated to the assets and liabilities acquired and no goodwill or deferred tax is recognised.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests ("NCI") in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Joint ventures (equity-accounted investees)

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Joint operations

A joint operation is an arrangement in which the Group has joint control whereby the Group has rights to the assets, obligations for the liabilities, relating to the arrangement. The Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation.

As at 31 December 2020, the Group is a 50% (31 December 2019: 50%) partner with Mirvac Commercial Sub SPV Ltd in 477 Collins Street Joint Venture (the "477 Collins Street Joint Venture"), whose principal activity is that of a property investment and the place of business is Australia. The Group has classified the 477 Collins Street Joint Venture as a joint operation as the joint venture partners control the 477 Collins Street Joint Venture collectively, and the 477 Collins Street Joint Venture is not structured through a separate legal vehicle.

Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with the equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

Subsidiaries and joint ventures in the separate financial statements

Investments in subsidiaries and joint ventures are stated in the Trust's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognised in profit or loss. However, foreign currency differences arising from the translation of an investment in equity securities designated as at fair value through other comprehensive income are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at exchange rates at the dates of the transactions.

Foreign currency differences are recognised and presented in the foreign currency translation reserve (translation reserve) in Unitholders' funds. However, if the foreign operation is disposed of such that control, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of its investment in a joint venture that includes a foreign operation while retaining joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised and presented in the translation reserve in Unitholders' funds.

3.3 Plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

The gain or loss arising from the retirement or disposal of an item of plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Plant and equipment (cont'd)

The estimated useful lives for the current and comparative years are as follows:

Furniture and fittings	5 years
Equipment	3 - 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. Fair value is determined in accordance with the Trust Deed, which requires the investment properties to be valued by independent registered valuers in such manner and frequency required under the Property Funds Appendix of the CIS Code issued by the MAS (being (i) at least once a financial year and (ii) in the event that the manager proposes to issue new Units or redeem existing Units and the valuation was conducted more than six months ago and the market conditions indicate that the real estate values have changed materially).

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. Property that is being constructed for future use as investment property is accounted for at fair value.

3.5 Rental guarantee receivables

This represents the rental guarantee receivables under rental guarantee arrangements with the sellers of certain properties. The rental guarantee arrangement is measured at fair value on initial recognition with reference to the fair value of the rental guarantee provided. Subsequent to initial recognition it is measured at fair value at each reporting date. Any changes in amounts recognised are recognised in profit or loss.

3.6 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases (cont'd)

(i) As a lessee (cont'd)

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases (cont'd)

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies FRS 115 to allocate the consideration in the contract.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

3.7 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) – equity, or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to the Manager. The information considered includes:

- how the performance of the portfolio is evaluated and reported to the Manager; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

Financial assets that are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost.

These financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (cont'd)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

(vi) Derivative financial instruments and hedge accounting

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives and non-derivative financial instruments as hedging instruments in qualifying hedging relationships. At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the hedging reserve in Unitholders' funds. The effective portion of changes in the fair value of the derivative that is recognised in the hedging reserve in Unitholders' funds is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in Unitholders' funds until it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to profit or loss.

(vii) Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial instruments (cont'd)

(viii) Convertible bonds

The convertible bonds comprise a liability for the principal and interest and a derivative liability. The liability component of the convertible bonds is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The derivative liability is recognised initially at the difference between the fair value of the convertible bonds as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability component and derivative liability in proportion to their initial carrying amounts.

Subsequent to initial recognition, the convertible bonds are measured at amortised cost using the effective interest method. The separated derivative liability is measured at FVTPL.

3.8 Impairment

(i) Non-derivative financial assets

The Group recognises loss allowances for expected credit loss ("ECL") on financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

General approach (cont'd)

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than investment properties, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

Impairment losses recognised in prior periods in respect of assets other than goodwill are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of joint venture is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

3.9 Unitholders' funds

Unitholders' funds are classified as equity.

Issue costs relate to expenses incurred in connection with the issue of units. The expenses are deducted directly against Unitholders' funds.

3.10 Perpetual securities

The perpetual securities do not have a maturity date and distribution payment is optional at the discretion of the Trust. As the Trust does not have a contractual obligation to repay the principal nor make any distributions, the perpetual securities are classified as equity.

Any distributions made are directly debited from equity. Incremental costs directly attributable to the issue of the perpetual securities are deducted against the proceeds from the issue.

3.11 Revenue recognition

(i) Rental income from operating leases

Rental income receivable under operating leases is recognised as 'revenue' on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives granted are recognised as an integral part of the total rental to be received. Contingent rentals, which include gross turnover rental, are recognised as income in the accounting period in which they are earned. No contingent rentals are recognised if there are uncertainties due to the possible return of amounts received.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Revenue recognition (cont'd)

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the right to receive payment is established.

3.12 Expenses

(i) Property expenses

Property expenses consist of advertising and promotion expenses, property tax, property management fees (using the applicable formula stipulated in Note 1(i)), maintenance charges and other property outgoings in relation to investment properties where such expenses are the responsibility of the Group.

(ii) Asset management fees

Asset management fees are recognised on an accrual basis using the applicable formula stipulated in Note 1(ii).

(iii) Trustee's fee

Trustee's fee is recognised on an accrual basis using the applicable formula stipulated in Note 1(iii).

3.13 Government grants

Government grants are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis in the same periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3.14 Finance income and finance costs

Finance income comprises interest income on funds invested and net foreign exchange gains that are recognised in profit or loss.

Finance costs comprise interest expense on borrowings, amortisation of transaction costs incurred on borrowings and net foreign exchange losses that are recognised in profit or loss.

Foreign exchange gains and losses are reported on a net basis as either finance income or finance cost depending on whether the foreign exchange movements are in a net gain or net loss position.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Finance income and finance costs (cont'd)

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in Unitholders' funds.

Current tax is the expected tax payable on the taxable income for the year, measured using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Deferred tax is not recognised for temporary difference on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and temporary differences related to investments in subsidiaries and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the presumption that the carrying amount of the investment property will be recovered through sale has not been rebutted. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date and reflects uncertainty related to income tax, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity; or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits, against which the temporary differences can be utilised, will be available. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of the Trust for income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the tax ruling which includes a distribution of at least 90% of the taxable income of the Trust, the Trustee will not be taxed on the portion of taxable income of the Trust that is distributed to Unitholders. Any portion of the taxable income that is not distributed to Unitholders will be taxed on the Trustee. In the event that there are subsequent adjustments to the taxable income when the actual taxable income of the Trust is finally agreed with the IRAS, such adjustments are taken up as an adjustment to the taxable income for the next distribution following the agreement with the IRAS.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Tax (cont'd)

Although the Trust is not taxed on its taxable income distributed, the Trustee and the Manager are required to deduct income tax from distributions of such taxable income of the Trust (i.e. which has not been taxed in the hands of the Trustee) to certain Unitholders. However, the Trustee and the Manager will not deduct tax from distributions made out of the Trust's taxable income to the extent that the beneficial Unitholder is:

- An individual (excluding a partnership in Singapore);
- A tax resident Singapore-incorporated company;
- A body of persons registered or constituted in Singapore (e.g. a town council, a statutory board, a registered charity, a registered cooperative society, a registered trade union, a management corporation, a club or a trade and industry association);
- A Singapore branch of a foreign company which has been presented a letter of approval from the Comptroller of Income Tax granting waiver from tax deducted at source in respect of distributions from the Trust;
- An agent bank acting as a nominee for individuals who have purchased Units within the CPFIS and the distributions received from the Trust are returned to CPFIS; or
- An international organisation that is exempt from tax on such distributions by reason of an order made under the International Organisations (Immunities and Privileges) Act (Cap. 145).

The above tax transparency ruling does not apply to gains from sale of properties. Where the gains are trading gains, the Trustee will be assessed for tax. Where the gains are capital gains, the Trustee will not be assessed for tax and may distribute the capital gains without tax being deducted at source.

3.16 Earnings per unit

Basic earnings per unit is calculated by dividing the total return for the year after tax attributable to Unitholders of the Trust by the weighted average number of units outstanding during the year. Diluted earnings per unit is determined by adjusting the total return for the year after tax attributable to Unitholders of the Trust and the weighted average number of units outstanding, adjusted for the effects of all dilutive potential units.

3.17 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer (the chief operating decision maker), to make decisions about resources to be allocated to the segment and to assess the segment's performance, and for which discrete financial information is available.

3.18 New standards and interpretations not yet adopted

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2020 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these financial statements.

The Group is in the process of assessing the impact of the following new standards, interpretations and amendments to the standards on the Group's consolidated financial statements and the Company's statement of financial position.

- FRS 117 *Insurance Contracts*
- *Classification of Liabilities as Current or Non-current* (Amendments to FRS 1)
- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (Amendments to FRS 110 and FRS 28)
- *Reference to the Conceptual Framework* (Amendments to FRS 103)
- *Property, Plant and Equipment – Proceeds before Intended Use* (Amendments to FRS 16)
- *Onerous Contracts – Costs of Fulfilling a Contract* (Amendments to FRS 37)
- *Annual Improvements to FRSs 2018 – 2020*

4 PLANT AND EQUIPMENT

Group	Furniture and fittings $'000	Equipment $'000	Total $'000
Cost			
At 1 January 2019	6,021	2,401	8,422
Additions	301	327	628
Disposals	(52)	(84)	(136)
At 31 December 2019	6,270	2,644	8,914
Additions	190	558	748
Disposals	(2)	(18)	(20)
At 31 December 2020	6,458	3,184	9,642
Accumulated depreciation			
At 1 January 2019	4,626	1,936	6,562
Depreciation charge for the year	496	339	835
Disposals	(52)	(79)	(131)
At 31 December 2019	5,070	2,196	7,266
Depreciation charge for the year	445	332	777
Disposals	(2)	(15)	(17)
At 31 December 2020	5,513	2,513	8,026
Carrying amounts			
At 1 January 2019	1,395	465	1,860
At 31 December 2019	1,200	448	1,648
At 31 December 2020	945	671	1,616

Trust	Equipment $'000
Cost	
At 1 January 2019	1,400
Additions	195
At 31 December 2019	1,595
Additions	478
At 31 December 2020	2,073
Accumulated depreciation	
At 1 January 2019	1,169
Depreciation charge for the year	189
At 31 December 2019	1,358
Depreciation charge for the year	205
At 31 December 2020	1,563
Carrying amounts	
At 1 January 2019	231
At 31 December 2019	237
At 31 December 2020	510

5 INVESTMENT PROPERTIES

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
At 1 January	**6,879,695**	6,493,964	**5,206,000**	5,110,000
Acquisitions	**267,417**	141,542	**–**	–
Capital expenditure capitalised	**214,522**	99,390	**2,124**	2,164
Reversal of accruals no longer required	**(5,054)**	–	**(5,054)**	–
	7,356,580	6,734,896	**5,203,070**	5,112,164
Changes in fair value	**(214,803)**	154,389	**(115,070)**	93,836
Effects of movements in exchange rates	**121,079**	(9,590)	**–**	–
At 31 December	**7,262,856**	6,879,695	**5,088,000**	5,206,000

During the year ended 31 December 2020, renovation works for Suntec City Mall were completed, and accrued construction cost no longer required amounting to $5,054,000 (2019: nil) was reversed.

Measurement of fair value

The fair value of investment properties is determined by external independent valuers having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued. Valuations of the investment properties are carried out at least once a year.

The valuers have considered valuation techniques including the discounted cash flow method, capitalisation approach and/or direct comparison method. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates.

The direct comparison method involves the analysis of comparable sales of similar properties, with adjustments made to differentiate the comparable in terms of location, area, quality and other relevant factors.

The valuation technique(s) considered by valuers for each property is in line with market practices generally adopted in the jurisdiction in which the property is located.

As at 31 December 2020, the valuation reports of the Group's properties included a 'market volatility clause' due to the disruption to the market at that date caused by the COVID-19 outbreak. The external valuers have stated in their valuation reports that given the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to the valuations than would normally be the case. Due to the unknown future impact that COVID-19 might have on the real estate market, the external valuers have also recommended to keep the valuation of the properties under frequent review.

5 INVESTMENT PROPERTIES (CONT'D)

Fair value hierarchy

The fair value measurement for investment properties have been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation techniques	Key unobservable inputs	Range	Inter-relationship between significant unobservable inputs and fair value measurement
Discounted cash flow method	Discount rate	Singapore: 6.00% - 6.50% (2019: 6.00% - 6.50%) Australia: 6.13% - 7.25% (2019: 6.38% - 7.75%)	The estimated fair value would increase if the discount rate and terminal yield were lower.
	Terminal yield	Singapore 4.00% - 6.25% (2019: 4.00% - 6.20%) Australia 5.00% - 7.00% (2019: 4.62% - 7.50%)	
Capitalisation approach	Capitalisation rate	Singapore 3.75% - 6.00% (2019: 3.50% - 6.25%) Australia 4.63% - 6.75% (2019: 4.50% - 7.25%)	The estimated fair value would increase if the capitalisation rate was lower.
Direct comparison method	Price per square foot	Singapore $639 - $2,522 (2019: $665 - $2,474) Australia $2,540 (2019: $2,344)	The estimated fair value would increase if the price per square foot was higher.

Security

The investment properties, Suntec City Mall, Suntec Singapore, 177 Pacific Highway, 55 Currie Street and 21 Harris Street (2019: Suntec Singapore), with a total carrying value of $3,712,469,000 (2019: $720,000,000), have been mortgaged as security for credit facilities (Note 13).

6 RENTAL GUARANTEE RECEIVABLES

	Group	
	2020 $'000	2019 $'000
Non-current	**16,858**	–
Current	**6,827**	–
	23,685	–

This represents the rental guarantee receivable under the rental guarantee arrangements with the sellers of 21 Harris Street and Nova Properties. Pursuant to the terms of the rental guarantee arrangements, the sellers will provide a rental guarantee on minimum tenancy levels for a period of 2 to 5 years.

7 INTERESTS IN JOINT VENTURES

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Investment in joint ventures	**2,456,585**	2,338,689	**850,574**	850,574
Loans to joint ventures	**1,229,908**	618,145	**618,937**	618,145
	3,686,493	2,956,834	**1,469,511**	1,468,719

Included in the Group's loans to joint ventures as at 31 December 2020 are amounts of $996,049,000 (2019: $618,145,000) which bear interest ranging from 2.37% to 5.00% (2019: 3.74% to 5.46%) per annum. The remaining balances are interest-free.

The Trust's loans to joint ventures bear interest between 2.37% to 3.99% (2019: 3.74% to 5.46%) per annum.

The loans to joint ventures have no fixed terms of repayment. The loans to joint ventures represent the Group's and the Trust's net investments in the joint ventures and the settlement of these loans is neither planned nor likely to occur in the foreseeable future. Accordingly, the loans are classified as non-current.

Details of the material joint ventures are as follows:

Name of joint ventures	Country of incorporation	Effective interests held by the Group	
		2020 %	2019 %
One Raffles Quay Pte. Ltd. ("ORQPL") (1)	Singapore	**33.33**	33.33
BFC Development LLP ("BFCDLLP") (1)	Singapore	**33.33**	33.33
Park Mall Investment Limited ("PMIL") (2)	British Virgin Islands	**30.0**	30.0
Southgate Trust ("SGT") (3)	Australia	**50.0**	50.0

7 INTERESTS IN JOINT VENTURES (CONT'D)

Name of joint ventures	Country of incorporation	Effective interests held by the Group	
		2020 %	2019 %
Nova Limited Partnership [1] [5]	United Kingdom	**50.0**	–
Nova Residential Limited Partnership [1] [5]	United Kingdom	**50.0**	–
<u>*Held by joint ventures*</u>			
Held by PMIL			
Park Mall Holdings Limited [2]	British Virgin Islands	**30.0**	30.0
Held by Park Mall Holdings Limited			
Park Mall Pte. Ltd. [4]	Singapore	**30.0**	30.0

One Raffles Quay Pte. Ltd. owns One Raffles Quay, Singapore.

BFC Development LLP owns Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall, Singapore.

Park Mall Pte. Ltd. owns a commercial property located at 9 Penang Road, Singapore.

Suntec REIT (Australia) Trust owns 50% interest in Southgate Trust which in turn, owns 100% in Southgate Complex, Melbourne, Australia.

Nova Limited Partnership owns the properties, Nova North, Nova South, and commercial units in The Nova Building, United Kingdom.

Nova Residential Limited Partnership holds the residential ground lease in The Nova Building, United Kingdom.

(1) Audited by a member of Ernst & Young Global Limited. The Manager's Board of Directors and Audit Committee are satisfied that the appointment will not compromise the standard and effectiveness of the audit.
(2) Not required to be audited under the laws of the country in which it was incorporated.
(3) For consolidation purposes, this entity has been audited by a member of KPMG International.
(4) Audited by KPMG LLP Singapore.
(5) Collectively, the "Nova Estate entities"

7 INTERESTS IN JOINT VENTURES (CONT'D)

The following summarises the financial information of the Group's material joint ventures based on their financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

2020	ORQPL $'000	BFCDLLP $'000	PMIL $'000	SGT $'000	Nova Estate entities $'000	Immaterial joint ventures $'000	Total $'000
Revenue	155,719	208,115	47,298	47,299	2,782		
Expenses	(76,840)	(96,131)	(18,129)	(11,095)	(806)		
Net change in fair value of investment properties	(10,900)	(40,000)	(31,234)	(36,717)	19,252		
Total return for the year [(a)]	67,979	71,984	(2,065)	(513)	21,228		
[(a)] Includes:							
- Depreciation	(146)	(54)	(10)	–	–		
- Interest income	140	101	–	6	–		
- Interest expense	(22,141)	(48,377)	(11,810)	–	–		
- Tax expense	(16,304)	–	–	–	–		
Non-current assets	1,703,387	5,042,996	930,150	795,117	1,587,431		
Current assets[(b)]	1,516,246	20,553	17,856	21,776	20,303		
Current liabilities[(c)]	(62,193)	(38,741)	(27,584)	(20,785)	(35,873)		
Non-current liabilities[(d)]	(1,065,845)	(1,709,471)	(649,583)	–	(1,221,943)		
Net assets	2,091,595	3,315,337	270,839	796,108	349,918		
[(b)] Includes cash and cash equivalents	20,330	16,410	13,396	11,251	31,650		
[(c)] Includes current financial liabilities (excluding trade and other payables and provisions)	2,722	639	1,132	13,273	39,741		
[(d)] Includes non-current financial liabilities (excluding trade and other payables and provisions)	1,059,727	1,709,471	649,583	–	1,221,943		
Group's interest in net assets of joint ventures at the beginning of the year	706,224	1,116,805	131,611	384,049	–	–	2,338,689
Share of total return	22,660	23,995	(620)	(257)	10,614	–	56,392
Distributions for the year	(26,282)	(35,688)	–	(15,755)	–	–	(77,725)
(Loss)/Gain recognised directly in Unitholders' funds	(5,404)	–	–	28,149	1,021	–	23,766
Acquisition	–	–	–	–	163,325	9	163,334
Capital reduction	–	–	(53,580)	–	–	–	(53,580)
Capital injection	–	–	3,840	1,869	–	–	5,709
Carrying amount of interest in joint ventures at the end of the year	697,198	1,105,112	81,251	398,055	174,960	9	2,456,585

7 INTERESTS IN JOINT VENTURES (CONT'D)

2019	ORQPL $'000	BFCDLLP $'000	PMIL $'000	SGT $'000	Total $'000
Revenue	148,089	216,829	1	54,983	
Expenses	(82,991)	(114,305)	(6,081)	(20,253)	
Net change in fair value of investment properties	18,100	–	190,715	46,261	
Total return for the year [a]	83,198	102,524	184,635	80,991	
[a] Includes:					
- Depreciation	(28)	(44)	–	–	
- Interest income	237	403	–	76	
- Interest expense	(34,269)	(69,195)	(3,795)	–	
- Tax expense	(13,423)	–	–	–	
Non-current assets	1,712,422	5,081,981	930,002	757,622	
Current assets [b]	1,512,570	18,347	7,246	11,273	
Current liabilities [c]	(933,781)	(5,983)	(37,935)	(6,901)	
Non-current liabilities [d]	(172,549)	(1,743,930)	(460,608)	–	
Net assets	2,118,662	3,350,415	438,705	761,994	
[b] Includes cash and cash equivalents	16,654	15,610	3,044	9,108	
[c] Includes current financial liabilities (excluding trade and other payables and provisions)	910,904	5,034	–	1,084	
[d] Includes non-current financial liabilities (excluding trade and other payables and provisions)	167,069	1,743,930	460,608	–	
Group's interest in net assets of joint ventures at the beginning of the year	699,429	1,116,795	69,501	353,891	2,239,616
Share of total return	27,732	34,175	55,390	40,496	157,793
Distributions for the year	(21,693)	(34,165)	–	(18,699)	(74,557)
Gain/(Loss) recognised directly in Unitholders' funds	756	–	–	(5,713)	(4,957)
Capital injection	–	–	6,720	14,074	20,794
Carrying amount of interest in joint ventures at the end of the year	706,224	1,116,805	131,611	384,049	2,338,689

8 INTERESTS IN SUBSIDIARIES

	Trust 2020 $'000	Trust 2019 $'000
Equity investment at cost	**1,184,441**	957,336
Loans to subsidiaries	**1,171,652**	823,034
	2,356,093	1,780,370

The loans are unsecured, interest-free and have no fixed terms of repayment. The loans to subsidiaries represent the Group's and the Trust's net investments in the subsidiaries and the settlement of these loans is neither planned nor likely to occur in the foreseeable future. Accordingly, the loans are classified as non-current.

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Effective interests held by the Group 2020 %	Effective interests held by the Group 2019 %
Held by the Trust			
Comina Investment Limited. (2)	British Virgin Islands	**100**	100
Suntec Harmony Pte. Ltd. (1)	Singapore	**100**	100
Suntec REIT MTN Pte. Ltd. (1)	Singapore	**100**	100
Suntec REIT Capital Pte. Ltd. (1)	Singapore	**100**	100
Suntec REIT (Australia) Trust (2)	Australia	**100**	100
Suntec (PM) Pte. Ltd. (1)	Singapore	**100**	100
Suntec REIT UK1 Pte. Ltd. (1)	Singapore	**100**	–
Held through subsidiaries			
***Held by Suntec Harmony Pte. Ltd*.**			
Harmony Partners Investments Limited (2)	British Virgin Islands	**57.8**	51.0
Held by Harmony Partners Investments Limited			
Harmony Investors Group Limited (2)	British Virgin Islands	**66.3**	60.8
Held by Harmony Investors Group Limited			
Harmony Investors Holding Limited (2)	British Virgin Islands	**66.3**	60.8
Held by Harmony Investors Holding Limited			
Harmony Convention Holding Pte Ltd (1)	Singapore	**66.3**	60.8

8 INTERESTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Country of incorporation	Effective interests held by the Group	
		2020 %	2019 %
Held by Suntec REIT (Australia) Trust			
Suntec REIT 177 Trust [3]	Australia	**100**	100
Suntec REIT 477 Trust [3]	Australia	**100**	100
Suntec REIT 55 Trust [3]	Australia	**100**	100
Suntec REIT 21 Trust [3]	Australia	**100**	100
Held by Suntec REIT 477 Trust			
Suntec REIT 477 Sub-Trust [4]	Australia	**100**	100
Held by the Trust and Suntec REIT UK1 Pte. Ltd.			
Victoria Circle Unit Trust 1 [2]	Jersey	**100**	–
Victoria Circle Unit Trust 2 [2]	Jersey	**100**	–

Harmony Convention Holding Pte Ltd owns Suntec Singapore, Singapore.

Suntec REIT 177 Trust owns 177 – 199 Pacific Highway, North Sydney.

Suntec REIT 477 Trust owns 50% interest in Olderfleet, 477 Collins Street, Melbourne.

Suntec REIT 55 Trust owns 55 Currie Street, Adelaide.

Suntec REIT 21 Trust owns 21 Harris Street, Pyrmont, New South Wales.

Victoria Circle Unit Trust 1 and Victoria Circle Unit Trust 2 (collectively known as "JPUTs") indirectly own 50% interest in Nova North, Nova South and The Nova Building ("Nova Properties") through the 50% ownership interest in Nova Limited Partnership and Nova Residential Limited Partnership.

As at 31 December 2020, the Trust's interests in Suntec REIT 177 Trust, Suntec REIT 55 Trust, Suntec REIT 21 Trust and the JPUTs, have been mortgaged as security for credit facilities (Note 13).

(1) *Audited by KPMG LLP Singapore.*
(2) *Not required to be audited under the laws of the country in which it is incorporated.*
(3) *For consolidation purposes, this entity has been audited by a member of KPMG International.*
(4) *Entity is dormant in FY2020 and FY2019.*

9 LONG TERM INVESTMENT

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Non-current investments				
Equity investments – at FVOCI	**–**	–	**631**	–

9 LONG TERM INVESTMENT (CONT'D)

Equity investments designated at FVOCI

These equity investments relate to the Trust's 0.1% direct interest in Victoria Circle Unit Trust 1 and Victoria Circle Unit Trust 2. These equity investments represent investments that the Trust intends to hold for the long-term for strategic purposes and are designated at FVOCI.

10 FINANCIAL DERIVATIVES

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Derivative assets				
- Interest rate swaps	**–**	1	**–**	1
Classified as:				
Current	**–**	1	**–**	1
Derivative liabilities				
- Interest rate swaps	**44,623**	19,585	**22,946**	11,652
- Forward exchange contracts	**3,222**	88	**3,222**	88
- Embedded derivatives relating to convertible bonds	**768**	12,561	**768**	12,561
	48,613	32,234	**26,936**	24,301
Classified as:				
Current	**9,559**	11,761	**9,559**	11,761
Non-current	**39,054**	20,473	**17,377**	12,540
	48,613	32,234	**26,936**	24,301

Interest rate swaps

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

Interest rate swaps of the Group and the Trust with a total notional amount of $1,849.0 million (2019: $1,466.5 million) and $1,025.5 million (2019: $1,100.5 million) respectively, have been entered into at the reporting date to provide fixed rate funding for 3 to 6 years (2019: 3 to 5 years) at an average interest rate of 0.35% to 2.24% (2019: 1.48% to 2.24%) per annum.

Forward foreign exchange contracts

The Group manages its exposure to foreign currency movements on its net income denominated in Australian Dollar from its investment in Australia by using forward exchange contracts.

Forward exchange contracts with aggregate notional amounts of $80.3 million (2019: $20.2 million), have been entered into to hedge the currency risk of Australian Dollar.

10 FINANCIAL DERIVATIVES (CONT'D)

Offsetting financial assets and financial liabilities

The Group enters into derivative transactions under International Swaps and Derivatives Association ("ISDA") master netting agreements. In general, under such agreements, the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is due or payable in settlement of all transactions.

The above ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Group or the counterparties. In addition, the Group and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

As at 31 December 2020 and 31 December 2019, the Group's derivative financial assets and liabilities do not have any amounts that are eligible for offsetting under the enforceable master netting arrangement.

11 TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Current				
Trade receivables	**17,789**	12,986	**13,640**	6,045
Impairment losses	**(5,358)**	(1,707)	**(5,030)**	(1,698)
Net receivables	**12,431**	11,279	**8,610**	4,347
Deposits	**13**	14,037	**–**	–
Amounts due from subsidiaries:				
- Non-trade	**–**	–	**14,993**	29,023
Amount due from joint venture				
- Non-trade	**4,125**	548	**–**	–
Other receivables	**5,575**	2,768	**390**	26
Prepayments	**9,805**	8,355	**7,437**	6,312
	31,949	36,987	**31,430**	39,708

The trade receivables in respect of Suntec City Mall and Suntec Singapore (2019: Suntec Singapore), amounting to $16,139,000 (2019: $5,999,000) are charged or assigned by way of security for credit facilities granted to the Trust and certain subsidiaries (Note 13).

As at 31 December 2019, deposits were mainly related to security deposit paid for the development of 21 Harris Street, Pyrmont, Sydney, Australia.

The non-trade amounts due from the subsidiaries are unsecured, interest-free and repayable on demand.

The exposure of the Group and the Trust to currency risk, credit risk and impairment losses related to trade receivables is disclosed in Note 17.

12 CASH AND CASH EQUIVALENTS

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Cash at bank and in hand	**226,400**	156,132	**122,283**	106,184
Fixed deposits	**1,074**	1,074	**1,074**	1,074
Cash and cash equivalents	**227,474**	157,206	**123,357**	107,258

Certain cash and cash equivalents in respect of Suntec City Mall, Suntec Singapore, 177 Pacific Highway, 55 Currie Street, 21 Harris Street, the JPUTs and a subsidiary (2019: Suntec Singapore) amounting to $75,820,000 (2019: $22,153,000) are charged or assigned by way of security for credit facilities granted to the Trust and certain subsidiaries (Note 13).

The exposure of the Group and the Trust to interest rate and currency risks related to financial assets is disclosed in Note 17.

13 INTEREST-BEARING BORROWINGS

		Group		Trust	
	Note	**2020 $'000**	2019 $'000	**2020 $'000**	2019 $'000
Term loans					
- secured		**1,414,550**	364,559	**239,436**	–
- unsecured		**3,253,574**	2,901,938	**3,253,574**	2,901,938
		4,668,124	3,266,497	**3,493,010**	2,901,938
Revolving credit facility					
- unsecured		**70,000**	–	**70,000**	–
Convertible bonds					
- unsecured	14	**88,337**	363,751	**88,337**	363,751
		4,826,461	3,630,248	**3,651,347**	3,265,689
Classified as:					
Current		**678,203**	589,429	**678,203**	589,429
Non-current		**4,148,258**	3,040,819	**2,973,144**	2,676,260
		4,826,461	3,630,248	**3,651,347**	3,265,689

The exposure of the Group and the Trust to liquidity and interest rate risks related to interest-bearing borrowings is disclosed in Note 17.

13 INTEREST-BEARING BORROWINGS (CONT'D)

Terms and debt repayment schedule

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

	Currency	Weighted average nominal interest rate %	Year of maturity	2020 Face value $'000	2020 Carrying amount $'000	2019 Face value $'000	2019 Carrying amount $'000
Group							
Floating rate term loans	SGD	1.14% (2019: 2.57%)	2021 – 2026 (2019: 2020 – 2024)	**2,847,607**	**2,830,814**	2,336,923	2,328,000
Floating rate term loans	AUD	1.47% (2019: nil)	2025 – 2026 (2019: nil)	**457,470**	**454,263**	–	–
Floating rate term loans	GBP	2.30% (2019: nil)	2025 (2019: nil)	**360,740**	**355,922**	–	–
Fixed rate term loans	SGD	3.01% (2019: 3.20%)	2021 – 2027 (2019: 2020 – 2025)	**1,030,000**	**1,027,125**	940,000	938,497
Revolving credit facility	SGD	1.19% (2019: nil)	2021 (2019: nil)	**70,000**	**70,000**	–	–
Convertible bonds	SGD	1.75% (2019: 1.75%)	2021 (2019: 2024)	**2,750**	**2,748**	300,000	279,470
Convertible bonds	SGD	1.75% (2019: 1.75%)	2021 (2019: 2021)	**86,500**	**85,589**	86,500	84,281
				4,855,067	**4,826,461**	3,663,423	3,630,248
Trust							
Floating rate term loans	SGD	1.14% (2019: 2.59%)	2021 – 2026 (2019: 2019 – 2024)	**2,481,607**	**2,465,885**	1,970,923	1,963,441
Fixed rate term loans	SGD	3.01% (2019: 3.20%)	2021 – 2027 (2019: 2020 – 2025)	**1,030,000**	**1,027,125**	940,000	938,497
Revolving credit facility	SGD	1.19% (2019: nil)	2021 (2019: nil)	**70,000**	**70,000**	–	–
Convertible bonds	SGD	1.75% (2019: 1.75%)	2021 (2019: 2024)	**2,750**	**2,748**	300,000	279,470
Convertible bonds	SGD	1.75% (2019: 1.75%)	2021 (2019: 2021)	**86,500**	**85,589**	86,500	84,281
				3,670,857	**3,651,347**	3,297,423	3,265,689

13 INTEREST-BEARING BORROWINGS (CONT'D)

Secured loans

As at 31 December 2020, the Group has in place the following loan facilities:

- $406 million (2019: $406 million) secured term loan facility and revolving credit facility;
- $900 million (2019: nil) secured syndicated term loan facility;
- A$450 million (2019: nil) secured term green loan facility; and
- GBP200 million (2019: nil) secured syndicated term loan facility.

As at 31 December 2020, the Group has drawn down $1,434 million (2019: $366 million) of the secured facilities.

The facilities are secured on the following:

- A first legal mortgage on Suntec Singapore, Suntec City Mall, 177 Pacific Highway, 55 Currie Street and 21 Harris Street (Note 5) (2019: Suntec Singapore);
- A first fixed charge over the central rental collection account in relation to the Suntec Singapore and Suntec City Mall (Note 12) (2019: Suntec Singapore);
- A first registered general security over the rental collection accounts in relation to the 177 Pacific Highway, 55 Currie Street and 21 Harris Street, supported by account bank deeds from the account banks (Note 12) (2019: nil);
- An assignment of the rights, title and interest in the key documents and the proceeds in connection with the Suntec Singapore and Suntec City Mall (Note 11) (2019: Suntec Singapore);
- An assignment of the rights, title and interest in the insurance policies in relation to Suntec Singapore and Suntec City Mall (2019: Suntec Singapore);
- A fixed and floating charge over the assets of a subsidiary in relation to Suntec Singapore (2019: Suntec Singapore), agreements, collateral, as required by the financial institutions granting the facility;
- A first registered specific security deed in respect of all units and shares in, and any shareholder loans to Suntec REIT 177 Trust, Suntec REIT 55 Trust and Suntec REIT 21 Trust (Note 8) (2019: nil);
- First ranking charge over units in the JPUTs, bank accounts of the JPUTs, and bank accounts of a subsidiary (Notes 8 and 12) (2019: nil); and
- Corporate guarantees from the Trust.

Unsecured loans

Included in unsecured term loans are euro medium term notes ("EMTN") amounting to $1,030.0 million (2019: $940.0 million).

13 INTEREST-BEARING BORROWINGS (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Liabilities			Derivative liabilities	
	Term loans $'000	Convertible bonds $'000	Interest payable $'000	Embedded derivatives liabilities relating to convertible bonds $'000	Total $'000
Balance at 1 January 2020	3,266,497	363,751	22,976	12,561	3,665,785
Changes from financing cash flows					
Financing costs paid	(21,481)	(5)	(104,400)	–	(125,886)
Redemption of convertible bonds	–	(297,250)	–	–	(297,250)
Proceeds from medium term notes	400,000	–	–	–	400,000
Proceeds from interest-bearing loans	1,499,368	–	–	–	1,499,368
Repayment of medium term notes	(310,000)	–	–	–	(310,000)
Repayment of interest-bearing loans	(161,314)	–	–	–	(161,314)
Total changes from financing cash flows	1,406,573	(297,255)	(104,400)	–	1,004,918
Effects of changes in foreign exchange rates	60,306	–	–	–	60,306
Change in fair value	–	–	–	(11,793)	(11,793)
Other changes					
Liability-related					
Financing costs	4,748	21,841	92,264	–	118,853
Capitalised borrowing costs	–	–	2,792	–	2,792
Total liability-related other changes	4,748	21,841	95,056	–	121,645
Balance at 31 December 2020	4,738,124	88,337	13,632	768	4,840,861

13 INTEREST-BEARING BORROWINGS (CONT'D)

	Liabilities			Derivative liabilities	
	Term loans $'000	Convertible bonds $'000	Interest payable $'000	Embedded derivatives liabilities relating to convertible bonds $'000	Total $'000
Balance at 1 January 2019	3,132,185	359,660	14,290	23,632	3,529,767
Changes from financing cash flows					
Financing costs paid	(2,997)	(15)	(94,501)	–	(97,513)
Redemption of convertible bonds	–	(1,000)	–	–	(1,000)
Proceeds from medium term notes	100,000	–	–	–	100,000
Proceeds from interest-bearing loans	498,387	–	–	–	498,387
Repayment of interest-bearing loans	(465,000)	–	–	–	(465,000)
Total changes from financing cash flows	130,390	(1,015)	(94,501)	–	34,874
Change in fair value	–	–	–	(11,071)	(11,071)
Other changes					
Liability-related					
Financing costs	3,922	5,106	98,862	–	107,890
Capitalised borrowing costs	–	–	4,325	–	4,325
Total liability-related other changes	3,922	5,106	103,187	–	112,215
Balance at 31 December 2019	3,266,497	363,751	22,976	12,561	3,665,785

14 CONVERTIBLE BONDS – DEBT COMPONENT

	Group and Trust	
	2020 **$'000**	2019 $'000
At 1 January	**363,751**	359,660
Redemption of convertible bonds due 2024	**(297,250)**	–
Redemption of convertible bonds due 2021	**–**	(1,000)
Transaction costs	**(5)**	(15)
Amortisation of transaction costs	**2,775**	773
Interest accretion	**19,066**	4,333
At 31 December	**88,337**	363,751

Convertible bonds due 2024

In 2017, the Trust issued $300.0 million principal amounts of convertible bonds (the "2024 Bonds") due 2024 which carry a coupon interest at 1.75% per annum. The 2024 Bonds are convertible by bondholders into Units at the initial conversion price of $2.189 per new Unit. In accordance with the terms and conditions of the 2024 Bonds (the "Terms of the 2024 Bonds"), the initial conversion price of $2.189 was adjusted to $2.14 per new Unit, effective as of 28 February 2019. On 22 January 2020, the Manager announced that the conversion price of $2.14 was adjusted to $2.11 per new Unit, effective as of 28 February 2020 in accordance with the Terms of the 2024 Bonds.

Pursuant to condition 7.4 of the terms and conditions of the 2024 Bonds, on 30 November 2020 the Trust redeemed $297,250,000 of the 2024 Bonds and such bonds had been cancelled on 1 December 2020. As at 31 December 2020, $2,750,000 in principal amount remained outstanding. On 1 December 2020, the Trust issued a notice pursuant to condition 7.2(c) of the 2024 Bonds Terms and Conditions to redeem the remaining $2,750,000 of the 2024 Bonds on 2 January 2021.

Based on the conversion price of $2.11 (2019: $2.14), the 2024 Bonds are convertible into approximately 1,303,317 Units (2019: 140,186,915 Units), representing 0.04% (2019: 5.0%) of the total number of Units of the Trust in issue as at 31 December 2020 (2019: 31 December 2019).

As at 31 December 2020, the effective interest rate for the 2024 Bonds – debt component – is approximately 3.27% (2019: 3.27%) per annum.

Convertible bonds due 2021

In 2016, the Trust issued $300.0 million principal amounts of convertible bonds (the "2021 Bonds") due 2021 which carry a coupon interest at 1.75% per annum. The 2021 Bonds are convertible by bondholders into Units at the initial conversion price of $2.101 per new Unit. The initial conversion price of $2.101 was adjusted to $2.06 per new Unit, in accordance with the terms and conditions of the 2021 Bonds (the "Terms of the 2021 Bonds"), effective as of 28 February 2017.

The Trust has the option to pay cash in lieu of issuing new Units on conversion of any 2021 Bonds. The 2021 Bonds may be redeemed, in whole or in part, at the option of the bondholders on 5 September 2019 at their principal amount plus interest accrued up to the date of the redemption. The 2021 Bonds may also be redeemed, in whole but not in part at their principal amount plus interest accrued to (but excluding) the date of redemption, at the option of the Trust on or at any time after 5 September 2019 but not less than 7 business days prior to 5 September 2021 (subject to the satisfaction of certain conditions).

14 CONVERTIBLE BONDS – DEBT COMPONENT (CONT'D)

Convertible bonds due 2021 (cont'd)

On 15 January 2018 and 20 February 2018, conversion notices for the conversion of $500,000 in principal amount of 2021 Bonds were received pursuant to condition 5.2(c)(i) of the Terms of the 2021 Bonds. Pursuant to the aforementioned conversion notices received, 242,718 new Units were issued at a conversion price of $2.06 per new Unit on 25 January 2018 and 28 February 2018. Accordingly, $500,000 in principal amount of the 2021 Bonds had been converted and cancelled in accordance with the Terms of the 2021 Bonds.

The conversion price of $2.06 was adjusted to $2.04 per new Unit, effective as of 28 November 2018, adjusted to $2.01 per new Unit, effective as of 28 February 2019, and further adjusted to $1.98 per new Unit, effective 28 February 2020 in accordance with the Terms of the 2021 Bonds.

As at 31 December 2020, $86.5 million (2019: $86.5 million) remained outstanding.

Based on the adjusted conversion price of $1.98 (2019: $2.01), the 2021 Bonds are convertible into approximately 43,686,868 Units (2019: 43,034,825 Units), representing 1.5% (2019: 1.5%) of the total number of Units of the Trust in issue as at 31 December 2020 (2019: 31 December 2019).

On 26 January 2021, the Manager announced that the conversion price of the 2021 Bonds would be adjusted from $1.98 to $1.96 per new Unit effective as of 26 February 2021. Based on the revised conversion price, the 2021 Bonds are convertible into approximately 44,132,653 Units, representing 1.6% of the total number of Units of the Trust in issue as at 31 December 2020.

As at 31 December 2020, the effective interest rate for the 2021 Bonds – debt component – is approximately 3.33% (2019: 3.33%) per annum.

15 TRADE AND OTHER PAYABLES

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Trade payables	**1,292**	3,053	**518**	1,147
Accrued expenses	**49,120**	38,136	**15,564**	26,558
Amounts due to a subsidiary (trade)	**–**	–	**–**	10
Amounts due to related parties (trade):				
- Trustee	**295**	413	**295**	413
- Manager	**12,416**	4,399	**12,416**	4,147
- Related corporations of the Manager	**896**	3,149	**–**	825
Deferred income	**15,274**	21,588	**8,654**	9,037
Interest payable	**13,632**	22,976	**12,784**	22,851
Deferred grant liabilities	**4,287**	–	**4,287**	–
Other payables	**22,325**	43,786	**11,738**	5,752
	119,537	137,500	**66,256**	70,740

As at 31 December 2019, other payables of the Group included progress payments payable of $25.1 million for Olderfleet, 477 Collins Street.

The deferred grant liabilities relate to the Singapore government's property tax rebates and other cash grants as part of the COVID-19 relief measures, which will be passed to eligible tenants in the form of rental rebates.

The exposure of the Group and the Trust to liquidity and currency risks related to trade and other payables is disclosed in Note 17.

16 DEFERRED TAX LIABILITIES

Movements in deferred tax liabilities of the Group during the year

	At 1 January 2019 $'000	Recognised in statement of total return (Note 29) $'000	At 31 December 2019 $'000	Recognised in statement of total return (Note 29) $'000	At 31 December 2020 $'000
Investment properties	43,110	10,371	53,481	525	54,006
Plant and equipment	191	(78)	113	(298)	(185)
Tax losses carry-forward	(2,293)	1,867	(426)	(2,744)	(3,170)
Others	(987)	755	(232)	(1)	(233)
	40,021	12,915	52,936	(2,518)	50,418

17 FINANCIAL INSTRUMENTS

Financial risk management

The Group has exposure to credit risk, liquidity risk and market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risk. The Manager monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors of the Manager oversees how management of the Manager monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board is assisted in its oversight role by the Audit Committee. The Audit Committee undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

Credit risk

Credit risk is the potential loss resulting from the failure of a tenant or a counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

The Manager has established credit limits for tenants, obtained security deposits and/or bank guarantees (where applicable) and monitors their balances on an on-going basis. Credit evaluations are performed by the Manager before lease agreements are entered into with tenants.

17 FINANCIAL INSTRUMENTS (CONT'D)

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

		Group		Trust	
	Note	**2020 $'000**	2019 $'000	**2020 $'000**	2019 $'000
Rental guarantee receivables	6	**23,685**	–	**–**	–
Derivative assets					
- Interest rate swaps	10	**–**	1	**–**	1
Trade and other receivables*	11	**22,144**	28,632	**23,993**	33,396
Cash and cash equivalents	12	**227,474**	157,206	**123,357**	107,258
		273,303	185,839	**147,350**	140,655

* *Excludes prepayments.*

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

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Office	**2,194**	1,026	**545**	74
Retail	**7,988**	4,506	**8,065**	4,273
Convention	**2,249**	5,747	**–**	–
	12,431	11,279	**8,610**	4,347

The Group's tenants are engaged in a wide spectrum of business activities across many industry segments.

Impairment losses

Expected credit loss assessment for individual tenants

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual tenants, which comprise a large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off and are based on actual credit loss experience over the last three years.

17 FINANCIAL INSTRUMENTS (CONT'D)

Impairment losses (cont'd)

Expected credit loss assessment for individual tenants (cont'd)

The ageing of trade receivables at the reporting date was:

	2020 $'000	2019 $'000
Group		
Not past due	**6,520**	8,238
Past due 31 – 60 days	**1,628**	1,065
Past due 61 – 90 days	**1,577**	501
More than 90 days*	**8,064**	3,182
	17,789	12,986
Less: Impairment loss	**(5,358)**	(1,707)
	12,431	11,279
Trust		
Not past due	**3,545**	2,281
Past due 31 – 60 days	**1,431**	482
Past due 61 – 90 days	**1,422**	381
More than 90 days*	**7,242**	2,901
	13,640	6,045
Less: Impairment loss	**(5,030)**	(1,698)
	8,610	4,347

* *Included in these balances of the Group and the Trust were credit impaired balances of $5,358,000 (2019: $1,707,000) and $5,030,000 (2019: $1,698,000) respectively.*

Movements in allowance for impairment in respect of trade receivables

The movements in the allowance for impairment in respect of trade receivables during the year were as follows:

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
At 1 January	**1,707**	3,567	**1,698**	3,546
Impairment loss recognised	**4,909**	746	**4,153**	746
Write-back of impairment loss	**(656)**	(181)	**(222)**	(181)
Allowance utilised	**(602)**	(2,425)	**(599)**	(2,413)
At 31 December	**5,358**	1,707	**5,030**	1,698

The Manager believes that, apart from the above, no additional impairment allowance is necessary in respect of trade receivables as these receivables mainly arose from tenants that have a good track record with the Group, and the Group has sufficient security deposits as collateral.

Non-trade amounts due from subsidiaries and loans to subsidiaries

The Trust has non-trade receivables from its subsidiaries of $1,186,645,000 (2019: $843,633,000). These balances are amounts lent to subsidiaries to satisfy their funding requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default, these exposures are considered to have low credit risk. Therefore, impairment on these balances has been measured on the 12-month expected credit loss basis and the amount of the allowance is insignificant.

17 FINANCIAL INSTRUMENTS (CONT'D)

Loans to joint ventures

The Group and the Trust have loans to joint ventures of $1,229,908,000 (2019: $618,145,000) and $618,937,000 (2019: $618,145,000) respectively. These balances are amounts lent to joint ventures to satisfy their funding requirements. Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default, these exposures are considered to have low credit risk. Therefore, impairment on these balances has been measured on the 12-month expected credit loss basis and the amount of the allowance is insignificant.

Rental guarantee receivables

The Group has rental guarantee receivables amounting to $23,685,000 (2019: nil). Based on an assessment of qualitative and quantitative factors that are indicative of the risk of default, these exposures are considered to have low credit risk.

Derivatives

The derivatives are entered into with bank and financial institution counterparties which are rated A to AA-, based on Standard & Poor's ratings.

Cash and cash equivalents

Cash and fixed deposits are placed with financial institutions which are regulated. The Group and the Trust held cash and cash equivalents of $227,474,000 and $123,357,000 respectively at 31 December 2020 (2019: $157,206,000 and $107,258,000 respectively). The cash and cash equivalents are held with bank and financial institution counterparties which are rated A to AA-, based on Standard & Poor's ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Manager monitors and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. In addition, the Manager monitors and observes limits on total borrowings according to the CIS Code issued by the MAS.

The Group has a US$2,000.0 million (approximately $2,642.6 million) (2019: US$1,500.0 million (approximately $2,016.9 million)) Euro Medium Term Securities Programme, of which $1,340.0 million (2019: $940.0 million) was utilised as at 31 December 2020.

17 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

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

		<--- Cash flows			--->
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	1 to 5 years $'000	More than 5 years $'000
Group					
2020					
Non-derivative financial liabilities					
Floating rate term loans	3,640,999	(3,822,738)	(294,717)	(3,046,992)	(481,029)
Fixed rate term loans	1,027,125	(1,130,466)	(178,866)	(745,134)	(206,466)
Revolving credit facility	70,000	(70,048)	(70,048)	–	–
Convertible bonds	88,337	(90,275)	(90,275)	–	–
Trade and other payables*	99,976	(99,976)	(99,976)	–	–
Security deposits	75,874	(75,874)	(36,843)	(35,431)	(3,600)
	5,002,311	(5,289,377)	(770,725)	(3,827,557)	(691,095)
Derivative financial instruments					
Interest rate swaps (net-settled)	44,623	(49,961)	(23,226)	(26,693)	(42)
Forward exchange contracts	3,222				
- Outflow		(83,361)	(66,079)	(17,282)	–
- Inflow		80,340	63,483	16,857	–
	47,845	(52,982)	(25,822)	(27,118)	(42)
	5,050,156	(5,342,359)	(796,547)	(3,854,675)	(691,137)
Group					
2019					
Non-derivative financial liabilities					
Floating rate term loans	2,328,000	(2,530,673)	(60,163)	(2,470,510)	–
Fixed rate term loans	938,497	(1,002,632)	(331,042)	(571,250)	(100,340)
Convertible bonds	363,751	(414,840)	(327,318)	(87,522)	–
Trade and other payables*	115,912	(115,912)	(115,912)	–	–
Security deposits	73,309	(73,309)	(19,967)	(48,672)	(4,670)
	3,819,469	(4,137,366)	(854,402)	(3,177,954)	(105,010)
Derivative financial instruments					
Interest rate swaps (net-settled)	19,585	(15,111)	(5,690)	(9,421)	–
Forward exchange contracts	88				
- Outflow		(20,307)	(20,307)	–	–
- Inflow		20,240	20,240	–	–
	19,673	(15,178)	(5,757)	(9,421)	–
	3,839,142	(4,152,544)	(860,159)	(3,187,375)	(105,010)

* *Excludes deferred income and deferred grant liabilities.*

17 FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

		<---------- Cash flows	---------->		
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	1 to 5 years $'000	More than 5 years $'000
Trust					
2020					
Non-derivative financial liabilities					
Floating rate term loans	2,465,885	(2,553,834)	(275,677)	(2,026,612)	(251,545)
Fixed rate term loans	1,027,125	(1,130,466)	(178,866)	(745,134)	(206,466)
Revolving credit facility	70,000	(70,048)	(70,048)	–	–
Convertible bonds	88,337	(90,275)	(90,275)	–	–
Trade and other payables*	53,315	(53,315)	(53,315)	–	–
Security deposits	61,776	(61,776)	(24,365)	(33,811)	(3,600)
	3,766,438	(3,959,714)	(692,546)	(2,805,557)	(461,611)
Derivative financial instruments					
Interest rate swaps (net-settled)	22,946	(23,236)	(14,865)	(8,371)	–
Forward exchange contracts	3,222				
- Outflow		(83,361)	(66,079)	(17,282)	–
- Inflow		80,340	63,483	16,857	–
	26,168	(26,257)	(17,461)	(8,796)	–
	3,792,606	(3,985,971)	(710,007)	(2,814,353)	(461,611)
Trust					
2019					
Non-derivative financial liabilities					
Floating rate term loans	1,963,441	(2,129,418)	(51,134)	(2,078,284)	–
Fixed rate term loans	938,497	(1,002,632)	(331,042)	(571,250)	(100,340)
Convertible bonds	363,751	(414,840)	(327,318)	(87,522)	–
Trade and other payables*	61,703	(61,703)	(61,703)	–	–
Security deposits	67,505	(67,505)	(17,437)	(45,614)	(4,454)
	3,394,897	(3,676,098)	(788,634)	(2,782,670)	(104,794)
Derivative financial instruments					
Interest rate swaps (net-settled)	11,652	(9,267)	(4,193)	(5,074)	–
Forward exchange contracts	88				
- Outflow		(20,307)	(20,307)	–	–
- Inflow		20,240	20,240	–	–
	11,740	(9,334)	(4,260)	(5,074)	–
	3,406,637	(3,685,432)	(792,894)	(2,787,744)	(104,794)

* *Excludes deferred income and deferred grant liabilities.*

Net-settled derivative financial assets are included in the maturity analysis as they are held to 'hedge' the cash flow variability of the Group's floating rate term loans.

17 FINANCIAL INSTRUMENTS (CONT'D)

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's total return or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Interest rate risk is managed by the Manager on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates.

The Group adopts a policy of maintaining between 60% to 80% of its interest rate risk exposure at a fixed-rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

As at 31 December 2020, the Group and the Trust have entered into interest rate swaps with a total notional amount of $1,849.0 million (2019: $1,466.5 million) and $1,025.5 million (2019: $1,100.5 million) respectively, whereby the Group and the Trust have agreed with counterparties to exchange, at specified intervals, the difference between floating rate and fixed rate interest amounts calculated by reference to the agreed notional principal amounts of the swaps.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments was as follows:

	Group Nominal amount		Trust Nominal amount	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Fixed rate instruments				
Interest-bearing borrowings	**(1,119,250)**	(1,326,500)	**(1,119,250)**	(1,326,500)
Interest rate swaps	**(1,848,971)**	(1,466,500)	**(1,025,500)**	(1,100,500)
	(2,968,221)	(2,793,000)	**(2,144,750)**	(2,427,000)
Variable rate instruments				
Interest-bearing borrowings	**(3,735,817)**	(2,336,923)	**(2,551,607)**	(1,970,923)
Interest rate swaps	**1,848,971**	1,466,500	**1,025,500**	1,100,500
	(1,886,846)	(870,423)	**(1,526,107)**	(870,423)

17 FINANCIAL INSTRUMENTS (CONT'D)

Cash flow sensitivity analysis for variable rate instruments

For the interest rate swaps and the other variable rate financial assets and liabilities, a change of 50 basis points ("bp") (2019: 50 bp) in interest rate at the reporting date would increase/(decrease) total return (before any tax effects) by the amounts shown below. This analysis assumes that all other variables remain constant.

	Statement of total return	
	50 bp increase $'000	50 bp decrease $'000
Group		
2020		
Variable rate instruments	(18,679)	18,679
Interest rate swaps	22,272	(22,790)
Cash flow sensitivity (net)	3,593	(4,111)
2019		
Variable rate instruments	(11,685)	11,685
Interest rate swaps	16,212	(16,561)
Cash flow sensitivity (net)	4,527	(4,876)
Trust		
2020		
Variable rate instruments	(12,758)	12,758
Interest rate swaps	7,696	(7,816)
Cash flow sensitivity (net)	(5,062)	4,942
2019		
Variable rate instruments	(9,855)	9,855
Interest rate swaps	9,549	(9,726)
Cash flow sensitivity (net)	(306)	129

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at FVTPL, nor does the Group designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Currency risk

The Group is exposed to currency risk on distributions from its Australia and United Kingdom operations. In 2020, the Group entered into forward currency contracts with a total notional amount of $80.3 million (2019: $20.2 million) whereby the Group agreed with counterparties to exchange Australian Dollar at specified rates, on specified dates.

17 FINANCIAL INSTRUMENTS (CONT'D)

Currency risk (cont'd)

At the reporting date, the exposure to currency risk is as follows:

	2020 AUD $'000	2019 AUD $'000
Group		
Cash and cash equivalents	**31,842**	8,803
Trade and other receivables	**14,746**	14,946
Net statement of financial position exposure	**46,588**	23,749
Forward exchange contracts	**(80,340)**	(20,240)
Net exposure	**(33,752)**	3,509
Trust		
Cash and cash equivalents	**31,457**	8,565
Trade and other receivables	**14,746**	14,946
Net statement of financial position exposure	**46,203**	23,511
Forward exchange contracts	**(80,340)**	(20,240)
Net exposure	**(34,137)**	3,271

Sensitivity analysis

A 10% strengthening/(weakening) of the Singapore Dollar against Australian Dollar (AUD) would increase/(decrease) (2019: (decrease)/increase) total return (before any tax effects) by the amounts shown below. This analysis assumes that all other variables remain constant.

	Statement of total return	
	2020 $'000	2019 $'000
Group		
10% strengthening	**3,375**	(351)
10% weakening	**(3,375)**	351
Trust		
10% strengthening	**3,414**	(327)
10% weakening	**(3,414)**	327

Capital management

The Board of Directors of the Manager reviews the Group's capital management policy regularly so as to optimise Unitholders' return through a mix of available capital sources. The Group monitors its gearing ratio and maintains it within the approved limits. The Group assesses its capital management approach as a key part of the Group's overall strategy, and this is continuously reviewed by the Manager. The Group's aggregate leverage ratio stood at 44.3% (2019: 37.7%) as at 31 December 2020.

The Group is subject to the aggregate leverage limit as defined in the Property Funds Appendix. The Property Funds Appendix stipulates that the total borrowings and deferred payments (together the "Aggregate Leverage") of a property fund should not exceed 50.0% (2019: 45.0%) of the fund's deposited property. The Group has complied with the stipulated Aggregate Leverage limit.

There were no changes in the Group's approach to capital management during the financial year.

17 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and financial liabilities, including their level in fair value hierarchy, are as follows. It does not include fair value information of financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Group	Note	Mandatorily at fair value $'000	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value Level 1 $'000	Fair value Level 2 $'000	Fair value Level 3 $'000
2020								
Financial assets measured at fair value								
Rental guarantee receivables	6	23,685	–	–	23,685	–	–	23,685
Financial assets not measured at fair value								
Loans to joint ventures	7	–	1,229,908	–	1,229,908			
Trade and other receivables*	11	–	22,144	–	22,144			
Cash and cash equivalents	12	–	227,474	–	227,474			
		–	1,479,526	–	1,479,526			
Financial liabilities measured at fair value								
Interest rate swaps	10	(44,623)	–	–	(44,623)	–	(44,623)	–
Forward exchange contracts	10	(3,222)	–	–	(3,222)	–	(3,222)	–
Embedded derivatives relating to convertible bonds	10	(768)	–	–	(768)	–	–	(768)
		(48,613)	–	–	(48,613)			
Financial liabilities not measured at fair value								
Interest-bearing borrowings	13	–	–	(4,738,124)	(4,738,124)	–	–	(4,742,014)
Security deposits		–	–	(75,874)	(75,874)	–	–	(74,019)
Convertible bonds	14	–	–	(88,337)	(88,337)	–	–	(88,048)
Trade and other payables^	15	–	–	(99,976)	(99,976)			
		–	–	(5,002,311)	(5,002,311)			

* *Excludes prepayments.*
^ *Excludes deferred income and deferred grant liabilities.*

17 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

Group	Note	Mandatorily at fair value $'000	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value Level 1 $'000	Fair value Level 2 $'000	Fair value Level 3 $'000
2019								
Financial assets measured at fair value								
Interest rate swaps	10	1	–	–	1	–	1	–
Financial assets not measured at fair value								
Loans to joint ventures	7	–	618,145	–	618,145			
Trade and other receivables*	11	–	28,632	–	28,632			
Cash and cash equivalents	12	–	157,206	–	157,206			
		–	803,983	–	803,983			
Financial liabilities measured at fair value								
Interest rate swaps	10	(19,585)	–	–	(19,585)	–	(19,585)	–
Forward exchange contracts	10	(88)	–	–	(88)	–	(88)	–
Embedded derivatives relating to convertible bonds	10	(12,561)	–	–	(12,561)	–	–	(12,561)
		(32,234)	–	–	(32,234)			
Financial liabilities not measured at fair value								
Interest-bearing borrowings	13	–	–	(3,266,497)	(3,266,497)	–	–	(3,268,820)
Security deposits		–	–	(73,309)	(73,309)	–	–	(68,973)
Convertible bonds	14	–	–	(363,751)	(363,751)	–	–	(371,317)
Trade and other payables^	15	–	–	(115,912)	(115,912)			
		–	–	(3,819,469)	(3,819,469)			

* *Excludes prepayments.*
^ *Excludes deferred income and deferred grant liabilities.*

17 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

Trust	Note	Mandatorily at fair value $'000	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value Level 1 $'000	Fair value Level 2 $'000	Fair value Level 3 $'000
2020								
Financial assets measured at fair value								
Long term investment	9	631	–	–	631	–	–	631
Financial assets not measured at fair value								
Loans to joint ventures	7	–	618,937	–	618,937			
Loans to subsidiaries	8	–	1,171,652	–	1,171,652			
Trade and other receivables*	11	–	23,993	–	23,993			
Cash and cash equivalents	12	–	123,357	–	123,357			
		–	1,937,939	–	1,937,939			
Financial liabilities measured at fair value								
Interest rate swaps	10	(22,946)	–	–	(22,946)	–	(22,946)	–
Forward exchange contracts	10	(3,222)	–	–	(3,222)	–	(3,222)	–
Embedded derivatives relating to convertible bonds	10	(768)	–	–	(768)	–	–	(768)
		(29,936)	–	–	(29,936)			
Financial liabilities not measured at fair value								
Interest-bearing borrowings	13	–	–	(3,563,010)	(3,563,010)	–	–	(3,566,900)
Security deposits		–	–	(61,776)	(61,776)	–	–	(59,756)
Convertible bonds	14	–	–	(88,337)	(88,337)	–	–	(88,048)
Trade and other payables^	15	–	–	(53,315)	(53,315)			
		–	–	(3,766,438)	(3,766,438)			

* *Excludes prepayments.*
^ *Excludes deferred income and deferred grant liabilities.*

17 FINANCIAL INSTRUMENTS (CONT'D)

Accounting classifications and fair values (cont'd)

Trust	Note	Mandatorily at fair value $'000	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value Level 1 $'000	Fair value Level 2 $'000	Fair value Level 3 $'000
2019								
Financial assets measured at fair value								
Interest rate swaps	10	1	–	–	1	–	1	–
Financial assets not measured at fair value								
Loans to joint ventures	7	–	618,145	–	618,145			
Loans to subsidiaries	8	–	823,034	–	823,034			
Trade and other receivables*	11	–	33,396	–	33,396			
Cash and cash equivalents	12	–	107,258	–	107,258			
		–	1,581,833	–	1,581,833			
Financial liabilities measured at fair value								
Interest rate swaps	10	(11,652)	–	–	(11,652)	–	(11,652)	–
Forward exchange contracts	10	(88)	–	–	(88)	–	(88)	–
Embedded derivatives relating to convertible bonds	10	(12,561)	–	–	(12,561)	–	–	(12,561)
		(24,301)	–	–	(24,301)			
Financial liabilities not measured at fair value								
Interest-bearing borrowings	13	–	–	(2,901,938)	(2,901,938)	–	–	(2,904,261)
Security deposits		–	–	(67,505)	(67,505)	–	–	(63,360)
Convertible bonds	14	–	–	(363,751)	(363,751)	–	–	(371,317)
Trade and other payables^	15	–	–	(61,703)	(61,703)			
		–	–	(3,394,897)	(3,394,897)			

* *Excludes prepayments.*
^ *Excludes deferred income and deferred grant liabilities.*

17 FINANCIAL INSTRUMENTS (CONT'D)

Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Group			
Rental guarantee receivables	*Capitalisation approach*: The approach is based on income method which takes into consideration the estimated net rent (using the current and projected average reversal rates and occupancy) and a capitalisation rate applicable to the nature and type of investment properties in question.	Capitalisation rate: 4.49% - 5.13% (2019: nil)	The estimated fair value would increase if the capitalisation rate was lower.
Group and Trust			
Forward exchange contracts and interest rate swaps	*Market comparison technique:* The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.	Not applicable	Not applicable
Embedded derivatives relating to convertible bonds	*Discounted cash flows and market comparison technique:* The fair value of the embedded derivative is the difference between the fair value of the convertible bonds based on broker quotes and the fair value of the liability component of the convertible bonds, determined using the discounted cash flows approach. The valuation requires management to estimate the expected cash flows over the life of the convertible bonds to investors, which are not evidenced by observable market data.	Discount rate – 3.17% (2019: 2.52% - 2.75%)	The estimated fair value of the embedded derivatives relating to convertible bonds would increase if the discount rate was lower.
Trust			
Long term investment	*Asset-based value approach:* The fair value was determined using the net asset value of investee, which mainly comprise investment properties.	Net asset value of investee	The estimated fair value would increase if the net asset value is higher.

17 FINANCIAL INSTRUMENTS (CONT'D)

Measurement of fair values (cont'd)

(i) Valuation techniques and significant unobservable inputs (cont'd)

Financial instruments not measured at fair value

Group and Trust

Type	Valuation technique	Key unobservable inputs
Fixed rate borrowings	Discounted cash flows	Discount rate – 2.61% - 3.31% (2019: 2.85% - 3.34%)
Security deposits	Discounted cash flows	Discount rate – 1.48% - 1.68% (2019: 2.65% - 2.67%)

(ii) Transfer between Level 1 and 2

During the financial year ended 31 December 2020, there were no transfers between Level 1 and Level 2.

(iii) Level 3 fair values

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurement in Level 3 of the fair value hierarchy:

	Group		Trust	
	Rental guarantee receivables $'000	Embedded derivatives relating to convertible bonds $'000	Long term investment $'000	Embedded derivatives relating to convertible bonds $'000
At 1 January 2020	–	(12,561)	–	(12,561)
Acquisition	27,712	–	631	–
Income guarantee earned	(6,929)	–	–	–
Effects of movement in exchange rates	2,902	–	–	–
Changes in fair value recognised in profit or loss	–	11,793	–	11,793
At 31 December 2020	23,685	(768)	631	(768)
At 1 January 2019	–	(23,632)	–	(23,632)
Changes in fair value recognised in profit or loss	–	11,071	–	11,071
At 31 December 2019	–	(12,561)	–	(12,561)

17 FINANCIAL INSTRUMENTS (CONT'D)

Sensitivity analysis

If the discount rate assumption applied by management were 5.0% favourable or unfavourable with all other variables held constant, the fair value of the embedded derivative relating to the convertible bonds would decrease/(increase) by $133,000 (2019: $2,079,000) and ($132,000) (2019: ($2,065,000)) respectively. The analysis is performed on the same basis as 2019.

If the fair value of the long term investment were 5.0% favourable or unfavourable with all other variables held constant, the fair value of the long term investment would decrease/(increase) by $32,000 (2019: nil) and ($32,000) (2019: nil) respectively.

18 PERPETUAL SECURITIES HOLDERS

On 15 October 2020, the Trust updated its EMTN Programme ("Programme") to increase the Programme limit from US$1,500.0 million to US$2,000.0 million and to issue perpetual securities under the Programme. The Programme was renamed as the US$2,000.0 million Euro Medium Term Securities Programme.

On 27 October 2020, the Trust issued $200.0 million of fixed rate subordinated perpetual securities with an initial distribution rate of 3.80% per annum. The first distribution rate reset falls on 27 October 2025 with subsequent resets occurring every five years thereafter.

The perpetual securities have no fixed redemption date and redemption is at the option of the Trust in accordance with the terms of issue of the securities. The distribution will be payable semi-annually at the discretion of the Trust and will be non-cumulative.

In terms of distribution payments or in the event of winding-up of the Trust:

- These perpetual securities rank pari passu with the holders of preferred Units (if any) and rank ahead of the Unitholders of the Trust, but junior to the claims of all other present and future creditors of the Trust.

- The Trust shall not declare or pay any distributions to the Unitholders, or make redemptions, unless the Trust declares or pays any distributions to the holders of the perpetual securities.

These perpetual securities are classified as equity instruments and recorded within the Statements of Movements in Unitholders' Funds. The $198,675,000 (2019: nil) presented on the Statements of Financial Position represents the $200,000,000 (2019: nil) perpetual securities net of issue costs and includes total return attributable to perpetual securities holders from the issue date.

19 NON-CONTROLLING INTERESTS

The following subsidiaries have material Non-Controlling Interests ("NCI"):

Name	Principal places of business/ Country of incorporation	Effective interests held by NCI	
		2020 **%**	2019 %
Harmony Investors Group Limited subgroup ("Harmony")	Singapore	**33.7**	39.2
Harmony Partners Investment Limited ("HPIL")	British Virgin Islands	**42.1**	49.0

The following summarises the financial information of each of the Group's subsidiaries with material NCI based on their respective financial statements prepared in accordance with FRS, modified for fair value adjustments on acquisition and differences in the Group's accounting policies.

	Harmony $'000	HPIL* $'000	Intra-group elimination $'000	Total $'000
2020				
Revenue	30,845	–	–	30,845
Total return for the year	(116,832)	–	–	(116,832)
Total return attributable to NCI for the year	(44,295)	–	–	(44,295)
Non-current assets	626,106	90,730		
Current assets	53,258	–		
Non-current liabilities	(398,921)	(55,200)		
Current liabilities	(23,534)	(15)		
Net assets	256,909	35,515		
Net assets attributable to NCI	86,578	14,959	(16,699)	84,838
Cash flows used in operating activities	(940)	–		
Cash flows used in investing activities	(1,130)	–		
Cash flows from financing activities (dividends to NCI: nil)	9,826	–		
Net increase in cash and cash equivalents	7,756	–		

* *The company did not prepare a cash flow statement. All expenses and receipts of the company are paid/received by its subsidiary.*

19 NON-CONTROLLING INTERESTS (CONT'D)

	Harmony $'000	HPIL* $'000	Intra-group elimination $'000	Total $'000
2019				
Revenue	81,775	–	–	81,775
Total return for the year	11,631	14,400	(14,400)	11,631
Total return attributable to NCI for the year	4,559	7,056	(7,056)	4,559
Non-current assets	721,410	58,730		
Current assets	34,316	–		
Non-current liabilities	(391,069)	(55,200)		
Current liabilities	(30,916)	(13)		
Net assets	333,741	3,517		
Net assets attributable to NCI	130,827	1,723	(3,464)	129,086
Cash flows from operating activities	2,836	–		
Cash flows used in investing activities	(1,121)	–		
Cash flows used in financing activities (dividends to NCI: $7,056,000)	(4,505)	–		
Net decrease in cash and cash equivalents	(2,790)	–		

* *The Company did not prepare a cash flow statement. All expenses and receipts of the company are paid/received by its subsidiary.*

20 UNITS IN ISSUE

	Group and Trust	
	2020 '000	2019 '000
Units in issue:		
At 1 January	**2,801,016**	2,670,633
Issue of Units:		
- units issued for private placement	**–**	111,111
- asset management fees paid in Units	**24,278**	19,272
At 31 December	**2,825,294**	2,801,016
Units to be issued:		
- asset management fees payable in Units	**12,379**	10,127
Total issued and issuable Units at 31 December	**2,837,673**	2,811,143

20 UNITS IN ISSUE (CONT'D)

Each Unit in the Trust represents an undivided interest in the Trust. The rights and interests of Unitholders are contained in the Trust Deed and include the right to:

- receive income and other distributions attributable to the Units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust and available for purposes of such distribution less any liabilities, in accordance with their proportionate interests in the Trust. However, a Unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer to it of any assets (or part thereof) or of any estate or interest in any asset (or part thereof) of the Trust; and
- attend all Unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of not less than 50 Unitholders or one-tenth in number of the Unitholders, whichever is the lesser) at any time convene a meeting of Unitholders in accordance with the provisions of the Trust Deed.

The Unitholders cannot give any directions to the Manager or the Trustee (whether at a meeting of Unitholders or otherwise) if it would require the Trustee or the Manager to do or omit doing anything which may result in:

- the Trust ceasing to comply with the Listing Manual issued by SGX-ST or the Property Funds Appendix; or
- the exercise of any discretion expressly conferred on the Trustee or the Manager by the Trust Deed or the determination of any matter for which the agreement of either or both the Trustee and the Manager is required under the Trust Deed.

A Unitholder's liability is limited to the amount paid or payable for any Units. The provisions of the Trust Deed provide that no Unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that liabilities of the Trust exceed its assets.

21 NET ASSET VALUE PER UNIT

		Group		Trust	
	Note	**2020 $'000**	2019 $'000	**2020 $'000**	2019 $'000
Net asset value per Unit is based on:					
Net assets attributable to Unitholders		**5,829,657**	5,977,058	**5,064,542**	5,174,058
		'000	'000	**'000**	'000
Total issued and issuable Units at 31 December	20	**2,837,673**	2,811,143	**2,837,673**	2,811,143

22 ACQUISITION OF SUBSIDIARIES

On 18 December 2020, the Group completed the acquisition of 100% equity interest in Victoria Circle Unit Trust 1 and Victoria Circle Unit Trust 2 (collectively known as "JPUTs") at a cash consideration of GBP426 million (approximately $765 million). As a result, the Group obtained control of JPUTs which collectively have interests in joint ventures which own the Nova Properties.

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	2020 $'000
Rental guarantee receivables	**8,074**
Interests in joint ventures	**766,462**
Fair value of identifiable net assets acquired	**774,536**

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation techniques
Rental guarantee receivables	Capitalisation approach: The approach is based on income method which takes into consideration the estimated net rent (using the current and projected average reversal rates and occupancy) and a capitalisation rate applicable to the nature and type of investment properties in question.
Joint ventures	Asset based value approach: This approach is based on the net asset value of the joint ventures, which comprise mainly investment properties which are adjusted to their fair values using the capitalisation approach.

Negative goodwill from the acquisition has been recognised as follows:

	2020 $'000
Purchase consideration	**764,820**
Fair value of identifiable net assets	**(774,536)**
Negative goodwill recognised in 'share of profit of joint ventures'	**(9,716)**

The following table summarises the consideration transferred:

	2020 $'000
Purchase consideration	**764,820**
Professional fees	**14,201**
Net cash outflow presented as 'acquisition of joint ventures'	**779,021**

The Group incurred acquisition-related costs of $14.2 million on legal fees and due diligence costs. These costs have been capitalised in "interests in joint ventures".

23 GROSS REVENUE

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Gross rental income	**315,197**	366,229	**212,055**	241,821
Dividend income	**–**	–	**129,980**	115,893
Others	**193**	501	**80**	165
	315,390	366,730	**342,115**	357,879

Included in gross rental income of the Group and the Trust are contingent rents amounting to $2,745,000 (2019: $4,705,000) and $2,232,000 (2019: $3,862,000) respectively.

24 PROPERTY EXPENSES

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Advertising and promotion expenses	**5,508**	5,735	**3,775**	3,357
Depreciation of plant and equipment	**777**	835	**205**	189
Loss on disposal of plant and equipment	**3**	5	**–**	–
Maintenance expenses	**7,972**	9,520	**214**	319
Contributions to sinking fund	**19,260**	19,260	**16,050**	16,050
Contributions to maintenance fund	**20,144**	20,144	**16,781**	16,781
Property management fees (including reimbursables)	**18,149**	23,412	**7,618**	7,259
Property tax	**29,245**	25,330	**24,071**	21,478
Utilities	**3,230**	2,962	**268**	97
Agency commission	**2,252**	3,660	**2,125**	3,158
Food and beverages related cost	**454**	3,768	**–**	–
Others	**4,266**	15,347	**484**	1,377
	111,260	129,978	**71,591**	70,065

Property expenses represent the direct operating expenses arising from rental of investment properties and sale of food and beverages.

25 OTHER INCOME

Other income relates to the recognition of the income support in relation to 21 Harris Street, Olderfleet, 477 Collins Street and Nova Properties (2019: nil).

26 FINANCE INCOME AND FINANCE COSTS

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Interest income:				
- bank deposits	**510**	1,596	**349**	1,461
- loan to joint ventures	**17,657**	25,224	**17,657**	25,224
- interest rate swaps	**34**	1,919	**34**	1,919
Net foreign exchange gain	**7,810**	–	**52,224**	–
Finance income	**26,011**	28,739	**70,264**	28,604
Interest expense:				
- bank loans	**(68,408)**	(89,584)	**(60,362)**	(83,740)
- convertible bonds	**(6,326)**	(6,776)	**(6,326)**	(6,776)
- interest rate swaps	**(17,530)**	(2,502)	**(11,648)**	(1,910)
Amortisation of transaction costs	**(26,589)**	(9,028)	**(25,635)**	(8,659)
Net foreign exchange loss	**–**	(1,458)	**–**	(9,579)
Finance costs	**(118,853)**	(109,348)	**(103,971)**	(110,664)
Recognised in the statement of total return	**(92,842)**	(80,609)	**(33,707)**	(82,060)

27 ASSET MANAGEMENT FEES

Included in the asset management fees of the Group and the Trust is $38,182,000 (2019: $36,519,000) or an aggregate of 26,529,800 (2019: 19,495,145) Units of asset management fees that have been and/or will be issued to the Manager in satisfaction of the asset management fees payable in Units.

28 OTHER EXPENSES

Included in other expenses are the following items:

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Audit fees paid to:				
- auditors of the Trust	**519**	447	**245**	241
- other auditors	**87**	80	**–**	–
Non-audit fees paid to:				
- auditors of the Trust	**106**	84	**68**	36
- other auditors	**15**	99	**–**	–

29 TAX EXPENSE

	Note	Group 2020 $'000	Group 2019 $'000	Trust 2020 $'000	Trust 2019 $'000
Current tax expense					
Withholding tax		**2,859**	2,959	**166**	584
Deferred tax expense					
Origination and reversal of temporary differences		**(2,517)**	12,160	**–**	–
Adjustment for prior years		**(1)**	755	**–**	–
	16	**(2,518)**	12,915	**–**	–
Total tax expense		**341**	15,874	**166**	584
Reconciliation of effective tax rate					
Total return for the year before tax		**(115,318)**	410,967	**64,843**	253,401
Less: Share of profit of joint ventures		**(56,392)**	(157,793)	**–**	–
		(171,710)	253,174	**64,843**	253,401
Income tax using the Singapore tax rate of 17% (2019: 17%)		**(29,190)**	43,040	**11,023**	43,078
Effect of tax rates in foreign jurisdictions		**(1,170)**	(3,653)	**–**	–
Non-tax deductible items		**64,469**	11,722	**38,775**	13,715
Non-taxable income		**(7,783)**	(4,934)	**(9,824)**	(16,450)
Withholding tax		**2,859**	2,959	**166**	584
Tax exempt income		**–**	–	**(11,131)**	(6,328)
Tax transparency		**(28,843)**	(34,015)	**(28,843)**	(34,015)
(Over)/Under provided in prior years		**(1)**	755	**–**	–
Total tax expense		**341**	15,874	**166**	584

30 EARNINGS PER UNIT

Basic earnings per Unit ("EPU") is based on:

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Total return for the year after tax attributable to Unitholders and perpetual securities holders	**(71,364)**	390,534	**64,677**	252,817
Less: Total return for the year attributable to perpetual securities holders	**(1,375)**	–	**(1,375)**	–
Total return attributable to Unitholders	**(72,739)**	390,534	**63,302**	252,817

	Number of Units			
	Group		Trust	
	2020 '000	2019 '000	**2020 '000**	2019 '000
Weighted average number of Units:				
- outstanding during the year	**2,818,460**	2,758,286	**2,818,460**	2,758,286
- to be issued as payment of asset management fees payable in Units	**34**	28	**34**	28
	2,818,494	2,758,314	**2,818,494**	2,758,314

In calculating diluted earnings per Unit, the total return for the year after tax and weighted average number of Units in issue are adjusted to take into account the effect of all dilutive potential units, as set out below:

	Group		Trust	
	2020 $'000	2019 $'000	2020 $'000	2019 $'000
Total return for the year after tax attributable to Unitholders	**(71,364)**	390,534	64,677	252,817
Less: Total return for the year attributable to perpetual securities holders	**(1,375)**	–	(1,375)	–
Total return attributable to Unitholders	**(72,739)**	390,534	63,302	252,817
Profit impact of conversion of the dilutive potential Units	**–**	800	–	800
Adjusted total return for the year after tax	**(72,739)**	391,334	63,302	253,617

30 EARNINGS PER UNIT (CONT'D)

	Number of Units			
	Group		Trust	
	2020 '000	2019 '000	**2020 '000**	2019 '000
Weighted average number of Units used in calculation of basic earnings per Unit	**2,818,494**	2,758,314	**2,818,494**	2,758,314
Weighted average number of Units to be issued assuming conversion of the asset management fees/bonds	**–**	236,069	**19,199**	236,069
Weighted average number of Units used in calculation of diluted earnings per Unit	**2,818,494**	2,994,383	**2,837,693**	2,994,383

As at 31 December 2020, the Group and the Trust had convertible bonds which are convertible into approximately 44,990,185 Units. The convertible bonds were anti-dilutive and were excluded from the calculation of diluted EPU.

The diluted EPU is the same as the basic EPU for the Group as the convertible bonds were anti-dilutive and the Group did not have any other potentially dilutive units.

As at 31 December 2019, the calculation of EPU for the Group and Trust included convertible bonds which were convertible into approximately 183,221,740 Units.

31 OPERATING SEGMENTS

For the purpose of making resource allocation decisions and assessing segment performance, the Group's chief operating decision maker reviews internal/management reports of the Group's retail, office and convention business segments. The nature of the leases (lease of retail, office, convention or other space) is the factor used to determine the reportable segments. This forms the basis of identifying the operating segments of the Group under FRS 108 *Operating Segments*.

Segment revenue comprises mainly income generated from its tenants. Segment net property income represents the income earned by each segment after allocating property operating expenses. This is the measure reported to the chief operating decision maker for the purpose of assessing segment performance.

Unallocated items comprise mainly other income, trust-related income and expenses, changes in fair value of investment properties and tax expense.

31 OPERATING SEGMENTS (CONT'D)

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

Information about reportable segments

	Australia				Singapore				
	Office					Retail		Convention	
	Olderfleet, 477 Collins Street $'000	177 Pacific Highway $'000	55 Currie Street $'000	21 Harris Street $'000	Suntec City $'000	Suntec City $'000	Suntec Singapore $'000	Suntec Singapore $'000	Total $'000
2020									
Gross revenue	9,876	38,479	15,901	8,154	133,718	78,418	14,763	16,081	315,390
Property expenses	(1,893)	(5,177)	(4,083)	(1,613)	(36,670)	(38,851)	(5,088)	(22,138)	(115,513)
Reportable segment net property income	7,983	33,302	11,818	6,541	97,048	39,567	9,675	(6,057)	199,877
2019									
Gross revenue	–	38,125	4,845	–	133,380	108,605	20,029	61,746	366,730
Property expenses	–	(5,408)	(1,205)	–	(34,579)	(36,050)	(4,838)	(48,463)	(130,543)
Reportable segment net property income	–	32,717	3,640	–	98,801	72,555	15,191	13,283	236,187

Reconciliation of reportable segment net property income

	Group	
	2020 $'000	2019 $'000
Total return		
Reportable segment net property income	**199,877**	236,187
Unallocated amounts:		
- Other income	**7,536**	–
- Net finance costs	**(92,842)**	(80,609)
- Asset management fees	**(51,428)**	(49,279)
- Other trust expenses	**(4,455)**	(3,542)
- Net change in fair value of financial derivatives	**(15,595)**	(3,972)
- Net change in fair value of investment properties	**(214,803)**	154,389
- Share of profit of joint ventures	**56,392**	157,793
Consolidated total return for the year before tax	**(115,318)**	410,967

32 COMMITMENTS

		Group		Trust	
		2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
(a)	Capital commitments				
	Capital expenditure contracted but not provided for	**–**	232,899	**–**	–
	Loan facilities to joint ventures	**639,683**	548,855	**548,063**	548,855
		639,683	781,754	**548,063**	548,855

(b) Investment properties comprise commercial properties that are leased to external customers. The leases contain an initial non-cancellable period of between three and twelve years. Subsequent renewals are negotiated with the lessees.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group		Trust	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Less than one year	**289,440**	279,225	**194,430**	217,090
One to two years	**231,703**	207,151	**139,008**	151,608
Two to three years	**165,960**	144,443	**88,838**	92,766
Three to four years	**95,884**	96,318	**39,820**	55,283
Four to five years	**72,119**	54,579	**15,622**	31,487
More than five years	**274,543**	99,366	**19,224**	27,919
Total	**1,129,649**	881,082	**496,942**	576,153

33 CONTINGENT LIABILITY

Pursuant to the tax transparency ruling from IRAS, the Trustee and the Manager have provided a tax indemnity for certain types of tax losses, including unrecovered late payment penalties that may be suffered by IRAS should IRAS fail to recover from Unitholders tax due or payable on distributions made to them without deduction of tax, subject to the indemnity amount agreed with IRAS. The amount of indemnity, as agreed with IRAS, is limited to the higher of $500,000 or 1.0% of the taxable income of the Trust for the financial year. Each yearly indemnity has a validity period of the earlier of seven years from the relevant year of assessment and three years from the termination of the Trust.

34 FINANCIAL RATIOS

	Group 2020 %	Group 2019 %	Trust 2020 %	Trust 2019 %
Expenses to weighted average net assets[1]				
- including performance component of asset management fees	**0.94**	0.92	**0.99**	0.97
- excluding performance component of asset management fees	**0.70**	0.66	**0.71**	0.67
Portfolio turnover rate[2]	**–**	–	**–**	–

[1] *The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group and the Trust, excluding property expenses, interest expense and income tax expense.*

[2] *The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group and the Trust expressed as a percentage of daily average net asset value.*

35 RELATED PARTIES

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

	Group 2020 $'000	Group 2019 $'000
Acquisition fees paid/payable to the Manager	**(12,600)**	(2,303)
Asset management fees paid/payable to a related corporation of the Manager	**(3,388)**	(3,789)
Investment management fees paid/payable to a related corporation of the Manager	**(49)**	(7)
Agency commission paid/payable to a related corporation of the Manager	**(2,400)**	(4,052)
Development management fees paid/payable to a related corporation of the Manager	**(321)**	–
Rental income received/receivable from an associate of the Manager	**2,401**	2,428
Rental income received/receivable from related corporations of the Manager	**1,342**	1,250
Rental income received/receivable from a close member of a key management personnel of the Manager	**314**	67
Property management fees paid/payable (including reimbursable) to related corporations of the Manager	**(20,309)**	(25,178)
Professional services fees paid/payable to related corporations of the Manager	**(1,745)**	(1,174)

	Trust 2020 $'000	Trust 2019 $'000
Acquisition fees paid/payable to the Manager	**(12,600)**	(2,303)
Agency commission paid/payable to a related corporation of the Manager	**(2,125)**	(3,158)
Rental income received/receivable from an associate of the Manager	**2,401**	2,428
Rental income received/receivable from related corporations of the Manager	**626**	617
Rental income received/receivable from a close member of a key management personnel of the Manager	**314**	67
Property management fees paid/payable (including reimbursable) to a related corporation of the Manager	**(7,618)**	(7,260)
Professional services fees paid/payable to related corporations of the Manager	**(1,566)**	(1,174)

36 SUBSEQUENT EVENT

The Group has the following significant events subsequent to the reporting date:

- On 6 January 2021 the Trust has fully redeemed all the outstanding $2,750,000 in principal amount of the 2024 Bonds plus accrued interest, and the 2024 Bonds have been cancelled in accordance with the Terms and Conditions of the 2024 Bonds.

- The Manager declared distribution of 2.261 cents per Unit in respect of the period from 1 October 2020 to 31 December 2020, amounting to $64 million, which was paid on 26 February 2021.

STATISTICS OF UNITHOLDERS

STATISTICS OF UNITHOLDINGS
As at 5 March 2021

DISTRIBUTION OF UNITHOLDINGS

Size of holdings	No. of Unitholders	% of Unitholders	No. of Units	% of Units
1 - 99	32	0.13	698	0.00
100 - 1,000	4,454	18.59	4,051,856	0.14
1,001 - 10,000	14,268	59.54	71,654,101	2.53
10,001 - 1,000,000	5,171	21.58	227,553,148	8.02
1,000,001 AND ABOVE	39	0.16	2,534,412,970	89.31
GRAND TOTAL	23,964	100.00	2,837,672,773	100.00

There were 2,837,672,773 Units (voting rights: one vote per Unit) outstanding as at 5 March 2021.

There is only one class of Units.

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	Citibank Nominees Singapore Pte Ltd	892,185,765	31.44
2	DBS Nominees (Private) Limited	474,099,468	16.71
3	United Overseas Bank Nominees (Private) Limited	236,882,042	8.35
4	Raffles Nominees (Pte.) Limited	184,955,916	6.52
5	HSBC (Singapore) Nominees Pte Ltd	177,665,971	6.26
6	DBSN Services Pte. Ltd.	171,045,401	6.03
7	DBS Vickers Securities (Singapore) Pte Ltd	88,612,100	3.12
8	OCBC Securities Private Limited	72,449,173	2.55
9	ARA Trust Management (Suntec) Limited	36,656,720	1.29
10	DB Nominees (Singapore) Pte Ltd	28,057,495	0.99
11	Straits Real Estate Pte Ltd	26,312,000	0.93
12	Morgan Stanley Asia (Singapore) Securities Pte Ltd	18,928,152	0.67
13	Wii Pte. Ltd.	16,656,900	0.59
14	PCK Corporation	13,649,414	0.48
15	Sword Investments Private Ltd	11,914,000	0.42
16	BPSS Nominees Singapore (Pte.) Ltd.	11,243,485	0.40
17	Phillip Securities Pte Ltd	11,062,173	0.39
18	UOB Kay Hian Private Limited	8,433,200	0.30
19	OCBC Nominees Singapore Private Limited	7,651,200	0.27
20	BNP Paribas Nominees Singapore Pte. Ltd.	5,908,813	0.21
	TOTAL	2,494,369,388	87.92

USE OF PROCEEDS
In April 2019, Suntec REIT raised equity of S$200.0 million through a private placement of 111.1 million new Suntec REIT Units. About S$3.7 million or 1.9% of gross proceeds was used for transaction related expenses. About 79.5% or S$158.9 million was used to partially fund the acquisitions of 55 Currie Street, Adelaide and deposit for 21 Harris Street Pyrmont, Sydney. Approximately 17.5% or S$35.0 million of the gross proceeds has been used to repay existing debt and the remaining 1.1% or S$2.4 million of the gross proceeds has been used to part finance the acquisition of 21 Harris Street, Pyrmont, Sydney, Australia. The use of proceeds is currently in accordance with the stated use and the percentage allocated in the announcement dated 24 April 2019 titled "Launch of Placement of New Units in Suntec REIT to Raise Gross Proceeds of No Less Than Approximately S$150.0 Million".

STATISTICS OF UNITHOLDERS

HOLDER OF 1.75% CONVERTIBLE BONDS DUE 2021

Maturity Date	:	5 September 2021
Initial Conversion Premium	:	20% over reference unit price
Conversion Price	:	S$2.101 per unit#
Redemption Price	:	100% of principal amount
Conversion Period	:	At any time from 16 October 2016 until 29 August 2021, being the date falling 7 days prior to maturity date

The S$300 million 1.75% convertible bonds due 2021 issued by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of Suntec Real Estate Investment Trust ("Suntec REIT")) on 5 September 2016 (the "2021 Bonds") are represented by a Global Certificate registered in the name of The Bank of New York Depository (Nominees) Limited, which is a nominee of the common depository for holding the bonds on behalf of Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, S.A. ("Clearstream").

As at the latest practicable date, The Bank of New York Depository (Nominees) Limited is entered in the register of holders as the holder of the outstanding $86.5 million in principal amount of the 2021 Bonds. The identity of the holders of the beneficial interests in the 2021 Bonds is not currently known.

As at the latest practicable date, 55.0 per cent, 35.6 per cent and 9.4 per cent of the net proceeds from the issue of the 2021 Bonds had been utilised to fund the acquisition of an interest in Southgate Complex, partially refinance Suntec REIT's existing debt and fund capital expenditure in Southgate Complex and fund the acquisition of the balance 50% interest in Southgate Complex respectively. Such use is in accordance with the stated use and in accordance with the percentage of the net proceeds of the issue allocated to such use as announced on 11 August 2016 and 31 May 2018.

The conversion price of the 2021 Bonds was adjusted to S$1.96 per unit with effect from 26 February 2021.

STATISTICS OF UNITHOLDERS

SUBSTANTIAL UNITHOLDERS
As at 5 March 2021
As shown in the Register of Substantial Unitholders

Name of Substantial Unitholders	Number of Units Direct Interest	Deemed Interest
ARA Asset Management Limited[1][2]	0	227,950,372
ARA RE Investment Group (Singapore) Pte. Ltd.[2]	0	191,293,652
ARA RE Investment Group Limited[2]	0	191,293,652
ARA Investment (Cayman) Limited[3]	0	227,950,372
ARA Asset Management Holdings Pte. Ltd.[4]	0	227,950,372
Straits Equities Holdings (One) Pte. Ltd.[5]	0	227,950,372
The Straits Trading Company Limited[6]	0	281,646,572
The Cairns Pte. Ltd.[7]	0	281,646,572
Raffles Investments Private Limited[8]	0	281,646,572
Aequitas Pte. Ltd.[9]	0	281,646,572
Tecity Pte. Ltd.[10]	0	281,646,572
Tan Chin Tuan Pte. Ltd.[11]	0	281,646,572
Dr. Tan Kheng Lian[12]	0	281,646,572
BlackRock, Inc[13]	0	171,263,671
Tang Gordon @ Tang Yigang @ Tang Gordon[14]	256,134,532	0
Celine Tang @ Chen Huaidan @ Celine Tang[14]	214,376,666	0
Alexandrite Gem Holdings Limited[15]	0	227,950,372
WP Global LLC[16]	0	227,950,372
Warburg Pincus Partners II, L.P.[17]	0	227,950,372
Warburg Pincus Partners GP LLC[18]	0	227,950,372
Warburg Pincus & Co.[19]	0	227,950,372
Yang Chanzhen @ Janet Yeo[20][21]	198,363,400	57,095,100
Tang Jialin[20][21][22]	197,203,400	57,095,100

Notes:

(1) ARA Asset Management Limited ("ARA") is the sole shareholder of the Manager and ARA RE Investment Group (Singapore) Pte. Ltd. ("ARA RIGS"). Accordingly, ARA is deemed to have an interest in the Units held by the Manager and Units that ARA RIGS has a deemed interest in.

(2) ARA RIGS is a wholly-owned subsidiary of ARA, whereby ARA RE Investment Group Limited ("ARA RIG") is a wholly-owned subsidiary of ARA RIGS. In addition, ARA RIG's wholly-owned subsidiaries, namely ARA Investors II Limited ("ARA Investors II"), ARA Real Estate Investors XII Limited ("ARA RE XII") and ARA Real Estate Investors XIII Limited ("ARA RE XIII"), collectively hold more than 5.0% of the Units. Accordingly, each of ARA RIGS and ARA RIG is deemed to have an interest in the Units held by ARA Investors II, ARA RE XII and ARA RE XIII.

(3) ARA Investment (Cayman) Limited ("ARA (Cayman)") holds 100 per cent. of the issued and paid-up share capital of ARA. Accordingly, ARA (Cayman) is deemed to have an interest in the Units that ARA has a deemed interest in.

(4) ARA Asset Management Holdings Pte. Ltd. ("ARA Asset") holds 100 per cent. of the voting rights of ARA (Cayman). Accordingly, ARA Asset is deemed to have an interest in the Units that ARA (Cayman) has a deemed interest in.

(5) Straits Equities Holdings (One) Pte. Ltd. ("SEH One") holds more than 20 per cent. of the voting rights in ARA Asset. Accordingly, SEH One is deemed to have an interest in the Units that ARA Asset has a deemed interest in.

(6) The Straits Trading Company Limited ("STC") holds more than 50 per cent. of the voting rights of each of Straits Real Estate Pte. Ltd. ("SRE") and Sword Investments Private Limited ("Sword") and has a deemed interest in the Units held by SRE and Sword. In addition, STC, through its wholly-owned subsidiary, SEH One, holds more than 20 per cent. of the voting rights in ARA Asset. Accordingly, STC is deemed to have an interest in the Units that ARA Asset has a deemed interest in.

(7) The Cairns Pte. Ltd. ("Cairns") holds more than 50 per cent. of the voting rights of STC. Accordingly, Cairns is deemed to have an interest in the Units that STC has a deemed interest in.

(8) Raffles Investments Private Limited ("Raffles") holds not less than 20 per cent. of the voting rights in Cairns. Accordingly, Raffles is deemed to have an interest in the Units that Cairns has a deemed interest in.

STATISTICS OF UNITHOLDERS

[9] Aequitas Pte. Ltd. ("Aequitas") holds more than 50 per cent. of the voting rights of Raffles. Accordingly, Aequitas is deemed to have an interest in the Units that Raffles has a deemed interest in.
[10] Tecity Pte. Ltd ("Tecity") holds not less than 20 per cent. of the voting rights of Aequitas. Accordingly, Tecity is deemed to have an interest in the Units that Aequitas has a deemed interest in.
[11] Tan Chin Tuan Pte. Ltd. ("TCTPL") is deemed to have an interest in the Units through its subsidiary, Aequitas.
[12] Dr Tan Kheng Lian holds more than 50 per cent. of the voting rights of TCTPL. Accordingly, Dr Tan Kheng Lian is deemed to have an interest in the Units that TCTPL has a deemed interest in.
[13] BlackRock, Inc. ("BlackRock") is deemed to have an interest in the Units held by the following subsidiaries through its indirect control of these subsidiaries: (1) Aperico Group, LLC (2) BlackRock Advisors, LLC (3) BlackRock Financial Management, Inc. (4) BlackRock Investment Management, LLC (5) BlackRock Investment Management (Australia) Limited (6) BlackRock (Luxembourg) S.A. (7) BlackRock (Netherlands) B.V. (8) BlackRock Fund Managers Ltd (9) BlackRock Life Limited (10) BlackRock Asset Management Canada Limited (11) BlackRock Asset Management Ireland Limited (12) BlackRock Asset Management North Asia Limited (13) BlackRock Asset Management Schweiz AG (14) BlackRock Advisors (UK) Limited (15) BlackRock Fund Advisors (16) BlackRock Institutional Trust Company, N.A. (17) BlackRock Japan Co Ltd (18) BlackRock Investment Management (UK) Ltd (19) iShares (DE) I Investmentaktiengesellschaft mit Teilgesellschaftsvermögen.
[14] Mr Tang Gordon @ Tang Yigang @ Tang Gordon is the spouse of Madam Celine Tang @ Chen Huaidan @ Celine Tang. Mr Tang Gordon together with his spouse, Madam Celine Tang holds 178,338,266 Units in their joint account.
[15] Alexandrite Gem Holdings Limited ("AGHL") is wholly-owned by certain private equity funds which are limited liability partnerships (the "Funds") managed by Warburg Pincus LLC ("WP LLC"), a New York limited liability company. Warburg Pincus XII, L.P., a Delaware limited partnership ("WP XII GP") and Warburg Pincus China GP, L.P., a Delaware limited partnership ("WPC GP") are the general partners of the Funds. AGHL holds more than 20 per cent. of the voting rights of ARA Asset. Accordingly, AGHL is deemed to have an interest in the Units that ARA Asset has a deemed interest in.
[16] WP Global LLC, a Delaware limited liability company ("WP Global"), is the general partner of each of WP XII GP and WPC GP.
[17] Warburg Pincus Partners II, L.P., a Delaware limited partnership ("WPP II"), is the managing member of WP Global.
[18] Warburg Pincus Partners GP LLC, a Delaware limited liability company ("WPP GP LLC") is the general partner of WPP II.
[19] Warburg Pincus & Co., a New York general partnership ("WP"), is the managing member of WPP GP LLC.
[20] Mr Tang Jialin and Madam Yang Chanzhen @ Janet Yeo are entitled to exercise or control the exercise of not less than 20 per cent. of the voting rights of Senz Holdings Limited ("Senz"). They are therefore deemed interested in the Units held by Senz.
[21] Madam Yang Chanzhen @ Janet Yeo holds 193,185,600 Units in the joint accounts with Mr Tang Jialin, and solely holds 5,177,800 Units.
[22] Mr Tang Jialin holds 197,203,400 Units in the joint accounts with Madam Yang Chanzhen.

STATISTICS OF UNITHOLDERS

MANAGER'S DIRECTORS' UNITHOLDINGS
As at 21 January 2021
As shown in the Register of Directors' Unitholdings

	Number of Units	
Name	Direct Interest	Deemed Interest
Ms Chew Gek Khim	0	0
Mr Lim Hwee Chiang, John	3,000,000	216,571,968[1]
Mr Yap Chee Meng	0	0
Mr Chan Pee Teck Peter	0	0
Mrs Yu-Foo Yee Shoon	0	0
Mr Lock Wai Han	0	0
Mr Chow Wai Wai, John	2,000,000	0
Mr Chong Kee Hiong	0	0

Note:

1 Mr Lim Hwee Chiang, John holds 100% of the shares in JL Investment Group Limited ("JLIG") and JL Investment Group II Limited ("JLIG II"). Mr. Lim holds 19.85% through JLIG and 0.56% through JLIG II of the share of ARA Asset Management Holdings Pte. Ltd. ("ARA Holdings") (the "ARA Shares") which resulted in Mr. Lim holding more than 20.0% interest in ARA Holdings.

ARA Holdings holds 100% of the shares of ARA Investment (Cayman) Limited ("ARA (Cayman)"), which in turn holds 100% of the shares of ARA Asset Management Limited ("ARA"). ARA holds 100% of the shares of ARA RE Investment Group (Singapore) Pte. Ltd. ("ARA RIGS") and ARA Trust Management (Suntec) Limited which in turn holds ARA RIGS. ARA RIGS holds 100% of the shares of ARA RE Investment Group Limited ("ARA RIG"), which in turn holds 100% of the shares of ARA Investors II Limited ("ARA Investors II"), ARA Real Estate Investors XII Limited ("ARA RE XII") and ARA Real Estate Investors XIII limited ("ARA RE XIII").

Accordingly, Mr. Lim is therefore deemed to be interested in the units in Suntec REIT held by each of ARA Investors II, ARA RE XII, ARA RE XIII and ARA Trust Management (Suntec) Limited, that ARA, ARA (Cayman) and ARA Holdings are deemed interested in.

Apart from the deemed interest in the units in Suntec REIT described above, Mr. Lim also has a deemed interest in 1,000,000 units of Suntec REIT held by Citibank Nominees Singapore Pte. Ltd. (as nominee of JL Philanthropy Ltd). The beneficiary of JL Philanthropy Ltd is JL Charitable Settlement and Mr. Lim is the settlor of JL Charitable Settlement.

FREE FLOAT

Based on information made available to the Manager as at 5 March 2021, approximately 63.6% of the Units are held in public hands. Under Rule 723 of the Listing Manual of the SGX-ST, a listed issuer must ensure that at least 10% of its listed securities are at all times held by the public. Rule 723 of the Listing Manual of SGX-ST has accordingly been complied with.

ADDITIONAL INFORMATION

INTERESTED PERSON TRANSACTIONS

The aggregate value of interested person transactions entered into during the financial year under review, which fall within the Listing Manual of SGX-ST and the Property Fund Appendix (excluding transactions of less than $100,000 each) are as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under unitholders mandate pursuant to Rule 920) S$'000	Aggregate value of all interested person transactions conducted under unitholders mandate pursuant to Rule 920 (excluding transactions less than $100,000) S$'000
ARA Trust Management (Suntec) Limited	Suntec REIT Manager (the "Manager")	60,328	-
APM Property Management Pte Ltd	Associate of controlling shareholder of the Manager	10,586	-
ARA Managers (Harmony) Pte Ltd	Associate of controlling shareholder of the Manager	3,304	-
Quantum Interactive Pte Ltd	Associate of controlling shareholder of the Manager	1,745	-
Suntec Singapore International Convention & Exhibition Services Pte Ltd	Associate of controlling shareholder of the Manager	9,224	-
HSBC Institutional Trust Services (Singapore) Limited	Suntec REIT Trustee	1,688	-
ARAM Australia Pty Ltd	Associate of controlling shareholder of the Manager	976	-
APM Australia Pty Ltd	Associate of controlling shareholder of the Manager	3,219	-
Beeworks Pte Ltd	Associate of a Director of the Manager	314	-

For the purpose of the disclosure, the full contract sum was used when an interested person transaction had a fixed term and contract value, while the annual amount incurred and/or accrued was used when the contract had an indefinite term or where the total contract value was not specified.

FEES PAYABLE TO THE MANAGER

The Manager is committed to delivering value to the stakeholders of Suntec REIT, in addition to its key responsibilities of managing and maintaining the long-term interest of all Unitholders.

The Manager is entitled to the following fees for the management of Suntec REIT, which cover an extensive scope of functions including but not limited to asset management (including asset enhancements), financing, investment management, marketing and investor relations:

(1) a base fee of 0.3% per annum of the value of the properties of Suntec REIT (as defined under Clause 15.1.1 of the Trust Deed). Pursuant to Clause 15.1.4 of the Trust Deed, the base fee is paid monthly or quarterly, in arrears, in the form of cash and/or Units, as the Manager may elect. The Base Fee, which is based on a fixed percentage of the value of the assets of the Trust, is to commensurate with the complexity and efforts required of the Manager in managing Suntec REIT.

(2) a performance fee equal to 4.5% per annum of the Net Property Income of Suntec REIT or any special purpose vehicles for each financial year (each as defined under Clause 15.1.2 in the Trust Deed). The performance fee is paid in the form of cash and/or Units, as the Manager may elect. The performance fee methodology is reflective of the alignment of interests between the Manager and the Unitholders in incentivising the Manager to drive higher income yields for Suntec REIT. The Manager is incentivised to review the growth potential of the assets in the portfolio and improve the long-term performance of such assets on a sustainable basis (as opposed to taking excessive short-term risks) through proactive management including undertaking effective leasing strategies and asset enhancement/repositioning initiatives and achieving cost efficiencies.

In accordance with the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore dated 1 January 2016 (the "CIS Code"), crystallisation of the Performance Fee should be no more frequent than once a year. Therefore, with effect from FY2016, the Performance Fee payable in the form of Units and/or cash will be paid on an annual basis in arrears, subsequent to the end of the applicable financial year.

In addition, the Manager is entitled to an acquisition fee[1] which is paid in cash after the completion of an acquisition. The Manager is also entitled to a divestment fee[1] which is paid in cash after the completion of a divestment. Details of the fee structure of the acquisition fee and divestment fee are set out in Note 1 to the Financial Statements herein (and Clause 15.2.1 of the Trust Deed). The acquisition fee and divestment fee payable to the Manager are to recognise the Manager's efforts in actively seeking potential opportunities to acquire new properties and/or in unlocking the underlying value of existing properties within its asset portfolio through divestments to optimise returns to the Unitholders. The Manager provides these services over and above the provision of ongoing management services with an aim to generate long term benefits for the Unitholders.

Note:
[1] In the case of an interested party transaction, the fee is paid in the form of Units at the prevailing marketing price and such Units should not be sold within one year from their date of issuance as stipulated in the CIS Code.

MANAGER'S MANAGEMENT FEES PAID IN UNITS

A summary of Units issued for payment of the Manager's management fees (part payment) in respect of the financial year is as follows:

For Period	Issue Date	Units	Issue Price[1] S$	Total Value S$'000
BASE MANAGEMENT FEES				
1 January 2020 to 31 March 2020	22 April 2020	5,182,820	1.2147	6,296
1 April 2020 to 30 June 2020	23 July 2020	4,497,098	1.4546	6,541
1 July 2020 to 30 September 2020	22 October 2020	4,471,478	1.4839	6,635
1 October 2020 to 31 December 2020	26 January 2021	4,699,800	1.5115	7,104
PERFORMANCE MANAGEMENT FEES				
1 January 2020 to 31 December 2020	26 January 2021	7,678,604	1.5115	11,606
				38,182

Note:
[1] Based on the volume weighted average traded price for a Unit for all trades on the SGX-ST in the ordinary course of trading on the SGX-ST for the last ten business days of the relevant period in which the management fees accrued.

ADDITIONAL INFORMATION

SUBSCRIPTION OF UNITS

As at 31 December 2020, an aggregate of 2,825,294,369 Units were in issue. On 26 January 2021, Suntec REIT issued 4,699,800 and 7,678,604 Units to the Manager as base fees for the period from 1 October 2020 to 31 December 2020 and performance fees for the period from 1 January 2020 to 31 December 2020 respectively.

NON-DEAL ROADSHOW EXPENSES

No expenses were incurred during the year ended 31 December 2020.

PERCENTAGE OF TOTAL OPERATING EXPENSES TO NET ASSETS

	S$'000
Total Operating Expenses, including all fees, charges and reimbursables paid to the Manager and interested parties[1,2]	212,037
Net Assets	6,113,170
Percentage of total operating expenses to net assets	3.5%

Notes:

1 Excludes finance costs, amortisation of intangible asset and net grant (income)/expense.

2 Includes one-third interest in One Raffles Quay Pte Ltd, one-third interest in BFC Development LLP, 60.8% interest in Harmony Convention Holding Pte Ltd from 1 January 2020 to 30 June 2020, 66.3% interest in Harmony Convention Holding Pte Ltd from 1 July 2020 to 31 December 2020, 30.0% interest in Park Mall Pte Ltd and 50.0% interest in Southgate Trust.

CORPORATE DIRECTORY

TRUSTEE

Registered Address
HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard #48-01
Marina Bay Financial Centre Tower 2
Singapore 018983

Mailing Address
HSBC Institutional Trust Services (Singapore) Limited
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MANAGER

Registered Address
ARA Trust Management (Suntec) Limited
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Suntec Tower Five
Singapore 038985
Telephone: +65 6835 9232
Facsimile: +65 6835 9672
Email: enquiry@suntecreit.com

DIRECTORS OF THE MANAGER

Chew Gek Khim PJG
Chairman and
Non-Executive Director

Lim Hwee Chiang, John PBM
Non-Executive Director

Yap Chee Meng
Lead Independent
Non-Executive Director

Chan Pee Teck, Peter
Independent Non-Executive Director

Yu-Foo Yee Shoon
Independent Non-Executive Director

Lock Wai Han
Independent Non-Executive Director

Chow Wai Wai, John
Non-Executive Director

Chong Kee Hiong
Chief Executive Officer and
Executive Director

AUDIT COMMITTEE

Yap Chee Meng
Chairman

Chan Pee Teck, Peter
Member

Yu-Foo Yee Shoon
Member

Lock Wai Han
Member

DESIGNATED COMMITTEE

Chow Wai Wai, John
Chairman

Yap Chee Meng
Member

Chan Pee Teck, Peter
Member

Seow Bee Lian, Cheryl
Member

COMPANY SECRETARIES OF THE MANAGER

Yeoh Kar Choo Sharon
Chiang Wai Ming

LEGAL ADVISER

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UNIT REGISTRAR

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AUDITOR OF THE TRUST

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16 Raffles Quay #22-00
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Facsimile: +65 6225 2230

(Partner-in-charge: Eng Chin Chin)
(Appointed since Financial Year 2016)

STOCK EXCHANGE QUOTATION

BBG: SUN SP Equity
RIC: SUNT.SI

WEBSITES

www.suntecreit.com
www.ara-group.com

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(As Manager of Suntec REIT)

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