

**Suntec Real Estate Investment Trust
and its Subsidiaries**

Interim Financial Information
Six-month period and financial year ended 31 December
2022

Table of Contents

Description	Page No.
Introduction	2
Summary of Results	3
Statements of Financial Position	4
Statement of Total Return	6
Distribution Statement	7
Statements of Movements in Unitholders' Funds	10
Portfolio Statements	14
Statement of Cash Flows	17
Notes to Interim Financial Statements	19
Other Information Required Under Appendix 7.2 of the Listing Manual	31

Introduction

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

Suntec REIT owns Suntec City Mall which comprises approximately 822,000 sq ft of net lettable area and certain office units in Suntec Towers One, Two and Three and the whole of Suntec Towers Four and Five, which form part of the integrated commercial development known as “Suntec City”. The property portfolio also comprises 66.3 per cent effective interest in Suntec Singapore Convention & Exhibition Centre and approximately 143,000 sq ft of net lettable area of Suntec City Mall (“Suntec Singapore”), a one-third interest in One Raffles Quay (“ORQ”) and a one-third interest in Marina Bay Financial Centre Towers 1 and 2, and the Marina Bay Link Mall (collectively known as “MBFC Properties”). Suntec REIT also holds a 100 per cent interest in the commercial building located at 177 Pacific Highway, Sydney, Australia (“177 Pacific Highway”), a 100 per cent interest in the commercial building located at 21 Harris Street, Pyrmont, Sydney, Australia (“21 Harris Street”), a 50.0 per cent interest in Southgate Complex, Melbourne, Australia (“Southgate Complex”), a 50.0 per cent interest in a commercial building, Olderfleet, at 477 Collins Street, Melbourne, Australia (“Olderfleet, 477 Collins Street”), a 100 per cent interest in a freehold office building at 55 Currie Street, Adelaide, Australia (“55 Currie Street”) and a 50.0 per cent interest in two grade A office buildings with ancillary retail in Victoria, West End, London, United Kingdom (“Nova Properties”) and a 100 per cent interest in a Grade A office building with ancillary retail located at 3 Minster Court, City of London, United Kingdom (“The Minster Building”).

Summary of Results

	Group					
	1/7/22 to 31/12/22 \$'000	1/7/21 to 31/12/21 \$'000	Change %	1/1/22 to 31/12/22 \$'000	1/1/21 to 31/12/21 \$'000	Change %
Gross revenue	223,727	191,305	16.9	427,269	358,069	19.3
Net property income	162,849	142,014	14.7	315,751	254,631	24.0
Income from joint ventures	62,901	75,371	(16.5)	183,638	135,730	35.3
- loans to joint ventures	22,161	16,617	33.4	38,782	32,822	18.2
- share of profits ^(a)	40,740	58,754	(30.7)	144,856	102,908	40.7
Distribution income	117,370	129,013	(9.0)	255,507	247,203	3.4
- from operations	105,870	129,013	(17.9)	232,507	247,203	(5.9)
- from capital	11,500	–	n.m.	23,000	–	n.m.
Number of issued and issuable units at the end of the period entitled to distribution ('000) ^(b)	2,886,681	2,867,642	0.7	2,886,681	2,867,642	0.7
Distribution per Unit ("DPU") (cents) ^{(b), (c)}	4.074	4.512	(9.7)	8.884	8.666	2.5
- 1 Jan to 31 Mar ^(d)	–	–	–	2.391	2.045	16.9
- 1 Apr to 30 Jun ^(e)	–	–	–	2.419	2.109	14.7
- 1 Jul to 30 Sep ^(f)	2.084	2.232	(6.6)	2.084	2.232	(6.6)
- 1 Oct to 31 Dec ^(b)	1.990	2.280	(12.7)	1.990	2.280	(12.7)

n.m. – not meaningful

Footnotes:

- (a) Includes share of gain arising from fair value adjustments of \$5,456,000 for the period from 1 July 2022 to 31 December 2022 ("2H FY22") and \$64,852,000 for the financial year ended 31 December 2022 ("FY22"), \$18,487,000 for the period from 1 July 2021 to 31 December 2021 ("2H FY21"), \$20,732,000 for financial year ended 31 December 2021 ("FY21").
- (b) The computation of Distribution per Unit for the period from 1 October 2022 to 31 December 2022 is based on the number of units entitled to distribution:
- (i) The number of units in issue as at 31 December 2022 of 2,875,947,813; and
- (ii) The units issuable to the Manager by 30 January 2023 as partial satisfaction of asset management base fees incurred for the period from 1 October 2022 to 31 December 2022 of 3,384,511 and asset management performance fees incurred for the period from 1 January 2022 to 31 December 2022 of 7,348,336.
- (c) Please refer to Page 7-9 for the distribution per unit computation.
- (d) Distribution of 2.391 cents per unit for the period 1 January 2022 to 31 March 2022 was paid on 30 May 2022.
- (e) Distribution of 2.419 cents per unit for the period 1 April 2022 to 30 June 2022 was paid on 29 August 2022.
- (f) Distribution of 2.084 cents per unit for the period 1 July 2022 to 30 September 2022 was paid on 29 November 2022.

Statements of Financial Position
As at 31 December 2022

		Group		Trust	
	Note	31/12/2022	31/12/2021	31/12/2022	31/12/2021
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Plant and equipment		858	1,346	408	597
Investment properties	3	7,906,828	7,913,100	5,215,000	4,997,000
Rental guarantee receivables		314	7,098	–	–
Interests in joint ventures	4	3,424,076	3,444,820	1,472,073	1,471,741
Interests in subsidiaries		–	–	2,326,684	2,434,365
Long term investment		–	–	637	637
Derivative assets		81,642	19,268	23,785	1,651
		<u>11,413,718</u>	<u>11,385,632</u>	<u>9,038,587</u>	<u>8,905,991</u>
Current assets					
Derivative assets		2,804	538	2,804	538
Rental guarantee receivables		865	4,233	–	–
Trade and other receivables		23,481	29,964	8,585	22,067
Cash and cash equivalents		269,610	268,311	144,404	141,477
		<u>296,760</u>	<u>303,046</u>	<u>155,793</u>	<u>164,082</u>
Total assets		<u>11,710,478</u>	<u>11,688,678</u>	<u>9,194,380</u>	<u>9,070,073</u>
Current liabilities					
Interest-bearing borrowings	5	645,577	499,754	279,913	499,754
Trade and other payables		128,696	105,096	125,764	109,539
Derivative liabilities		36	828	36	828
Security deposits		24,149	29,830	17,450	16,891
Current tax liabilities		8,264	4,210	2	–
		<u>806,722</u>	<u>639,718</u>	<u>423,165</u>	<u>627,012</u>

Statements of Financial Position (cont'd)
As at 31 December 2022

	Note	Group		Trust	
		31/12/2022 \$'000	31/12/2021 \$'000	31/12/2022 \$'000	31/12/2021 \$'000
Non-current liabilities					
Interest-bearing borrowings	5	4,197,902	4,419,236	3,185,695	2,939,561
Security deposits		56,580	51,298	45,790	40,445
Derivative liabilities		3,182	12,503	3,182	4,313
Deferred tax liabilities		61,973	67,161	–	–
		<u>4,319,637</u>	<u>4,550,198</u>	<u>3,234,667</u>	<u>2,984,319</u>
Total liabilities		<u>5,126,359</u>	<u>5,189,916</u>	<u>3,657,832</u>	<u>3,611,331</u>
Net assets		<u>6,584,119</u>	<u>6,498,762</u>	<u>5,536,548</u>	<u>5,458,742</u>
Represented by:					
Unitholders' funds		6,116,353	6,051,805	5,188,508	5,110,695
Perpetual securities holders	6	348,040	348,047	348,040	348,047
Non-controlling interests		119,726	98,910	–	–
		<u>6,584,119</u>	<u>6,498,762</u>	<u>5,536,548</u>	<u>5,458,742</u>
Units in issue ('000)	7	<u>2,875,948</u>	<u>2,852,999</u>	<u>2,875,948</u>	<u>2,852,999</u>
Net asset value per Unit (\$)	8	<u>2.119</u>	<u>2.110</u>	<u>1.797</u>	<u>1.782</u>

Statement of Total Return
Six-month period and financial year ended 31 December 2022

	Note	Group			Group		
		Six-month period ended	Six-month period ended	Change	Year ended	Year ended	Change
		31/12/2022	31/12/2021	%	31/12/2022	31/12/2021	%
		\$'000	\$'000	%	\$'000	\$'000	%
Gross revenue		223,727	191,305	16.9	427,269	358,069	19.3
Property expenses		(60,878)	(49,291)	(23.5)	(111,518)	(103,438)	(7.8)
Net property income		162,849	142,014	14.7	315,751	254,631	24.0
Other income		3,994	6,657	(40.0)	8,097	14,860	(45.5)
Share of profit of joint ventures		40,740	58,754	(30.7)	144,856	102,908	40.8
Finance income		22,480	16,780	34.0	39,204	33,107	18.4
Finance costs		(86,940)	(68,012)	(27.8)	(151,440)	(127,491)	(18.8)
Net finance costs		(64,460)	(51,232)	(25.8)	(112,236)	(94,384)	(18.9)
Asset management fees							
- base fee		(20,604)	(20,389)	(1.1)	(40,865)	(39,848)	(2.6)
- performance fee		(10,302)	(9,380)	(9.8)	(20,306)	(18,025)	(12.7)
Trust expenses		(2,688)	(3,413)	21.2	(5,956)	(6,204)	4.0
Net income		109,529	123,011	(11.0)	289,341	213,938	35.2
Net change in fair value of financial derivatives		11,093	26,080	(57.5)	65,407	49,814	31.3
Net change in fair value of investment properties		104,963	223,973	(53.1)	159,120	223,973	(29.0)
Net gain from divestment of investment properties		–	13,891	n.m.	–	13,891	n.m.
Net gain from divestment of joint venture		–	103	n.m.	–	13,925	n.m.
Total return before tax	10	225,585	387,058	(41.7)	513,868	515,541	(0.3)
Tax expense		(7,521)	(22,518)	66.6	(16,241)	(25,030)	35.1
Total return after tax		218,064	364,540	(40.2)	497,627	490,511	1.5
Attributable to:							
Unitholders of the Trust and perpetual securities holders		201,266	350,050	(42.5)	476,811	476,439	0.1
Non-controlling interests		16,798	14,490	15.9	20,816	14,072	47.9
		218,064	364,540	(40.2)	497,627	490,511	1.5
Earnings per Unit (cents)							
Basic	11	6.757	12.033	(43.8)	16.117	16.355	(1.5)
Diluted	11	6.732	11.922	(43.5)	16.057	16.142	(0.5)

n.m. denotes not meaningful

Distribution Statement
Six-month period and financial year ended 31 December 2022

	Group		Group	
	Six-month period ended 31/12/2022 \$'000	Six-month period ended 31/12/2021 \$'000	Year ended 31/12/2022 \$'000	Year ended 31/12/2021 \$'000
Amount available for distribution to Unitholders at the beginning of the period / year	69,334	59,935	65,207	64,026
Total return attributable to Unitholders and perpetual securities holders before distribution	201,266	350,050	476,811	476,439
Less: Total return attributable to perpetual securities holders	(7,045)	(7,045)	(13,975)	(11,093)
Net tax adjustments (Note A)	(156,605)	(300,228)	(392,740)	(382,096)
Taxable income	37,616	42,777	70,096	83,250
Add:				
Dividend income (Note B)	68,254	86,236	162,411	163,953
Others (Note C)	11,500	–	23,000	–
Amount available for distribution to Unitholders	186,704	188,948	320,714	311,229
<i>Distribution to Unitholders</i>				
Distribution of 2.261 cents per Unit for period from 1/10/2020 to 31/12/2020	–	–	–	(64,160)
Distribution of 2.045 cents per Unit for period from 1/1/2021 to 31/3/2021	–	–	–	(58,121)
Distribution of 2.109 cents per Unit for period from 1/4/2021 to 30/6/2021	–	(60,062)	–	(60,062)
Distribution of 2.232 cents per Unit for period from 1/7/2021 to 30/9/2021	–	(63,679)	–	(63,679)
Distribution of 2.280 cents per Unit for period from 1/10/2021 to 31/12/2021	–	–	(65,382)	–
Distribution of 2.391 cents per Unit for period from 1/1/2022 to 31/3/2022	–	–	(68,628)	–
Distribution of 2.419 cents per Unit for period from 1/4/2022 to 30/6/2022	(69,499)	–	(69,499)	–
Distribution of 2.084 cents per Unit for period from 1/7/2022 to 30/9/2022	(59,935)	–	(59,935)	–
Distribution to Unitholders	(129,434)	(123,741)	(263,444)	(246,022)
Income available for distribution to Unitholders at the end of the period / year	57,270	65,207	57,270	65,207
Distribution per Unit (cents) (Note D)	4.074	4.512	8.884	8.666

Distribution Statement (cont'd)
Six-month period and financial year ended 31 December 2022

	Group		Group	
	Six-month period ended 31/12/2022 \$'000	Six-month period ended 31/12/2021 \$'000	Year ended 31/12/2022 \$'000	Year ended 31/12/2021 \$'000
Note A				
Net tax adjustments comprise:				
Asset management fee paid/payable in Units	14,353	22,121	28,417	42,986
Amortisation of transaction costs	2,496	2,696	4,901	6,013
Net profit from subsidiaries and joint ventures	(61,484)	(92,535)	(208,439)	(175,444)
Net foreign currency exchange differences	3,071	8,665	5,725	10,114
Net change in fair value of investment properties	(104,963)	(223,973)	(159,120)	(223,973)
Net change in fair value of financial derivatives	(9,106)	(25,090)	(62,669)	(51,161)
Net gain from divestment of joint venture	–	(103)	–	(13,925)
Net gain on disposal of investment properties	–	(13,891)	–	(13,891)
Sinking fund contribution	–	–	–	8,025
Deferred tax	2,198	16,857	5,303	16,857
Trustee's fees	1,010	980	2,006	1,965
Other items ⁽¹⁾	(4,180)	4,045	(8,864)	10,338
Net tax adjustments	(156,605)	(300,228)	(392,740)	(382,096)

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

Note B

This relates to the dividend income and distribution of profits received from subsidiaries and a joint venture.

	Group		Group	
	Six-month period ended	Six-month period ended	Year ended	Year ended
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	\$'000	\$'000	\$'000	\$'000
Wholly-owned subsidiaries				
Comina Investment Limited	11,481	11,718	25,607	24,579
Suntec REIT Capital Pte. Ltd.	9,500	12,100	19,500	25,100
Suntec REIT (PM) Pte. Ltd.	–	–	–	1,747
Suntec REIT (Australia) Trust	26,369	30,376	57,914	60,817
Suntec REIT UK 1 Pte. Ltd.	5,667	12,288	16,580	12,288
Victoria Circle Unit Trust 1	9	11	16	11
Victoria Circle Unit Trust 2	9	11	16	11
Suntec REIT UK (LP) Pte. Ltd.	3,700	1,817	12,949	1,817
	<u>56,735</u>	<u>68,321</u>	<u>132,582</u>	<u>126,370</u>
Joint Venture				
BFC Development LLP	11,519	17,915	29,829	37,583
	<u>68,254</u>	<u>86,236</u>	<u>162,411</u>	<u>163,953</u>

Note C

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

Note D

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

Statements of Movements in Unitholders' Funds
Six-month period and financial year ended 31 December 2022

	Group		Trust	
	Six-month period ended 31/12/2022 \$'000	Six-month period ended 31/12/2021 \$'000	Six-month period ended 31/12/2022 \$'000	Six-month period ended 31/12/2021 \$'000
Unitholders' funds at the beginning of the period	6,124,420	5,871,475	5,120,958	5,053,447
Total return attributable to Unitholders and perpetual securities holders	201,266	350,050	184,673	158,997
Less: Total return attributable to perpetual securities holders	(7,045)	(7,045)	(7,045)	(7,045)
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges ⁽¹⁾	9,127	6,670	–	–
Foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(101,337)	(74,641)	–	–
Net loss recognised directly in Unitholders' funds	(92,210)	(67,971)	–	–
Unitholders' transactions				
Creation of Units				
- asset management fees payable in Units ⁽²⁾	4,526	7,244	4,526	7,244
Units to be issued				
- asset management fees payable in Units ⁽²⁾	14,830	21,793	14,830	21,793
Distributions to Unitholders	(129,434)	(123,741)	(129,434)	(123,741)
Net decrease in Unitholders' funds resulting from Unitholders' transactions	(110,078)	(94,704)	(110,078)	(94,704)
Unitholders' funds at the end of the period	6,116,353	6,051,805	5,188,508	5,110,695

Notes:

- (1) This represents the Group's share of fair value change of the cash flow hedges as a result of interest rate swaps entered into by subsidiaries and a joint venture.*
- (2) This represents the value of units issued and to be issued to the Manager as partial satisfaction of asset management fees incurred. The asset management base fee units for the quarter ended 31 December 2022 and asset management performance fee units for the financial year ended 31 December 2022 are to be issued within 30 days from quarter end.*

Statements of Movements in Unitholders' Funds (cont'd)
Six-month period and financial year ended 31 December 2022

	Group		Trust	
	Six-month period ended 31/12/2022 \$'000	Six-month period ended 31/12/2021 \$'000	Six-month period ended 31/12/2022 \$'000	Six-month period ended 31/12/2021 \$'000
Perpetual securities holders at the beginning of the period	348,002	348,013	348,002	348,013
Total return attributable to perpetual securities holders	7,045	7,045	7,045	7,045
Transactions with perpetual securities holders				
Issue expenses	–	(5)	–	(5)
Distribution to perpetual securities holders	(7,007)	(7,006)	(7,007)	(7,006)
Net decrease resulting from transactions with perpetual securities holders	(7,007)	(7,011)	(7,007)	(7,011)
Perpetual securities holders at the end of the period	348,040	348,047	348,040	348,047
Non-controlling interests at the beginning of the period	102,928	84,420	–	–
Total return attributable to non-controlling interests	16,798	14,490	–	–
Non-controlling interests at the end of the period	119,726	98,910	–	–

Statements of Movements in Unitholders' Funds (cont'd)
Six-month period and financial year ended 31 December 2022

	Group		Trust	
	Year ended 31/12/2022 \$'000	Year ended 31/12/2021 \$'000	Year ended 31/12/2022 \$'000	Year ended 31/12/2021 \$'000
Unitholders' funds at the beginning of the period	6,051,805	5,829,657	5,110,695	5,064,542
Total return attributable to Unitholders and perpetual securities holders	476,811	476,439	326,815	258,804
Less: Total return attributable to perpetual securities holders	(13,975)	(11,093)	(13,975)	(11,093)
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges ⁽¹⁾	19,820	9,475	–	–
Foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(183,081)	(51,115)	–	–
Net loss recognised directly in Unitholders' funds	(163,261)	(41,640)	–	–
Unitholders' transactions				
Creation of Units				
- asset management fees payable in Units ⁽²⁾	13,587	21,193	13,587	21,193
- divestment fees payable in Units ⁽³⁾	–	1,478	–	1,478
Units to be issued				
- asset management fees payable in Units ⁽²⁾	14,830	21,793	14,830	21,793
Distributions to Unitholders	(263,444)	(246,022)	(263,444)	(246,022)
Net decrease in Unitholders' funds resulting from Unitholders' transactions	(235,027)	(201,558)	(235,027)	(201,558)
Unitholders' funds at the end of the period	6,116,353	6,051,805	5,188,508	5,110,695

Notes:

- (1) This represents the share of fair value change of the cash flow hedges as a result of interest rate swaps entered into by subsidiaries and a joint venture.*
- (2) This represents the value of units issued and to be issued to the Manager as partial satisfaction of asset management fees incurred. The asset management base fee units for the quarter ended 31 December 2022 and asset management performance fee units for the financial year ended 31 December 2022 are to be issued within 30 days from quarter end.*
- (3) This represents the value of units issued to the Manager as satisfaction of divestment fees in relation to the divestment of Park Mall Investment Limited.*

Statements of Movements in Unitholders' Funds (cont'd)
Six-month period and financial year ended 31 December 2022

	Group		Trust	
	Year ended	Year ended	Year ended	Year ended
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	\$'000	\$'000	\$'000	\$'000
Perpetual securities holders at the beginning of the period	348,047	198,675	348,047	198,675
Total return attributable to perpetual securities holders	13,975	11,093	13,975	11,093
Transactions with perpetual securities holders				
Issue of perpetual securities	–	150,000	–	150,000
Issue expenses	(7)	(925)	(7)	(925)
Distribution to perpetual securities holders	(13,975)	(10,796)	(13,975)	(10,796)
Net (decrease) / increase resulting from transactions with perpetual securities holders	(13,982)	138,279	(13,982)	138,279
Perpetual securities holders at the end of the period	348,040	348,047	348,040	348,047
Non-controlling interests at the beginning of the period	98,910	84,838	–	–
Total return attributable to non-controlling interests	20,816	14,072	–	–
Non-controlling interests at the end of the period	119,726	98,910	–	–

Portfolio Statements
As at 31 December 2022

Group

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed	Committed	Carrying	Carrying	Percentage	Percentage
						Occupancy Rate as at 31/12/2022 %	Occupancy Rate as at 31/12/2021 %	Value as at 31/12/2022 \$'000	Value as at 31/12/2021 \$'000	of Total Unitholders' funds as at 31/12/2022 %	of Total Unitholders' funds as at 31/12/2021 %
<i>Investment properties in Singapore</i>											
Suntec City Mall	Leasehold	99 years	66 years	3 Temasek Boulevard	Commercial	98.3	94.7	2,070,000	2,022,000	33.8	33.4
Suntec City Office Towers	Leasehold	99 years	66 years	5 - 9 Temasek Boulevard	Commercial	99.9	97.2	3,145,000	2,975,000	51.4	49.2
Suntec Singapore [^]	Leasehold	99 years	66 years	1 Raffles Boulevard	Commercial	n/m	n/m	699,400	662,000	11.4	10.9
<i>Investment properties in Australia</i>											
177 Pacific Highway	Freehold	–	–	177 – 199 Pacific Highway, North Sydney	Commercial	100	93.8	645,450	707,904	10.6	11.7
21 Harris Street	Freehold	–	–	21 Harris Street, Pyrmont, New South Wales	Commercial	97.0	91.0	270,777	296,181	4.4	4.9
55 Currie Street	Freehold	–	–	55 Currie Street, Adelaide	Commercial	100	95.7	130,540	149,643	2.1	2.5
Olderfleet, 477 Collins Street	Freehold	–	–	477 Collins Street, Melbourne	Commercial	99.5	98.3	433,321	466,528	7.1	7.7
<i>Investment property in United Kingdom</i>											
The Minster Building	Leasehold	999 years	967 years	21 Mincing Lane, EC3, London	Commercial	96.7	96.7	512,340 ⁽¹⁾	633,844 ⁽¹⁾	8.4	10.5
Investment properties								7,906,828	7,913,100	129.2	130.8
Interests in joint ventures								3,424,076	3,444,820	56.0	56.9
Other assets and liabilities (net)								11,330,904	11,357,920	185.2	187.7
Net assets								(4,746,785)	(4,859,158)	(77.6)	(80.3)
Perpetual securities holders								6,584,119	6,498,762	107.6	107.4
Non-controlling interests								(348,040)	(348,047)	(5.7)	(5.8)
Unitholders' funds								(119,726)	(98,910)	(1.9)	(1.6)
								6,116,353	6,051,805	100.0	100.0

[^] denotes Suntec Singapore Convention and Exhibition Centre.

(1) The valuation reflects the price that would be received from the sale of the investment property where the Purchaser's cost (including stamp duty) is assumed to be 6.8%, in line with accounting standards. The valuation based on the price that would be received for the sale of the special purpose vehicle holding the investment property where the Purchaser's cost (excluding stamp duty) is assumed to be 1.8% is \$537.4 million (2021: \$665.0 million).

Portfolio Statements (cont'd)
As at 31 December 2022

Trust

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed	Committed	Carrying	Carrying	Percentage	Percentage
						Occupancy Rate as at 31/12/2022 %	Occupancy Rate as at 31/12/2021 %	Value as at 31/12/2022 S'000	Value as at 31/12/2021 S'000	of Total Unitholders' funds as at 31/12/2022 %	of Total Unitholders' funds as at 31/12/2021 %
<i>Investment properties in Singapore</i>											
Suntec City Mall	Leasehold	99 years	66 years	3 Temasek Boulevard	Commercial	98.3	94.7	2,070,000	2,022,000	39.9	39.6
Suntec City Office Towers	Leasehold	99 years	66 years	5 - 9 Temasek Boulevard	Commercial	99.9	97.2	3,145,000	2,975,000	60.6	58.2
Investment properties								5,215,000	4,997,000	100.5	97.8
Interests in joint ventures								1,472,073	1,471,741	28.4	28.8
Interests in subsidiaries								2,326,684	2,434,365	44.8	47.6
Other assets and liabilities (net)								9,013,757	8,903,106	173.7	174.2
Net assets								(3,477,209)	(3,444,364)	(67.0)	(67.4)
Perpetual securities holders								5,536,548	5,458,742	106.7	106.8
Unitholders' funds								(348,040)	(348,047)	(6.7)	(6.8)
								5,188,508	5,110,695	100.0	100.0

Portfolio Statements (cont'd)
As at 31 December 2022

Note:

Suntec City Office Towers comprise 12 strata lots in Suntec City Office Tower One, 3 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.

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

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

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

The Minster Building is a 11-storey office building located in London, United Kingdom.

The carrying amounts of the investment properties as at 31 December 2022 were based on independent valuations undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Cushman & Wakefield (Valuations) Pty Ltd, CIVAS (VIC) Pty Limited, Jones Lang LaSalle Limited and Savills (UK) Limited.

As at 31 December 2021, independent valuations were undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Cushman & Wakefield (Valuations) Pty Ltd, CIVAS (VIC) Pty Limited and Jones Lang LaSalle 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 a combination of the discounted cash flow method, capitalisation approach and direct comparison method.

Statement of Cash Flows
Six-month period and financial year ended 31 December 2022

	Group	
	Year ended 31/12/2022	Year ended 31/12/2021
	\$'000	\$'000
Cash flows from operating activities		
Total return before tax	513,868	515,541
Adjustments for:		
Net reversal of impairment on trade receivables	(217)	(2,381)
Asset management fees paid/payable in Units	28,417	42,986
Depreciation of plant and equipment	680	786
Net change in fair value of financial derivatives	(65,407)	(49,814)
Net change in fair value of investment properties	(159,120)	(223,973)
Net finance costs	112,236	94,384
Net gain from disposal of investment properties	–	(13,891)
Net gain from divestment of joint venture	–	(13,925)
Share of profit of joint ventures	(144,856)	(102,908)
	285,601	246,805
Changes in:		
- Trade and other receivables	(3,937)	(4,757)
- Trade and other payables	(2,459)	5,569
	279,205	247,617
Cash generated from operating activities	279,205	247,617
Tax paid	(6,235)	(3,890)
Net cash from operating activities	272,970	243,727
Cash flows from investing activities		
Capital expenditure on investment properties	(13,899)	(7,792)
Dividend income received	66,665	80,589
Acquisition of subsidiary	–	(651,570)
Additional investments in joint ventures	–	(3,056)
Proceeds from capital reduction of joint ventures	–	194,849
Loan to joint ventures	(332)	(2,230)
Loan repayment by joint ventures	25,195	–
Net proceeds from divestment of joint venture	–	89,851
Net proceeds from divestment of investment properties	–	192,505
Interest received	48,549	24,691
Purchase of plant and equipment	(192)	(518)
Proceeds from disposal of plant and equipment	–	2
Net cash from / (used in) investing activities	125,986	(82,679)

Statement of Cash Flows (cont'd)
Six-month period and financial year ended 31 December 2022

	Group	
	Year ended	Year ended
	31/12/2022	31/12/2021
	\$'000	\$'000
Cash flows from financing activities		
Distributions to Unitholders	(263,444)	(246,022)
Distributions to perpetual securities holders	(13,975)	(10,796)
Financing cost paid	(133,062)	(116,212)
Redemption of convertible bonds	–	(89,250)
Repayment of medium term notes	(100,000)	(150,000)
Proceeds from issuance of perpetual securities	–	150,000
Payment of transaction costs on issue of perpetual securities	(7)	(925)
Proceeds from interest-bearing loans	900,000	1,580,984
Repayment of interest-bearing loans	(773,104)	(1,234,722)
Net cash used in financing activities	(383,592)	(116,943)
Net increase in cash and cash equivalents	15,364	44,105
Cash and cash equivalents at beginning of the period	268,311	227,474
Effects on exchange rate fluctuations on cash held	(14,065)	(3,268)
Cash and cash equivalents at the end of the period	269,610	268,311

Significant non-cash transactions

There were the following non-cash transactions:

Year ended 31 December 2022

The Group had issued or would be issuing a total of 19,038,367 Units to the Manager, amounting to approximately \$28.4 million at unit prices ranging from \$1.3817 to \$1.7267 as satisfaction of the asset management fees payable in Units in respect of the year ended 31 December 2022.

Year ended 31 December 2021

The Group had issued or would be issuing a total of 28,970,940 Units to the Manager, amounting to approximately \$43.0 million at unit prices ranging from \$1.4213 to \$1.5668 as satisfaction of the asset management fees payable in Units in respect of the year ended 31 December 2021.

The Group had issued a total of 998,580 Units to the Manager, amounting to approximately \$1.5 million at unit price of \$1.4796 as satisfaction of the divestment fee payable in Units in respect of the divestment of Park Mall Investment Limited (Note 4).

Notes to the Interim Financial Statements

These notes form an integral part of the interim financial statements.

1 General

Suntec Real Estate Investment Trust (the “Trust”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 1 November 2004 (as amended) (the “Trust Deed”) between ARA Trust Management (Suntec) Limited (the “Manager”) and HSBC Institutional Trust Services (Singapore) Limited (the “Trustee”). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust in trust for the holders (“Unitholders”) of Units in the Trust (the “Units”).

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

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

The interim financial statements (“Financial Statements”) relate to the Trust and its subsidiaries (the “Group”).

2 Basis of preparation

The Financial Statements has been prepared in accordance with the Statement of Recommended Accounting Practice (“RAP”) 7 “*Reporting Framework for Investment Funds*” issued by the Institute of Singapore Chartered Accountants, and the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore and the provisions of the Trust Deed and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2021. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Financial Reporting Standards in Singapore (“FRS”).

The Financial Statements do not contain all of the information required for full annual financial statements.

The Financial Statements have been prepared on a historical cost basis, except for the investment properties and financial derivatives which are stated at their fair values.

The Financial Statements are presented in Singapore dollars which is the Trust’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

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

2 Basis of preparation (cont'd)

In preparing these Financial Statements, significant judgements made by the Manager in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

The accounting policies applied by the Group in these Financial Statements are the same as those applied by the Group in its financial statements as at and for the year ended 31 December 2021, except that the Group adopted various revised standards that are effective for annual periods beginning on 1 January 2022. The adoption of the revised standards did not have a material impact on the Group's Financial Statements.

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted; however, the Group has not early adopted the new or amended standards and interpretations in preparing these Financial Statements.

3 Investment properties

	Group		Trust	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the period	7,913,100	7,262,856	4,997,000	5,088,000
Acquisition of a subsidiary	–	645,838	–	–
Capital expenditure capitalised	22,735	37,997	733	891
Divestments	–	(180,920)	–	(180,920)
	<u>7,935,835</u>	<u>7,765,771</u>	<u>4,997,733</u>	<u>4,907,971</u>
Net change in fair value of investment properties	159,120	223,973	217,267	89,029
Effects of movements in exchange rates	(188,127)	(76,644)	–	–
Balance at the end of the period	<u>7,906,828</u>	<u>7,913,100</u>	<u>5,215,000</u>	<u>4,997,000</u>

The carrying amounts of the investment properties as at 31 December 2022 were based on independent valuations undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Cushman & Wakefield (Valuations) Pty Ltd, CIVAS (VIC) Pty Limited, Jones Lang LaSalle Limited and Savills (UK) Limited (2021: Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Cushman & Wakefield (Valuations) Pty Ltd, CIVAS (VIC) Pty Limited and Jones Lang LaSalle Limited).

As at 31 December 2021, the valuation reports obtained from certain external valuers had included market uncertainty clauses, highlighting that 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 COVID-19 pandemic might have on the real estate market, the external valuers had recommended to keep the valuation of these properties under frequent review.

3 Investment properties (cont'd)

Measurement of fair value

The fair values of investment properties were determined by external independent valuers having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued. Independent 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.

4 Interests in joint ventures

	Group		Trust	
	31/12/2022 \$'000	31/12/2021 \$'000	31/12/2022 \$'000	31/12/2021 \$'000
Investment in joint ventures	2,281,581	2,214,067	850,574	850,574
Loans to joint ventures	1,142,495	1,230,753	621,499	621,167
	3,424,076	3,444,820	1,472,073	1,471,741

Included in the Group's loans to joint ventures as at 31 December 2022 are amounts of \$885.8 million (2021: \$938.3 million) which bear interest ranging from 2.64% to 5.70% (2021: 2.40% to 5.00%) per annum. The remaining balances are interest-free.

The Trust's loans to joint ventures bear interest between 2.64% to 5.70% (2021: 2.40% to 2.88%) 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.

Disposal of PMIL and its subsidiaries ("PMIL Group")

On 16 June 2021, the Group completed the sale of its 30.0% interest in PMIL Group to a related party, Haiyi Holdings Pte. Ltd., for an aggregate consideration of \$90.0 million, based on the adjusted net asset value of PMIL Group. The consideration took into account the agreed value of the Property – 9 Penang Road (on a 100% basis) of \$985.0 million. A net gain from divestment of the joint venture amounting to \$13.9 million was recognised to the Statement of Total Return.

4 Interests in joint ventures (cont'd)

Details of the material joint ventures are as follows:

Name of joint ventures	Principal place of business	Effective equity interest held by the Group	
		31/12/2022 %	31/12/2021 %
One Raffles Quay Pte. Ltd. (“ORQPL”)	Singapore	33.33	33.33
BFC Development LLP (“BFCDLLP”)	Singapore	33.33	33.33
Southgate Trust (“SGT”)	Australia	50.0	50.0
Nova Limited Partnership	United Kingdom	50.0	50.0
Nova Residential Limited Partnership	United Kingdom	50.0	50.0

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.

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.

5 Interest-bearing borrowings

	Group		Trust	
	31/12/2022 \$'000	31/12/2021 \$'000	31/12/2022 \$'000	31/12/2021 \$'000
Term loans				
- secured	1,988,574	2,056,549	893,240	891,354
- unsecured	2,854,905	2,862,441	2,572,368	2,547,961
	<u>4,843,479</u>	<u>4,918,990</u>	<u>3,465,608</u>	<u>3,439,315</u>
<i>Classified as:</i>				
Current	645,577	499,754	279,913	499,754
Non-current	4,197,902	4,419,236	3,185,695	2,939,561
	<u>4,843,479</u>	<u>4,918,990</u>	<u>3,465,608</u>	<u>3,439,315</u>

5 Interest-bearing borrowings (cont'd)

Secured loans

As at 31 December 2022, the Group has in place the following loan facilities:

- S\$406 million (2021: S\$406 million) secured term loan facility and revolving credit facility;
- S\$900 million (2021: S\$900 million) secured syndicated term loan facility;
- A\$450 million (2021: A\$450 million) secured term green loan facility; and
- GBP200 million (2021: GBP200 million) secured syndicated term loan facility.

As at 31 December 2022, the Group has drawn down S\$2,000 million (2021: S\$2,072 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 (2021: Suntec Singapore, Suntec City Mall, 177 Pacific Highway, 55 Currie Street and 21 Harris Street);
- A first fixed charge over the central rental collection account in relation to the Suntec Singapore and Suntec City Mall (2021: Suntec Singapore and Suntec City Mall);
- 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 (2021: 177 Pacific Highway, 55 Currie Street and 21 Harris Street);
- An assignment of the rights, title and interest in the key documents and the proceeds in connection with Suntec Singapore and Suntec City Mall (2021: Suntec Singapore and Suntec City Mall);
- An assignment of the rights, title and interest in the insurance policies in relation to Suntec Singapore and Suntec City Mall (2021: Suntec Singapore and Suntec City Mall);
- A fixed and floating charge over the assets of a subsidiary in relation to Suntec Singapore (2021: 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 (2021: Suntec REIT 177 Trust, Suntec REIT 55 Trust and Suntec REIT 21 Trust);
- First ranking charge over units in the JPUTs, bank accounts of the JPUTs, and bank accounts of a subsidiary (2021: First ranking charge over units in the JPUTs, bank accounts of the JPUTs, and bank accounts of a subsidiary); and
- Corporate guarantees from the Trust.

Unsecured loans

Included in unsecured term loans are medium term notes (“EMTN”) amounting to S\$780.0 million (2021: S\$780.0 million).

6 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 S\$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.

On 15 June 2021 the Trust issued S\$150.0 million of fixed rate subordinated perpetual securities with an initial distribution rate of 4.25% per annum. The first distribution rate reset falls on 15 June 2026 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 S\$348.0 million (2021: S\$348.0 million) presented on the Statements of Financial Position represents the S\$350.0 million (2021: S\$350.0 million) perpetual securities net of issue costs and distributions made to perpetual securities holders and includes total return attributable to perpetual securities holders from the issue date.

7 Units in issue

	Group and Trust	
	31/12/2022	31/12/2021
	'000	'000
Units in issue:		
At the beginning of the period	2,852,999	2,825,294
Issue of units:		
- asset management fees paid in Units	22,949	26,706
- divestment fees paid in Units	–	999
Issued units at the end of the period	2,875,948	2,852,999
Units to be issued:		
- asset management fees payable in Units	10,733	14,643
Total issued and issuable Units at the end of the period	2,886,681	2,867,642

8 Net asset value per Unit

	Note	Group		Trust	
		31/12/2022 '000	31/12/2021 \$'000	31/12/2022 '000	31/12/2021 \$'000
Net asset value per Unit is based on:					
Net assets attributable to Unitholders		6,116,353	6,051,805	5,188,508	5,110,695
		'000	'000	'000	'000
Total issued and issuable Units at the end of the period	7	2,886,681	2,867,642	2,886,681	2,867,642

9 Segment and revenue information

As at 31 December 2022, Suntec REIT's portfolio comprises office and retail properties in Suntec City, 66.3% interest in Suntec Singapore, comprising the convention centre and approximately 143,000 sq ft of net lettable area of Suntec City Mall, 100% interest in 177 Pacific Highway, 100% interest in 21 Harris Street, 50.0% interest in Olderfleet, 477 Collins Street, 100% interest in 55 Currie Street and 100% interest in The Minster Building. Suntec REIT also holds 1/3 interest in ORQ and MBFC Properties, 50.0% interest in Southgate Complex and 50.0% interest in the Nova Properties through joint ventures. Joint ventures are equity accounted for, and are therefore not included in the segment analysis table.

9 Segment and revenue information (cont'd)

Information about reportable segments

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

	-----Singapore-----		-----Australia-----					United -Kingdom-		Total \$'000
	Convention	Retail	Suntec City	Suntec City	177 Pacific Highway	21 Harris Street	55 Currie Street	Olderfleet, 477 Collins Street	The Minster Building	
	Suntec Singapore \$'000	Suntec Singapore \$'000	Suntec City \$'000	Suntec City \$'000	177 Pacific Highway \$'000	21 Harris Street \$'000	55 Currie Street \$'000	Olderfleet, 477 Collins Street \$'000	The Minster Building \$'000	Total \$'000
Year ended 31/12/2022										
Revenue	40,412	19,491	105,671	135,118	37,354	18,827	15,755	28,192	26,449	427,269
Property expenses	(29,117)	(4,659)	(27,170)	(27,362)	(6,540)	(3,946)	(5,030)	(5,933)	(1,761)	(111,518)
Reportable segment net property income	11,295	14,832	78,501	107,756	30,814	14,881	10,725	22,259	24,688	315,751
Change in fair value of investment properties	29,397	6,995	47,267	170,000	(9,116)	(9,022)	(13,264)	93	(63,230)	159,120
Year ended 31/12/2021										
Revenue	11,390	15,002	85,864	130,675	42,752	16,519	16,599	26,721	12,547	358,069
Property expenses	(16,741)	(4,326)	(29,862)	(31,130)	(6,261)	(3,415)	(5,039)	(5,601)	(1,063)	(103,438)
Reportable segment net property income	(5,351)	10,676	56,002	99,545	36,491	13,104	11,560	21,120	11,484	254,631
Change in fair value of investment properties	28,787	6,467	31,109	57,920	73,741	4,203	(928)	24,787	(2,113)	223,973

9 Segment and revenue information (cont'd)

Reconciliation of reportable segment net property income

	Group	
	Year ended 31/12/2022 \$'000	Year ended 31/12/2021 \$'000
Total return		
Reportable segment net property income	315,751	254,631
Reconciling items:		
- Other income	8,097	14,860
- Share of profit of joint ventures	144,856	102,908
- Net finance costs	(112,236)	(94,384)
- Asset management fees	(61,171)	(57,873)
- Other trust expenses	(5,956)	(6,204)
- Net change in fair value of financial derivatives	65,407	49,814
- Net change in fair value of investment properties	159,120	223,973
- Net gain from divestment of investment properties	–	13,891
- Net gain from divestment of joint venture	–	13,925
Consolidated total return for the year, before tax	513,868	515,541

Breakdown of revenue

	Group		
	Year ended 31/12/2022 \$'000	Year ended 31/12/2021 \$'000	Change %
Gross revenue reported for the six-month period ended 30 June	203,542	166,764	22.1
Total return after tax reported for the six-month period ended 30 June	279,563	125,971	121.9
Gross revenue reported for the six-month period ended 31 December	223,727	191,305	16.9
Total return after tax reported for the six-month period ended 31 December	218,064	364,540	(40.2)

10 Total return before tax

The following items have been included in arriving at total return before tax:

	Group		Group	
	Six-month period ended 31/12/2022 \$'000	Six-month period ended 31/12/2021 \$'000	Year ended 31/12/2022 \$'000	Year ended 31/12/2021 \$'000
Interest income	22,480	16,780	39,204	33,107
Finance income	22,480	16,780	39,204	33,107
Interest expense	(79,399)	(55,403)	(136,484)	(108,980)
Amortisation of transaction costs	(3,861)	(3,923)	(7,718)	(8,472)
Net foreign exchange loss	(3,680)	(8,686)	(7,238)	(10,039)
Finance costs	(86,940)	(68,012)	(151,440)	(127,491)
Depreciation of plant and equipment	(332)	(402)	(680)	(786)
(Allowance) / Reversal of allowance for doubtful trade receivables	(439)	797	217	2,381
Gain on disposal of plant and equipment	–	1	–	–

11 Earnings per Unit

Basic earnings per Unit (“EPU”) is based on:

	Group		Group	
	Six-month period ended 31/12/2022 \$'000	Six-month period ended 31/12/2021 \$'000	Year ended 31/12/2022 \$'000	Year ended 31/12/2021 \$'000
Total return after tax attributable to Unitholders and perpetual securities holders	201,266	350,050	476,811	476,439
Less: Total return attributable to perpetual securities holders	(7,045)	(7,045)	(13,975)	(11,093)
Total return attributable to Unitholders	194,221	343,005	462,836	465,346

11 Earnings per Unit (cont'd)

	Number of Units Group		Number of Units Group	
	Six-month period ended 31/12/2022 '000	Six-month period ended 31/12/2021 '000	Year ended 31/12/2022 '000	Year ended 31/12/2021 '000
Weighted average number of Units:				
- outstanding during the period	2,874,512	2,850,479	2,871,774	2,845,301
- to be issued as payment of asset management fees payable in Units	58	79	29	40
	2,874,570	2,850,558	2,871,803	2,845,341

In calculating diluted earnings per Unit, the total return 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		Group	
	Six-month period ended 31/12/2022 \$'000	Six-month period ended 31/12/2021 \$'000	Year ended 31/12/2022 \$'000	Year ended 31/12/2021 \$'000
Total return after tax attributable to Unitholders	201,266	350,050	476,811	476,439
Less: Total return attributable to perpetual securities holders	(7,045)	(7,045)	(13,975)	(11,093)
Total return attributable to Unitholders	194,221	343,005	462,836	465,346
Profit impact of conversion of the bonds	–	503	–	1,156
Adjusted total return after tax	194,221	343,508	462,836	466,502

11 Earnings per Unit (cont'd)

	Number of Units Group		Number of Units Group	
	Six-month period ended 31/12/2022 '000	Six-month period ended 31/12/2021 '000	Year ended 31/12/2022 '000	Year ended 31/12/2021 '000
Weighted average number of Units used in calculation of basic earnings per Unit	2,874,570	2,850,558	2,871,803	2,845,341
Weighted average number of Units to be issued in relation to asset management fees and assuming conversion of bonds	10,675	30,633	10,704	44,589
Weighted average number of Units used in calculation of diluted earnings per Unit	2,885,245	2,881,191	2,882,507	2,889,930

12 Financial ratios

	Group		Trust	
	Year ended 31/12/2022 %	Year ended 31/12/2021 %	Year ended 31/12/2022 %	Year ended 31/12/2021 %
Expenses to weighted average net assets ¹				
- including performance component of asset management fees	1.05	1.04	1.12	1.58
- excluding performance component of asset management fees	0.73	0.75	0.75	1.24
Portfolio turnover rate ²	–	3.20	–	3.70

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.

Other Information Required by Listing Rule Appendix 7.2

Explanatory Notes

A. Statements of Financial Position *(Please refer to Pages 4-5)*

i. Investment properties

The decrease in investment properties for the Group was mainly due to lower valuation of the properties in Australia and The Minster Building in London, and the impact of weaker AUD and GBP against SGD. The decrease was partially offset by higher valuation of Suntec City and Suntec Singapore.

The increase in investment properties for the Trust was mainly due to higher valuation of Suntec City.

ii. Rental guarantee receivables

This represents the rental guarantee receivables under rental guarantee arrangements with the sellers of 21 Harris Street and Nova Properties. The decrease in rental guarantee receivables for the Group was mainly due to expiry of the rental guarantee arrangement for Nova Properties.

iii. Long term investment

This relates to the Trust's 0.1% direct interest in Victoria Circle Unit Trust 1 and Victoria Circle Unit Trust 2 (collectively, the "VCUTs") which indirectly holds 50.0% interest in Nova Properties. The remaining 99.9% interest in the VCUTs is held by SRUK1, a wholly-owned subsidiary of the Trust.

iv. Derivative assets & liabilities

This relates to the foreign currency exchange contracts and interest rate swaps. The increase in net derivative assets for the Group and the Trust was mainly due to favourable hedging of interest rates from interest rate swaps.

v. Trade and other receivables

The decrease for the Group was mainly due to collection of trade receivables and other receivables and receipt of intercompany loan interest from joint ventures. The decrease for the Trust was mainly due to collection of trade and other receivables.

vi. Cash and cash equivalents

Please refer to Statement of Cash Flows on Pages 17-18.

vii. Interest-bearing borrowings

The interest-bearing borrowings are stated at amortised cost. The current portion of the interest-bearing borrowings for the Group as at 31 December 2022 relates to the \$406.0 million secured term loan facility and \$280.0 million notes due in the next 12 months. The increase in current borrowings for the Group was mainly due to reclassification of borrowings due in the next 12 months to current, partially offset by repayments during the year.

The decrease in current borrowings for the Trust was mainly due to repayments during the year.

The decrease in non-current borrowings of the Group was due to reclassification of loans due in the next 12 months to current, and the impact of weaker GBP and AUD against SGD to the Group's foreign currency borrowings.

For the Trust, the increase in non-current borrowings was due to addition of S\$900m sustainability linked loans during the year, partially offset by reclassification of loans due in the next 12 months to current.

viii. *Trade and other payables*

The increase in trade and other payables at the Group was mainly due to higher accrued income received for corporate events, conferences and long-term licences bookings at Suntec Singapore, higher asset management fees payable in cash, and higher interest payable.

The increase in trade and other payables at the Trust was mainly due to higher asset management fees payable in cash and higher interest payable.

B. Statement of Total Return (Please refer to Page 6)

i. *Gross revenue*

Gross revenue comprises mainly rental income from retail mall and offices, convention revenue and income from rental of atrium and media spaces.

	Group					
	2H FY22	2H FY21	Change	FY22	FY21	Change
	SS'000	SS'000	%	SS'000	SS'000	%
Gross Revenue						
Suntec City	123,472	109,304	13.0%	240,789	216,539	11.2%
Suntec Singapore	38,527	15,142	154.4%	59,903	26,392	127.0%
177 Pacific Highway	18,142	22,281	(18.6%)	37,354	42,752	(12.6%)
21 Harris Street	9,195	9,247	(0.6%)	18,827	16,519	14.0%
55 Currie Street	7,744	8,529	(9.2%)	15,755	16,599	(5.1%)
Olderfleet, 477 Collins Street	13,969	14,255	(2.0%)	28,192	26,721	5.5%
The Minster Building ⁽¹⁾	12,678	12,547	1.0%	26,449	12,547	110.8%
	223,727	191,305	16.9%	427,269	358,069	19.3%

⁽¹⁾ Acquired on 28 July 2021.

For 2H FY22, the gross revenue was \$223.7 million, \$32.4 million or 16.9% higher year-on-year. The increase was mainly due to higher revenue from Suntec City and Suntec Singapore, partially offset by lower revenue from the properties in Australia which were impacted by the weaker Australian Dollar and the absence of a one-off surrender fee received in 2H FY21 at 177 Pacific Highway.

Suntec City revenue increased by \$14.2 million year-on-year, mainly due to higher retail revenue of \$11.1 million arising from higher occupancy, rent and marcoms revenue as well as the absence of rent assistance granted to retail tenants of approximately 0.4 months in 2H FY21. Revenue from Suntec City Office increased by \$3.1 million year-on-year, mainly due to higher occupancy and rent. As at 31 December 2022, committed occupancy of Suntec City Mall was 98.3%, an increase of 3.6 percentage points year-on-year while the committed occupancy of Suntec City Office was 99.9%, an increase of 2.7 percentage points year-on-year.

Suntec Singapore's revenue contribution of \$38.5 million comprises \$28.0 million from convention and \$10.5 million from retail as compared to \$7.5 million from convention and \$7.6 million respectively in 2H FY21. The convention revenue increased 273.3% as a result of higher revenue from corporate events, conferences and long-term licences. Suntec Singapore's retail revenue improved 38.2% compared to 2H FY21 mainly due to higher occupancy and rent, as well as the absence of rent assistance granted to retail tenants in 2H FY21.

177 Pacific Highway gross revenue of \$18.1 million was 18.6% lower year-on-year due to lower occupancy and surrender fee received in 2H FY21. 55 Currie Street revenue of \$7.7 million for 2H FY22 was 9.2% lower as the second quarter rent for a tenant was recognised in 3Q 21 upon signing of the tenancy agreement. Gross revenue from 21 Harris Street and Olderfleet, 477 Collins Street was 0.6% and 2.0% lower respectively compared to 2H FY21 as the higher occupancy and rent were offset by the impact of weaker Australian dollar. As at 31 December 2022, the committed occupancy for 177 Pacific Highway and 55 Currie was 100%, an increase of 6.2 and 4.3 percentage points year-on-year respectively. The committed occupancies for 21 Harris Street and Olderfleet, 477 Collins Street improved 6.0 and 1.2 percentage points to 97.0%, 99.5% respectively. There are rent guarantees for the vacant spaces at 21 Harris Street and Olderfleet, 477 Collins Street.

The committed occupancy for The Minster Building stood at 96.7% as at 31 December 2022.

For FY22, the gross revenue was \$427.3 million, \$69.2 million or 19.3% higher year-on-year. This was due to higher revenue from Suntec City, Suntec Singapore, 21 Harris Street and Olderfleet, 477 Collins Street as well as the full year contribution from The Minster Building. The increase was partially offset by lower revenue from 177 Pacific Highway and 55 Currie Street.

Suntec City revenue increased \$24.3 million year-on-year, due to the increase of both retail and office revenues. Retail revenue increased \$19.8 million due higher occupancy, rent and marcom revenue as well as the absence of rent assistance of approximately 0.7 months granted to retail tenants. The increase in office revenue was due to the improvements in occupancy and rent.

Suntec Singapore's revenue contribution for the year of \$59.9 million comprises \$40.4 million from convention and \$19.5 million from retail as compared to \$11.4 million and \$10.5 million respectively in FY21. The convention revenue increased 254.3% mainly due to higher revenue from corporate events, conferences and long-term licences.

ii. *Net property income*

	Group					
	2H FY22	2H FY21	Change	FY22	FY21	Change
	SS'000	SS'000	%	SS'000	SS'000	%
Net Property Income						
Suntec City	96,165	81,047	18.7%	186,257	155,547	19.7%
Suntec Singapore	16,346	5,781	182.8%	26,127	5,325	390.6%
177 Pacific Highway	14,857	19,193	(22.6%)	30,814	36,491	(15.6%)
21 Harris Street	7,348	7,270	1.1%	14,881	13,104	13.6%
55 Currie Street	5,308	5,725	(7.3%)	10,725	11,560	(7.2%)
Olderfleet, 477 Collins Street	10,913	11,514	(5.2%)	22,259	21,120	5.4%
The Minster Building ⁽¹⁾	11,912	11,484	3.7%	24,688	11,484	115.0%
	162,849	142,014	14.7%	315,751	254,631	24.0%

⁽¹⁾ Acquired on 28 July 2021.

The net property income for 2H FY22 was \$162.8 million, 14.7% higher year-on-year, mainly attributable to higher revenue from Suntec Singapore and The Minster Building and higher revenue, lower property tax as well as the write-back of rent rebates for Suntec City. This was partially offset by lower revenue from 177 Pacific Highway, 55 Currie Street and Olderfleet, 477 Collins Street.

For FY22, the net property income was \$315.8 million, 24.0% higher year-on-year, attributable to higher revenue from Suntec Singapore, The Minster Building, 21 Harris Street and Olderfleet, 477 Collins Street as well as higher contribution from Suntec City. This was partially by lower contribution from 177 Pacific Highway and 55 Currie Street.

iii. *Other income*

This relates to the income support in relation to 21 Harris Street, Olderfleet, 477 Collins Street, Nova Properties and The Minster Building. Other income for 2H FY22 and FY22 was lower mainly due to lower income support claimed during the period.

iv. *Share of profit of joint ventures*

	Group					
	2H FY22	2H FY21	Change	FY22	FY21	Change
	SS'000	SS'000	%	SS'000	SS'000	%
Share of profit of joint ventures ⁽¹⁾						
One-third interest in ORQ	20,190	(3,309)	710.2%	56,942	9,517	498.3%
One-third interest in MBFC Properties	62,594	19,269	224.8%	115,217	39,867	189.0%
30% interest in PMIL	-	49 ⁽³⁾	(100.0%)	-	(3,203) ⁽²⁾	100.0%
50% interest in Southgate Complex	(19,606)	13,063	(250.1%)	(13,135)	24,012	(154.7%)
50% interest in Nova Properties	(22,438)	29,682	(175.6%)	(14,168)	32,715	(143.3%)
	40,740	58,754	(30.7%)	144,856	102,908	40.8%

⁽¹⁾ Includes share of gain arising from fair value adjustments of \$5,456,000 for 2H FY22, \$64,852,000 for FY22, \$18,487,000 for 2H FY21 and \$20,732,000 for FY21.

⁽²⁾ This relates to the period from 1 January 2021 to 15 June 2021.

⁽³⁾ This relates to post-completion adjustment.

Compared to 2H FY21, the decrease for 2H FY22 was mainly due to lower share of revaluation gain from investment properties, and lower contribution from ORQ and MBFC Properties due to higher leasing and property maintenance expense, as well as higher interest expense.

On a year-on-year basis, FY22 was higher mainly due to share of revaluation gain from investment properties held by joint ventures, absence of performance fee paid to a fund manager for 9 Penang Road in FY21 and lower provision for bad debts at Nova Properties. The increase was partially offset by higher interest expense at ORQ and Southgate Complex and higher property expenses at ORQ and MBFC properties.

The committed occupancy for ORQ was 100%, an increase of 1.5 percentage points year-on-year. The committed occupancy at MBFC Towers 1 & 2 declined by 3.2 percentage points to 94.1% while the committed occupancy at Marina Bay Link Mall increased 0.5 percentage points year-on-year to 92.7%. Nova Properties maintained 100% committed occupancy as at 31 December 2022.

v. *Finance income*

	Group					
	2H FY22	2H FY21	Change	FY22	FY21	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Finance income						
Interest income						
- fixed deposits and current account	319	163	95.7%	422	285	48.1%
- loans to joint ventures	22,161	16,617	33.4%	38,782	32,822	18.2%
	22,480	16,780	34.0%	39,204	33,107	18.4%

Finance income was higher for 2H FY22 and FY22 mainly due to higher interest income on shareholder loans to joint ventures.

vi. *Finance costs*

	Group					
	2H FY22	2H FY21	Change	FY22	FY21	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Finance expense						
Interest expense	(79,400)	(55,204)	(43.8%)	(136,484)	(108,981)	(25.2%)
Amortisation and transaction costs	(3,861)	(4,122)	6.3%	(7,718)	(8,472)	8.9%
Net foreign exchange differences	(3,679)	(8,686)	57.6%	(7,238)	(10,038)	27.9%
	(86,940)	(68,012)	(27.8%)	(151,440)	(127,491)	(18.8%)

Interest expense for 2H FY22 and FY22 was higher compared to the corresponding periods mainly due to higher interest rates.

The all-in financing cost for the Group was 3.34% per annum for 2H FY22 (2H FY21: 2.33%), and 2.94% per annum for FY22 (FY21: 2.35%). The aggregate leverage ratio ("ALR") was 42.4% as at 31 December 2022, 1.3 percentage points lower than the ALR as at 31 December 2021 of 43.7%.

vii. *Asset management fees*

Asset management fees for 2H FY22 and FY22 was higher year-on-year mainly due to higher net property income.

- viii. *Trust expenses*
Trust expenses for 2H FY22 and FY22 was lower compared to the corresponding period mainly due to absence of non-claimable GST on acquisition and divestment expenses incurred in 2H FY21 and FY21.
- ix. *Net change in fair value of financial derivatives*
This relates to the net gain / (loss) arising from fair value remeasurement of the foreign currency exchange contracts, interest rate swaps and convertible bonds. These have no significant impact on distributable income.
- x. *Net change in fair value of investment properties*
This relates to the revaluation gain on investment properties. The gain in 2H FY22 and FY22 mainly relates due to revaluation gain on the Group's properties in Singapore.
- xi. *Net gain from divestment of investment properties*
For 2H 21 and FY21, this relates to the divestment of the Group's portfolio of Suntec City Office strata units on 21 September 2021.
- xii. *Net gain from divestment of joint venture*
For 2H FY21 and FY21, this relates to the divestment of the Group's 30.0% interest in PMIL Group on 16 June 2021. The movement in 2H FY21 relates to post-completion adjustment and reversal of over accrual of transaction costs.
- xiii. *Tax expense*
This relates to income tax on operating profits and non-tax transparent income received, withholding tax as well as deferred tax provision.
- For 2H FY22, the income tax was lower compared to the corresponding period due to lower deferred tax arising from the United Kingdom and Australia properties. This was partially offset by higher income tax on operating profits and higher withholding tax.
- For FY22, the income tax was lower year-on-year mainly due to lower deferred tax arising from lower valuation of the Group's properties in United Kingdom. This was partially offset by higher income tax on operating profits from Suntec Singapore and higher withholding tax.

C Distribution Statement *(Please refer to Pages 3, 7 - 9)*

The distributable income from operations for 2H FY22 was \$105.9 million, 17.9% lower year-on-year. The DPU for 2H FY22 was 4.074 cents per unit, 9.7% lower year-on-year mainly due to lower distributable income from operations, partially offset by capital distribution of 0.400 cents.

The distributable income from operations for FY22 was \$232.5 million, 5.9% lower year-on-year. The DPU for FY22 was 8.884 cents per unit, 2.5% higher year-on-year mainly due to capital distribution of 0.800 cents made for the year, partially offset by lower distribution income from operations.

Distribution of 2.391 cents per unit, or approximately \$68.6 million for the period from 1 January 2022 to 31 March 2022 was paid on 30 May 2022.

Distribution of 2.419 cents per unit, or approximately \$69.5 million for the period from 1 April 2022 to 30 June 2022 was paid on 29 August 2022.

Distribution of 2.084 cents per unit, or approximately \$59.9 million for the period from 1 July 2022 to 30 September 2022 was paid on 29 November 2022.

Distribution of 1.990 cents per unit, or approximately \$57.4 million for the period from 1 October 2022 to 31 December 2022 will be paid by end February 2023.

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

The interim financial statements as set out on pages 4 to 30 have been reviewed by KPMG LLP in Singapore in accordance with the Singapore Standard on Review Engagement 2410 – *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

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

Please see attached review report.

F. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The current results are broadly in line with the Trust's commentary made in the FY2021 Financial Results Announcement under item 10. The Trust has not disclosed any financial forecast to the market.

G. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months

Based on the report released by the Ministry of Trade and Industry ("MTI") on 3 January 2023, the Singapore economy improved by 2.2% on a year-on-year basis in the fourth quarter of 2022. For the whole of 2022, the Singapore economy grew by 3.8%.

Singapore Office

Driven by expansionary demand from Technology, Media and Telecommunications sector ("TMT") and financial services sector, office leasing momentum increased in the second and third quarters of 2022. However, with the cautious economic outlook and the easing of demand for office space from the technology sector in 4Q 2022, the office market is expected to soften notwithstanding tightness in new office supply. From a robust year-on-year growth of 8.3%, Core CBD (Grade A) rent growth is forecasted to ease to 1.0% in 2023¹ in tandem with a soft office market.

¹ CBRE, Singapore Figures Report 4Q 2022

Revenue from Suntec REIT's Singapore office portfolio is expected to strengthen on the back of past quarters of rental reversion. Rent reversion is expected to remain positive in 2023.

Singapore Retail

The Singapore Retail market showed strong growth in end 2022 on the back of higher tourist receipts and the year-end festive season. Retail sales for October and November 2022 registered robust year-on-year growth of 11.7% and 6.2% respectively. Islandwide retail rent growth has continued to increase as retail sales and shopper traffic improve². The return of more tourists, Meetings, Incentives and Conventions and Exhibitions ("MICE") events will help to support tenant sales and shopper traffic in 2023. Tenant sales growth, however, is likely to slow in view of inflationary pressures and global uncertainties.

Suntec City Mall occupancy is expected to remain high in 2023 and revenue is expected to improve, underpinned by the healthy occupancy, higher rental and marcoms revenue.

Singapore Convention

Recovery momentum for Suntec Convention is expected to continue into 2023 with a strong pipeline of MICE events, led by strong domestic consumer and corporate events. China's re-opening is expected to have a positive impact in the second half of 2023 and full recovery of the MICE business is expected in 2024. Income contribution from Suntec Convention is expected to remain impacted for 2023.

Australia Office and Retail

According to the Australian Bureau of Statistics, the Australian economy grew by 5.9% on a year-on-year basis in the third quarter of 2022.

The national office CBD occupancy is forecasted to decrease slightly to 85.6% by end 2022, driven by lower net absorption³. National office CBD vacancy is expected to remain elevated in the mid-term due to the increase in supply. With the continuation of the flight to quality trend, demand for prime grade offices spaces remains healthy and prime rents in Sydney and Melbourne are expected to improve.

Suntec REIT Australia office portfolio is expected to remain resilient underpinned by strong occupancy, annual rent escalations and long weighted average lease expires ("WALE"). However, revenue is expected to be impacted by leasing downtime and incentives following lease expiries in 2023. Vacant spaces at 21 Harris Street and Olderfleet, 477 Collins Street are further protected by rent guarantees.

The CBD retail market in Melbourne continues to be weak. Despite steady improvements in occupancy throughout 2022, rents continued to register declines as a result of weak leasing demand due to the pandemic restrictions. Leasing demand is expected to remain soft.

United Kingdom Office and Retail

According to the Office for National Statistics, the United Kingdom GDP increased by 8.4% on a year-on-year basis in the third quarter of 2022, notwithstanding this was a drop of 0.3% against the previous quarter. Leasing activity was driven mainly by Banking & Finance, Technology and Professional Services sectors. Occupancy in the Central London Office market declined marginally by 0.2 percentage points to 91.9% quarter-on-quarter, driven by

² CBRE, Singapore Figures Report 4Q 2022

³ JLL Australian Office Overview and Outlook Report 3Q 2022

increased supply in the East London market⁴. New supply continued to fall across Central London and high-quality office buildings located near London’s key transport hubs remained well sought after. Leasing demand is expected to remain active although take-up rate is likely to slow in view of recessionary challenges and weaker market sentiments.

Suntec REIT’s office revenue from the United Kingdom remains resilient, underpinned by high occupancy and long WALE with no lease expiry until 2027. The retail income guarantee at Nova Properties ended in December 2022. Underperforming retail tenants had been proactively replaced and rent collection of retail tenants had recovered to pre-pandemic level and is expected to remain stable.

H. Distribution Information

a) Current Financial Period Reported on

Any distribution recommended for the current financial period reported on? Yes

Name of distribution: Distribution for the period 1 July 2022 to 31 December 2022

Distribution rate:	Distribution Type	Distribution Rate Per Unit (cents)
	Taxable income	3.044
	Tax-exempt income	0.630
	Capital distribution	0.400
	Total	4.074

Tax Rate

Taxable income

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

Tax-exempt income

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

Capital distribution

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

⁴ JLL Central London Office Market Report 3Q 2022

Remark Taxable income comprised 1.521 cents per unit for the period 1 July 2022 to 30 September 2022 and 1.523 cents per unit for the period 1 October 2022 to 31 December 2022.

Tax exempt income comprised 0.363 cents per unit for the period 1 July 2022 to 30 September 2022, and 0.267 cents per unit for the period 1 October 2022 to 31 December 2022.

Capital distribution comprised 0.200 cents per unit for the period 1 July 2022 to 30 September 2022, and 0.200 cents per unit for the period 1 October 2022 to 31 December 2022.

A distribution of 2.084 cents per unit for the period 1 July 2022 to 30 September 2022 was paid on 29 November 2022.

b) Corresponding Period of the Immediate Preceding Financial Year

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

Name of distribution: Distribution for the period 1 July 2021 to 31 December 2021

Distribution rate:

Distribution Type	Distribution Rate Per Unit (cents)
Taxable income	2.929
Tax-exempt income	1.583
Total	4.512

Tax Rate

Taxable income

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

Tax-exempt income

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

Remark

Taxable income comprised 1.414 cents per unit for the period 1 July 2021 to 30 September 2021 and 1.515 cents per unit for the period 1 October 2021 to 31 December 2021.

Tax exempt income comprised 0.818 cents per unit for the period 1 July 2021 to 30 September 2021, and 0.765 cents per unit for the period 1 October 2021 to 31 December 2021.

c) Date Payable

A distribution of 1.990 cents per unit for the period 1 October 2022 to 31 December 2022 will be paid on/about 28 February 2023.

d) Books Closure Date

Date on which Registrable Transfers received by the Trust will be registered before entitlements to the distributions are determined: 1 February 2023, 5.00pm.

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

Not applicable

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

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

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

Not applicable.

L. Breakdown of the total distribution

The table below shows the annual distribution paid / payable to Unitholders:

	2022	2021
	S\$'000	S\$'000
1 July 2022 to 30 September 2022	59,935	-
1 April 2022 to 30 June 2022	69,499	-
1 January 2022 to 31 March 2022	68,628	-
1 October 2021 to 31 December 2021	65,382	-
1 July 2021 to 30 September 2021	-	63,679
1 April 2021 to 30 June 2021	-	60,062
1 January 2021 to 31 March 2021	-	58,121
1 October 2020 to 31 December 2020	-	64,160
	263,444	246,022

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

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

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

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

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

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

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

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

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

Chong Kee Hiong
Director

20 January 2023