SUNTEC
Real Estate Investment Trust

STRENGTH IN DIVERSIFICATION

Annual Report 2023

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 2023, Suntec REIT has assets under management of over $12 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"). 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 North, Nova South and The Nova Building (collectively known as "Nova Properties") and The Minster Building in 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").

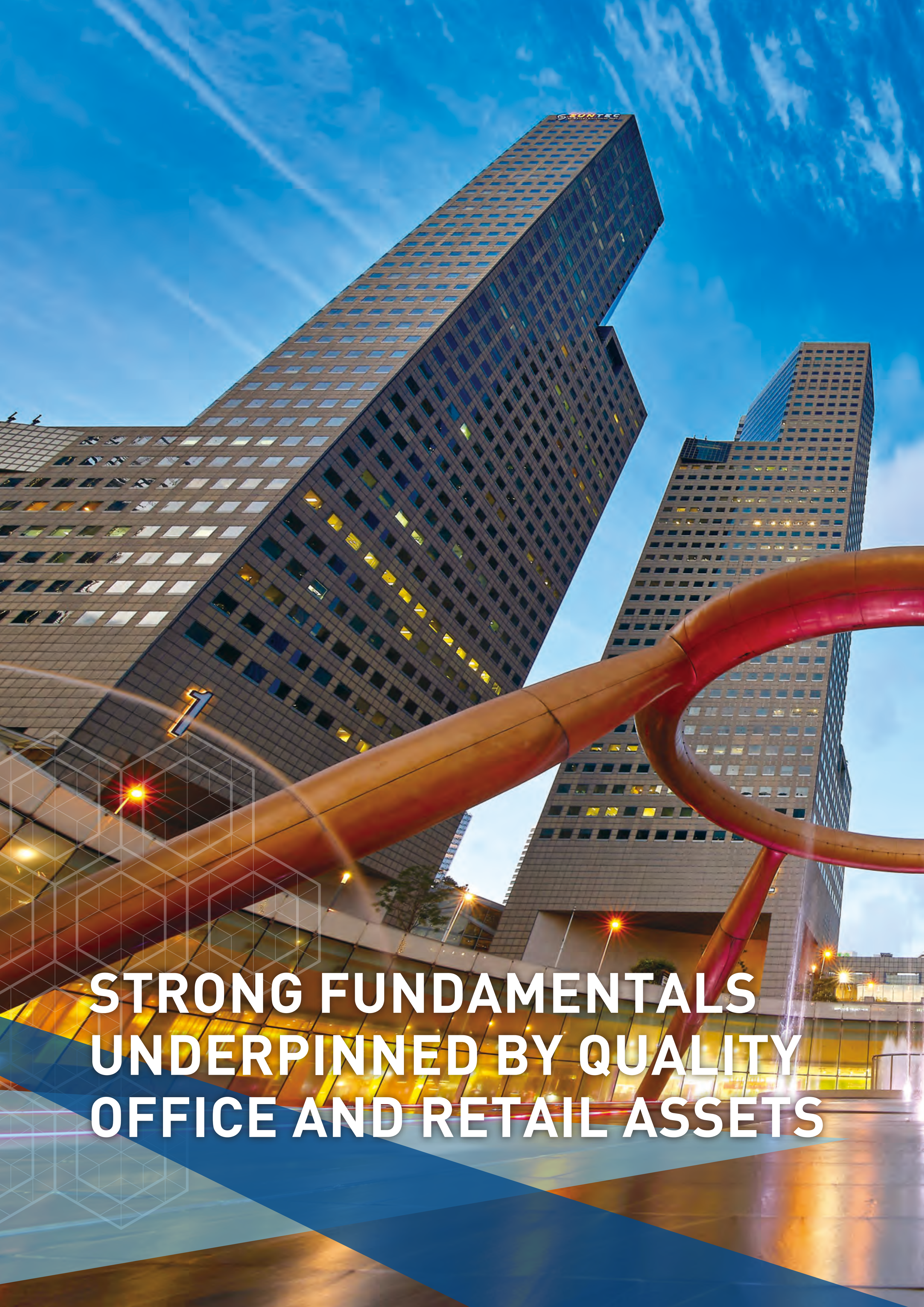
ARA is part of the ESR Group ("ESR"), APAC's largest real asset manager powered by the New Economy and one of the largest listed real estate investment manager globally. With approximately US$81 billion in fee-related assets under management, ESR's fully integrated fund management and development platform extends across key APAC markets, including Greater China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, with a presence in Europe and the U.S.. ESR provides a diverse range of real asset investment solutions and New Economy real estate development opportunities across the private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. ESR's purpose — Space and Investment Solutions for a Sustainable Future — drives it to manage sustainably and impactfully, and ESR considers the environment and the communities in which it operates as key stakeholders of its business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index.

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.

OUR VISION

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

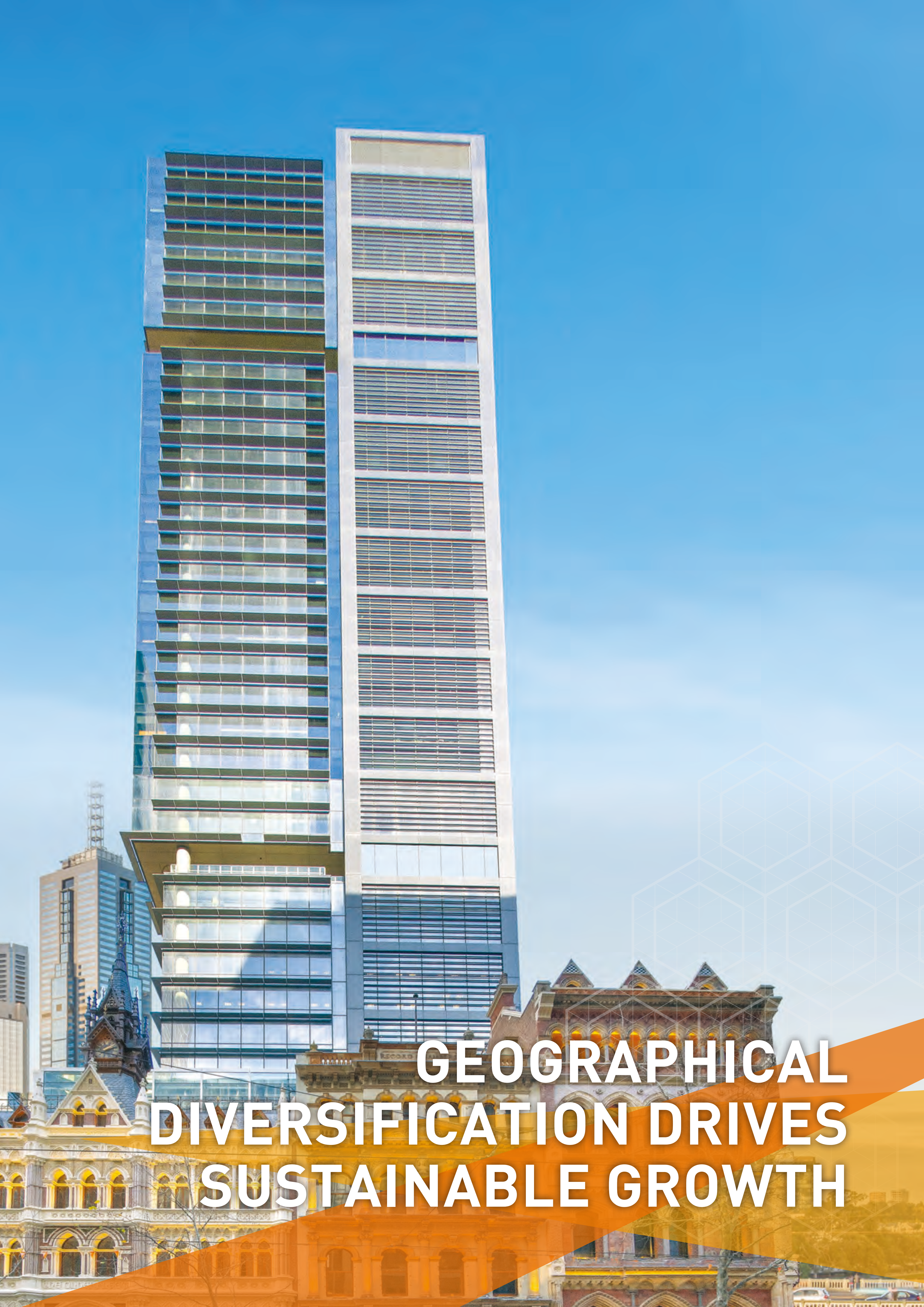
Contents



STRONG FUNDAMENTALS UNDERPINNED BY QUALITY OFFICE AND RETAIL ASSETS

Suntec City, Singapore

Left: 177 Pacific Highway, Sydney
Right: Olderfleet, 477 Collins Street, Melbourne



GEOGRAPHICAL DIVERSIFICATION DRIVES SUSTAINABLE GROWTH

STRATEGIC ACQUISITIONS ENHANCE PORTFOLIO RESILIENCE

Left: Nova Properties, London
Right: The Minster Building, London

At a Glance

2023

DISTRIBUTABLE INCOME

$206.8 million

-19.1% Y-O-Y

ASSETS UNDER MANAGEMENT

$12.2 billion[1]

DISTRIBUTION PER UNIT

7.135 cents

-19.7% Y-O-Y

SUSTAINABILITY AWARDS

- GRESB 5 Star rating
- GRESB 'A' for Public Disclosure

PORTFOLIO OCCUPANCY

94.9% Office

95.2% Retail

NET ASSET VALUE PER UNIT

$2.10

AGGREGATE LEVERAGE RATIO

42.3%

ALL-IN FINANCING COST

3.84% per annum

Note:

[1] Consists of deposited property value of $11.9 billion and $0.3 billion of cash and other assets.

Reviewing Year 2023

JAN

- Achieved distributable income of $117.4 million for the half year from 1 July 2022 to 31 December 2022. Distribution per unit ("DPU") for the half year amounted to 4.074 cents.

APR

- Unitholders approved all resolutions tabled at Suntec REIT's annual general meeting held on 20 April 2023.
- Established Nominating and Remuneration Committee.
- Entered into a $180 million sustainability-linked loan facility.
- Achieved distributable income of $50.3 million for the quarter from 1 January 2023 to 31 March 2023. DPU to unitholders for the quarter amounted to 1.737 cents.

JUL

- Entered into a $100 million sustainability-linked loan facility.
- Achieved distributable income of $100.5 million for the half year from 1 January 2023 to 30 June 2023. DPU to unitholders for the half year amounted to 3.476 cents (including DPU of 1.737 cents for the quarter from 1 January 2023 to 31 March 2023).

AUG

- Announced the resignation of Mr Jeffrey David Perlman as Non-Executive Director.

OCT

- Suntec REIT retained the GRESB highest 5 Star rating for the fourth consecutive year and achieved 'A' for Public Disclosure.
- Achieved distributable income of $52.0 million for the quarter from 1 July 2023 to 30 September 2023. DPU to unitholders for the quarter amounted to 1.793 cents.

NOV

- Announced the appointment of Mr Shen Jinchu, Jeffrey as Non-Executive Director.
- Entered into a $500 million sustainability-linked loan facility.

Letter to Unitholders

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 2023 ("FY 2023").

Although COVID-19 is behind us, multiple interest rate hikes globally, high inflation and geo-political tensions have impacted economies and businesses worldwide. Suntec REIT's portfolio of quality assets in strategic and diversified locations did provide resilience and helped cushion the adverse impact brought about by these geo-political and macro-economic factors.

OPERATING GAINS ERODED BY HIGHER FINANCING COSTS

Suntec REIT's strong fundamentals enabled the portfolio to deliver a steady performance despite strong headwinds. Gross revenue increased 8.3% to $462.7 million and net property income declined marginally by 0.8% to $313.2 million. Income contributions from joint ventures declined 20.9% to $94.0 million mainly due to lower contributions from MBFC Properties, as an existing shareholder loan was replaced with a bank loan, and properties incurred higher interest costs.

Suntec REIT's total distributable income for FY 2023 was $206.8 million, 19.1% lower year-on-year as a result of higher financing costs and the weaker Australian dollar. Distribution per unit ("DPU") was 7.135 cents, 19.7% lower year-on-year.

STABLE INCOME STREAM SUPPORTED BY DIVERSIFIED PORTFOLIO

Our Singapore office portfolio continued to deliver robust results, achieving 22 consecutive quarters of positive rent reversion, with the past 5 quarters recording strong, double-digit figures. The quality of our assets is evident in the near full committed occupancy of 99.7%, which is above the market occupancy of 94.8% for Core CBD offices. Suntec City Office, One Raffles Quay and Marina Bay Financial Centre Office Towers achieved committed occupancy of 100%, 99.4% and 99.2% respectively as at 31 December 2023.

Our Australian portfolio remained stable with positive rent reversions recorded for the year. Committed occupancies for our Australian portfolio remained healthy at 88.6%, higher than the nationwide CBD office occupancy of 85.1%. 177 Pacific Highway and Olderfleet, 477 Collins Street achieved 100% committed occupancy while the committed occupancy for 21 Harris Street and Southgate Complex was 98.8% and 85.1% respectively. Committed occupancy for 55 Currie Street declined to 56.2% due to the exit of an anchor tenant.

Asset enhancement works to revitalise and elevate the office environment at 55 Currie Street and 177 Pacific Highway were completed and were well-received by office tenants.

In the United Kingdom, committed occupancy at Nova Properties remained unchanged at 100% while committed occupancy at The Minster Building dipped to 87.3% due to the exit of a co-working tenant.

On the retail front, Suntec City Mall recorded an outstanding performance in FY 2023, as shown in the improvements across key operating indicators. The mall has attained seven consecutive quarters of positive rent reversion and achieved a strong full-year rent reversion of more than 20% in FY 2023. Continual efforts to refresh the tenant mix and the curation of strategic marketing partnerships helped strengthen Suntec City Mall's appeal to shoppers. As a result, mall traffic grew 8% to over 40 million while tenant sales increased further by 4%, comparable to the steady state growth we enjoyed pre-COVID. Committed occupancy of the mall was 95.6% due to the exit of two anchor fitness tenants.

Suntec Singapore recovered strongly with both revenue and income surpassing pre-COVID levels. The strong performance of the convention business allowed us to resume dividend contributions from the third quarter of 2023.

ASSETS UNDER MANAGEMENT

As at end 2023, Suntec REIT's assets under management ("AUM") stood at $12.2 billion. Suntec REIT continues to be Singapore-centric with 76% of its AUM in Singapore, with the remaining 14% and 10% in Australia and the United Kingdom respectively.

MAINTAINING BALANCE SHEET RESILIENCE

Suntec REIT remains focused on proactive capital management. As at 31 December 2023, the aggregate leverage ratio ("ALR") was 42.3% while the average financing cost for FY 2023 was 3.84% per annum with approximately 61% of the debt fixed or hedged. There is adequate headroom to the ALR limit of 45%.

To further strengthen our balance sheet, we divested $94.4 million of strata units at Suntec City Office Towers at an average price of 31% above book value. The proceeds will be used to pare down debt. The transactions are expected to be accretive to Suntec REIT's earnings as the assets were divested at a yield lower than the current borrowing cost.

SUSTAINABILITY REMAINS CORE PILLAR OF OUR BUSINESS

Suntec REIT is fully committed to sustainable operations and sound practices in areas of Environment, Social and Governance ("ESG") and we continue to make progress in these areas.

We are pleased to report that Suntec REIT attained the highest GRESB 5 Star rating for the fourth consecutive year since our inaugural participation in 2020. Suntec REIT was also awarded an 'A' for its public disclosure. GRESB is one of the leading ESG benchmarks for real estate and infrastructure investments globally. Our achievements were testament to Suntec REIT's commitment towards sustainability practices, the positive impact to the community and the environment as well as our investment in people.

In line with our commitment towards sustainable growth, we secured three sustainability-linked loan facilities totalling $780 million in 2023. Since obtaining our first green loan in 2020, approximately 50% of our debts were green or sustainability-linked loans as at end December 2023.

In addition, a sustainability roadmap has been put in place to guide the REIT in achieving our target of net-zero carbon emission by 2050. A medium-term target has also been set to achieve net-zero carbon emission for fully owned assets by 2030. More information can be found in our Sustainability Report, which will be available in electronic form on SGXNet and our website by end-May 2024.

OUTLOOK

Geo-political tensions and economic headwinds continue to weigh on the Singapore office market with few discernible key demand drivers in sight. As a result, rent growth is expected to moderate though rent reversion for our Singapore office portfolio will remain positive. Revenue is expected to continue to strengthen on the back of high occupancies and past quarters of positive rent reversions.

The continued recovery of tourism in Singapore is expected to be the key driver for mall traffic and tenant sales. Suntec City Mall tenant sales is expected to remain above pre-COVID levels while rent reversion is expected to be positive. Revenue from Suntec City Mall is expected to improve, underpinned by higher occupancy, rent and marcoms revenue.

Singapore's Meetings, Incentives, Conventions and Exhibitions ("MICE") industry will continue to drive and benefit from the country's tourism recovery. Higher dividend contribution from Suntec Convention is expected as our convention business continues to grow.

The majority of our Australian assets is expected to deliver stable returns. However, the portfolio is expected to be impacted by the leasing downtime of vacancies at 55 Currie Street and Southgate Complex. Higher incentives seen in Adelaide and Melbourne will also affect the revenue performance of these two assets.

In the United Kingdom, revenue for our portfolio will remain resilient. However, it will be impacted in the short term by the leasing downtime created as a result of vacancies at The Minster Building.

Looking ahead, despite the better operating performances expected from our Singapore portfolio, the elevated interest rates and the leasing downtime created as a result of vacancies at 55 Currie Street, Southgate Complex and The Minster Building will continue to weigh on our distributable income.

Suntec REIT's sound fundamentals and unwavering focus to create value, underpinned by our diversified portfolio of high-quality assets and resilient income stream, helped us navigate different challenges over the years and will continue to do so in the current difficult environment.
In 2024, we will also continue with our pro-active asset management strategy of divesting mature assets and strata units at Suntec City Office to deliver long-term value to our unitholders.

FORMATION OF NOMINATING AND RENUMERATION COMMITTEE

We are pleased to update that the Nominating and Remuneration Committee ("NRC") was established on 20 April 2023 to assist the Board and the Manager in fulfilling the oversight responsibilities relating to nomination and remuneration matters of the Board and management to achieve Suntec REIT's long-term objectives and strategies.

IN APPRECIATION

On behalf of the Board and the Manager, I would like to thank Mr Jeffrey Perlman, who stepped down as Non-Executive Director of the Manager, for his valuable contributions.

We are pleased to welcome Mr Shen Jinchu, Jeffrey, who joined the Board as Non-Executive Director of the Manager. His vast experience will certainly help to complement and strengthen the Board.

May I thank my fellow Board members for their continued counsel and the management team for their hard work and dedication. Last but not least, I would like to extend my sincere 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
25 March 2024

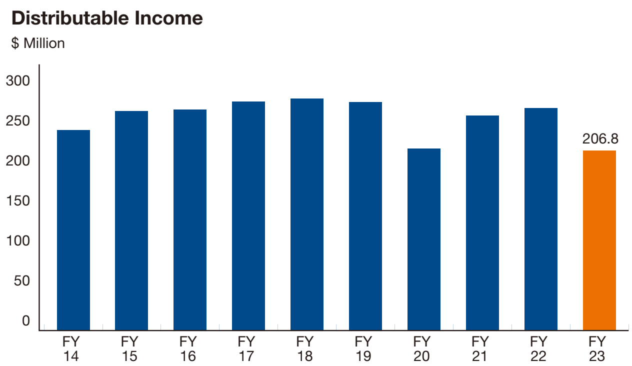
Financial Highlights

CONSOLIDATED STATEMENT OF TOTAL RETURN FOR THE FINANCIAL YEAR	2023	2022
Gross Revenue	**$462.7m**	$427.3m
Net Property Income	**$313.2m**	$315.8m
Income Contribution From Joint Ventures[1]	**$94.0m[2]**	$118.8m[2]
Distributable Income	**$206.8m**	$255.5m
— *from operations*	***$183.8m***	*$232.5m*
— *from capital*	***$23.0m***	*$23.0m*
Distribution Per Unit ("DPU")	**7.135¢**	8.884¢
— *from operations*	***6.341¢***	*8.084¢*
— *from capital*	***0.794¢***	*0.800¢*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31 DEC 2023	31 DEC 2022
Investment Properties	**$7,964.8m**	$7,906.8m
Interest in Joint Ventures[3]	**$2,829.5m**	$3,424.1m
Total Assets	**$11,129.2m**	$11,711.4m
Debt at Amortised Cost	**$4,260.4m**	$4,843.5m
Total Liabilities	**$4,545.3m**	$5,127.2m
Unitholders' Funds	**$6,107.8m**	$6,116.4m
Net Asset Value Per Unit	**$2.10**	$2.12
Aggregate Leverage Ratio[4]	**42.3%**	42.4%
Interest Coverage Ratio[5]	**2.1 times**	2.6 times
Adjusted Interest Coverage Ratio[6]	**2.0 times**	2.4 times

Notes:
1 Refers to the share of profits[2] and interest income from loans to joint ventures (if any), from the one-third interest in One Raffles Quay, one-third interest in MBFC Properties, 50.0% interest in Southgate Complex and 50.0% interest in Nova Properties.
2 Excludes share of profits relating to (loss)/gain on fair value adjustments of ($40.8) million for the financial year ended 31 December 2023 and $64.9 million for the financial year ended 31 December 2022.
3 Refers to the one-third interest in One Raffles Quay, one-third interest in the MBFC Properties, 50.0% interest in Southgate Complex and 50.0% interest in Nova Properties.
4 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").
5 Calculation is based on dividing the trailing 12 months total return 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 total return 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).

10 YEARS PERFORMANCE TRACK RECORD



Unit Performance

UNIT PERFORMANCE AS AT[1]	2023	2022	2021	2020	2019
Last Done Unit Price	$1.23	$1.38	$1.51	$1.490	$1.840
Highest Unit Price	$1.45	$1.85	$1.61	$1.880	$1.990
Lowest Unit Price	$1.07	$1.28	$1.40	$1.110	$1.770
Market Capitalisation[2] (m)	$3,564	$3,969	$4,308	$4,210	$5,154
Traded Volume for the Financial Year (m)	1,589	2,812	2,840	3,360	2,180

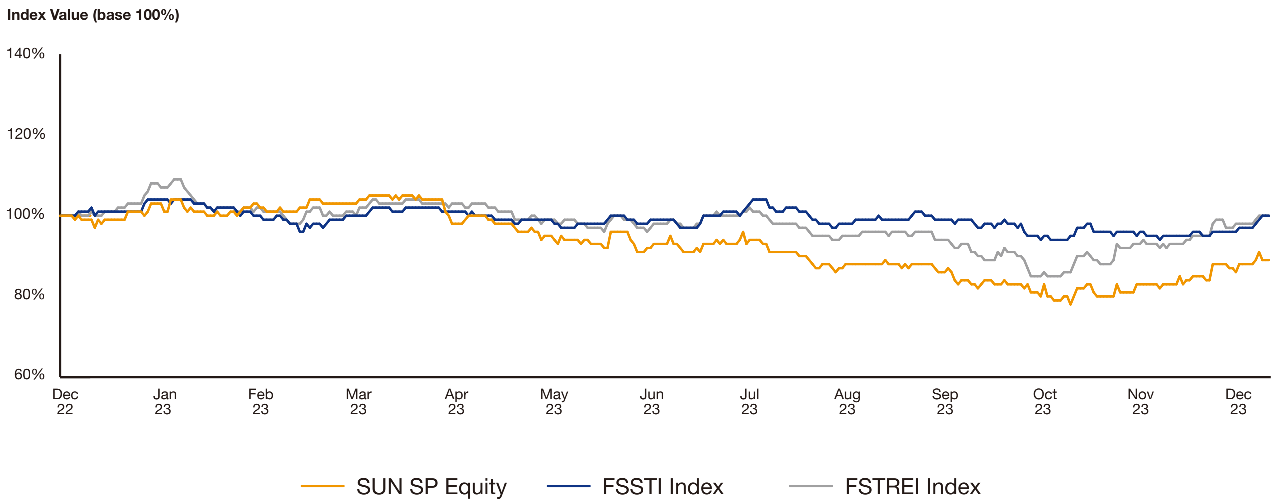
Notes:
1 Unit performance statistics as at 31 December are for the respective financial years.
2 Based on 2,801 million units, 2,825 million units, 2,853 million units, 2,876 million units and 2,897 million units in issue as at 31 December 2019, 2020, 2021, 2022 and 2023 respectively.

UNIT PERFORMANCE AS AT[1]	2023	2022	2021	2020	2019
Traded Yield (based on DPU[2]) (%)	5.80	6.44	5.74	4.97	5.17
Singapore Government 10-Year Bond[1] (%)	2.71	3.09	1.67	0.84	1.74

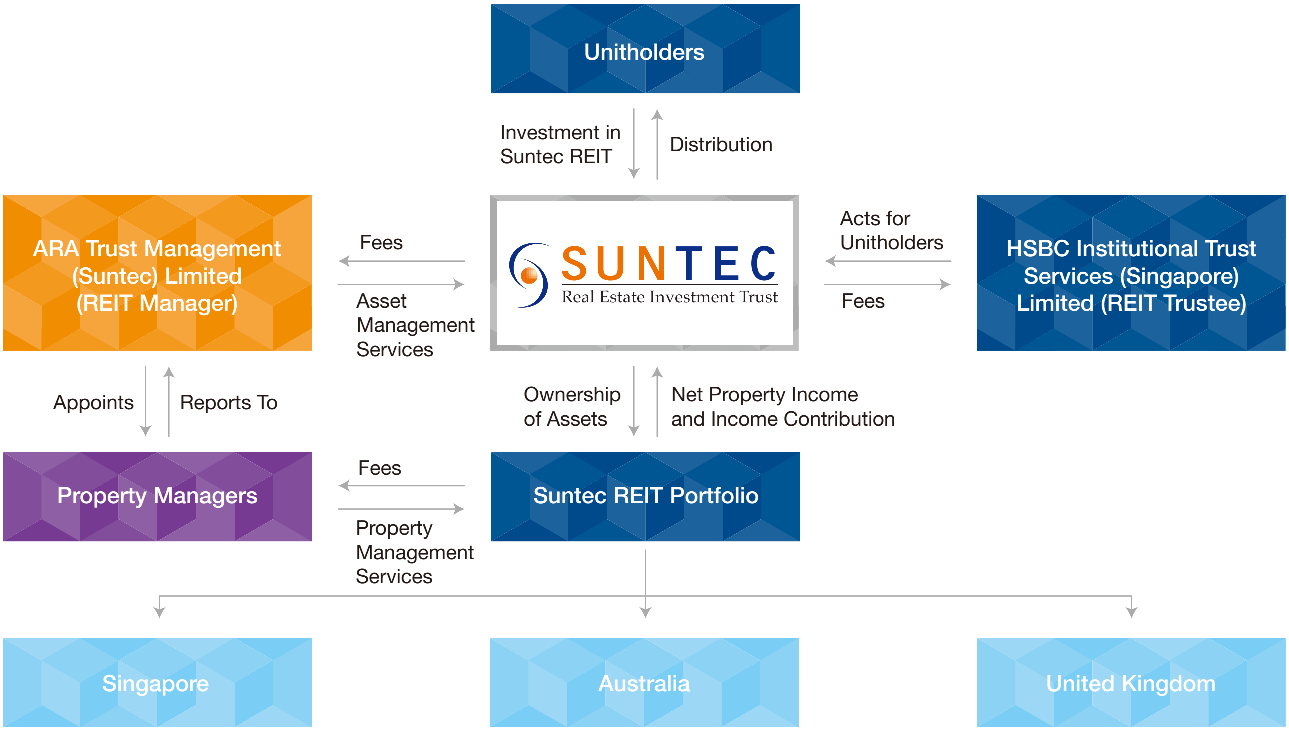
Notes:
1 As at 31 December for the respective years.
2 Based on the last done unit price (as stated in the table above) and the full year DPU based on the period from 1 January to 31 December. Calculations were based on a DPU of 9.507 cents, 7.402 cents, 8.666 cents, 8.884 cents and 7.135 cents for FY 2019, FY 2020, FY 2021, FY 2022 and FY 2023 respectively.

For FY 2023, Suntec REIT's unit opening price was $1.38 and closed at $1.23 with a market capitalisation of $3.6 billion as at 31 December 2023. Suntec REIT's FY 2023 DPU yield of 5.80% has also outperformed the Singapore Government 10-year bond yield at 2.71%. As at end FY 2023, Suntec REIT unitholders would have achieved a total return of 196.1% since listing. As one of Singapore's most liquid listed REITs, the overall traded volume was 1,589 million units for the 12 months ended 31 December 2023. Suntec REIT is also a constituent member of major global indices such as the MSCI Global Small Cap 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 2023



Trust Structure



Singapore
- Suntec City
- Suntec Singapore[1] (66.3% interest)
- One Raffles Quay (one-third interest)
- MBFC Properties[2] (one-third interest)

Australia
- 177 Pacific Highway, Sydney
- 21 Harris Street, Sydney
- Southgate Complex, Melbourne (50.0% interest)
- Olderfleet, 477 Collins Street, Melbourne (50.0% interest)
- 55 Currie Street, Adelaide

United Kingdom
- Nova Properties[3] (50.0% interest)
- The Minster Building

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.
3 Refers to Nova North, Nova South and The Nova Building.

Board of Directors

CHEW GEK KHIM PJG
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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 is also a member of the nominating and remuneration committee.

Ms Chew Gek Khim is a lawyer by training. She has been Executive Chairman of The Straits Trading Company Limited since 24 April 2008. Ms Chew is also Executive Chairman of the Tecity Group. In addition, she is Chairman of Malaysia Smelting Corporation Berhad. She is also Deputy Chairman of the Tan Chin Tuan Foundation.

She is a member of the Board of Governors of S. Rajaratnam School of International Studies, NUS Board of Trustees and the Governing Board of Lee Kuan Yew School of Public Policy.

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 at the Singapore Business Awards in 2015, and the Meritorious Service Medal at the National Day Awards in 2016. Ms Chew was conferred an Honorary Degree of Doctor of Letters (honoris causa) by the Nanyang Technology University in 2021.

LIM HWEE CHIANG, JOHN PBM
67

Non-Executive Director

Mr Lim Hwee Chiang, John joined the Board on 30 August 2004. Mr Lim is the Chairman of JL Family Office. He is also the Senior Advisor and Non-Executive Director of ESR Group Limited and serves as a Non-Executive Director of ARA Asset Management (Fortune) Limited, ARA Asset Management (Prosperity) Limited and Hui Xian Asset Management Limited.

In the preceding three years, Mr Lim was an 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 Assets Association (APREA) and the Consultative Committee to the Department of Real Estate, National University of Singapore. He is also a Patron of the Securities Investors Association of Singapore (SIAS) and a Council Member of Singapore Chinese Chamber of Commerce and Industry.

Mr Lim co-founded ARA Asset Management in 2002 and was its Group CEO for 18 years and Deputy Chairman from February 2021 to January 2022.

Mr Lim has over 42 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, was 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

YAP CHEE MENG

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Lead Independent, Non-Executive Director

Mr Yap Chee Meng is the Lead Independent Director and Chairman of the audit and risk committee. Mr Yap is also a member of the nominating and remuneration committee. 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 the Lead Independent Director of HSBC Life (Singapore) Pte Ltd (formerly known as AXA Insurance Pte Ltd). He is also a council member of the Charity Council of Singapore.

In the preceding three years, Mr Yap held independent directorships in Keppel Land Limited, The Esplanade Co Ltd, SATS Ltd, RHB Investment Bank Berhad and HSBC Insurance (Singapore) Pte Limited. Mr Yap was also the Non-Executive Chairman of RHB Asset Management Group.

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.

CHAN PEE TECK, PETER

63

Independent Non-Executive Director

Mr Chan Pee Teck, Peter is an Independent Director and member of the audit and risk committee. Mr Chan is also the Chairman of the nominating and remuneration 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 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 Vice Chairman and board member of Clarity Singapore Ltd, a faith-based charity which mission is to empower people with mental and emotional conditions to rediscover their abilities through counselling, support, acceptance and recovery.

YU-FOO YEE SHOON

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Independent Non-Executive Director

Mrs Yu-Foo Yee Shoon is an Independent Director and member of the audit and risk committee. She joined the Board on 1 January 2017. Mrs Yu–Foo is currently the Non-Executive Chairman of Singapura Finance Ltd and an Independent Director of KOP Limited. She is also Advisor of Nuri Holdings (S) Pte Ltd and Honorary Advisor to the Singapore China Friendship Association – Women's Alliance. Mrs Yu-Foo is a Justice of Peace and Deputy Registrar of Marriages, MSF. She also sits on the Board of Visiting Justices, MHA.

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.

LOCK WAI HAN

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Independent Non-Executive Director

Mr Lock Wai Han is an Independent Director and member of the audit and risk as well as the nominating and remuneration committees.

Currently, Mr Lock is the Executive Director and Chief Executive Officer of OKH Global Ltd and is responsible for all the Group's business activities, which is the construction and development of industrial real estate. Mr Lock is also the Lead Independent Director of The Hour Glass Limited.

He joined the Board on 1 August 2018. Mr Lock was an Independent Director of Chip Eng Seng Corporation Ltd which was delisted from the Singapore Stock Exchange on 11 April 2023.

Prior to joining OKH Global Ltd, 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

SHEN JINCHU, JEFFREY

50

Non-Executive Director

Mr Shen Jinchu, Jeffrey is a Non-Executive Director and a member of the nominating and remuneration committee. He joined the Board on 6 November 2023. Mr Shen is the Group Co–founder, and currently the Executive Director and Co–CEO of ESR Group Limited ("ESR"). Mr Shen has been the Co–CEO of ESR since June 2011 and was also a Co–founder of e–Shang Cayman Limited. Mr Shen is responsible for overseeing ESR's overall operations and business development, leading regional growth strategies, and expanding ESR's asset and fund management platforms.

Mr Shen has over 24 years of industrial real estate experience in China. Prior to co-founding ESR in June 2011, Mr Shen held a variety of roles, including Senior Vice President at GLP Investment Management (China) Co. Ltd. (formerly Prologis China) from January 2004 to September 2010, overseeing the Eastern China area. Mr Shen was the Deputy Director of DTZ Debenham Tie Leung International Property Advisers from June 2001 to December 2003 and prior to this, he was the Assistant General Manager for marketing at Shanghai Waigaoqiao Free Trade Zone Xin Development Co., Ltd from July 1995 to November 2000. Mr Shen was re-appointed as a Non-Executive Director of ESR–LOGOS Funds Management (S) Limited, (the manager of ESR-LOGOS REIT which is listed in Singapore) in November 2023.

Mr Shen graduated from the Shanghai Jiaotong University in China and obtained a Bachelor's Degree in technical economics. He holds an MBA from Donghua University in China.

CHONG KEE HIONG

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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.. Mr Chong is a Partners' Representative of BFC Development LLP.

Mr Chong has over 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 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 president of the General Committee of Orchid Country Club and Aranda Country Club as well as Chairman and Non-Executive Director of Foodfare Catering Pte Ltd. Mr Chong is also a member of the audit and risk management committee of Mt. Alvernia Hospital.

Mr Chong is 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.

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 $10 billion.

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

MS NG EE SAN
Chief Financial Officer

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 35 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 more than 15 years of experience in the field of investor relations. Prior to joining the Manager, she was 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 total distributable income of $206.8 million and distribution per unit ("DPU") of 7.135 cents for the financial year ended 31 December 2023 ("FY 2023"). As at end FY 2023, Suntec REIT's assets under management ("AUM") stood at approximately $12.2 billion, underpinned by a 4.4 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 the United Kingdom.

FINANCIAL PERFORMANCE

Suntec REIT achieved gross revenue of $462.7 million in FY 2023 which was 8.3% higher compared to the corresponding period in 2022 ("FY 2022"). This was mainly due to higher contribution from Suntec City Office, Suntec City Mall and Suntec Singapore as well as higher contribution from The Minster Building. Lower revenue from the Australian portfolio as well as the weaker Australian dollar partially offset the higher contribution.

The net property income for FY 2023 was $313.2 million, a slight decrease of 0.8% year-on-year, as the higher revenue attained was offset by the higher maintenance fund contribution and commencement of sinking fund contribution in FY 2023.

The total income contribution from joint ventures, excluding gain/loss on change in fair value adjustments, was $94.0 million. This mainly comprised share of profits (excluding net change in fair value of investment properties) and interest income from loans to joint ventures (if any) of $29.1 million from One Raffles Quay, $33.6 million from MBFC Properties, $3.7 million from Southgate Complex and $27.6 million from Nova Properties.

The total income contribution from joint ventures for FY 2023 was 20.9% lower mainly due to the higher interest expense at MBFC Properties[1] and One Raffles Quay and lower contribution from Southgate Complex. This was partially offset by the stronger operating performance at MBFC Properties and One Raffles Quay.

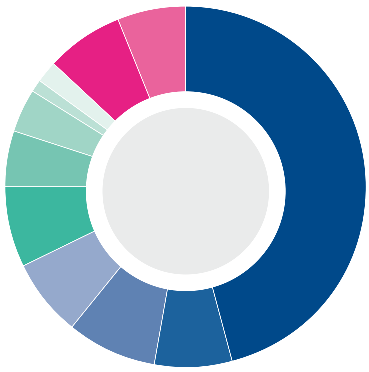
Note:
[1] An existing shareholder loan to MBFC Properties was replaced with a bank loan that was taken at the property level.

Suntec REIT's distributable income of $206.8 million attained in FY 2023 was 19.1% lower year-on-year. This was mainly due to higher financing costs arising from higher interest rates, weaker Australian dollar against the Singapore dollar and higher maintenance fund contribution in 2023. This was partially offset by the higher net property income on better operating performance and dividend contribution from Suntec Singapore. The DPU for FY 2023 was 7.135 cents, 19.7% lower year-on-year.

In FY 2023, the total rent guarantee received amounted to approximately $3.8 million. This translated to 0.131 cents of FY 2023 DPU.

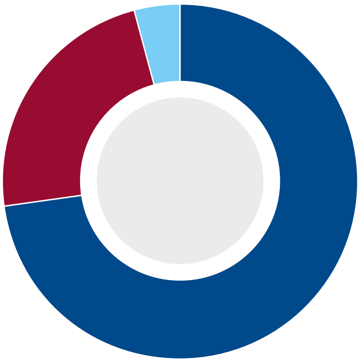
	FY 2023	FY 2022
Distribution Per Unit	7.135¢	8.884¢
— from operations	*6.341¢*	*8.084¢*
— from capital	*0.794¢*	*0.800¢*

Net Property Income & Income Contribution from Joint Ventures
Contribution by Asset FY 2023

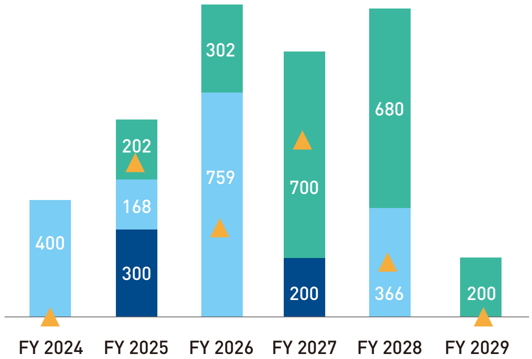


Suntec City	46%	21 Harris Street	4%
Suntec Singapore	7%	Southgate Complex	1%
MBFC Properties	8%	55 Currie Street	2%
One Raffles Quay	7%	Nova Properties	7%
177 Pacific Highway	7%	The Minster Building	6%
Olderfleet, 477 Collins Street	5%		

Net Property Income & Income Contributions from Joint Ventures
Contribution by Segment FY 2023



Debt Maturity Profile



CAPITAL STRUCTURE

Suntec REIT's total consolidated debt stood at $4,277.4 million, with an aggregate leverage ratio of 42.3% as at 31 December 2023. The all-in cost of financing of Suntec REIT's debt portfolio for FY 2023 was 3.84% per annum.

In FY 2023, Suntec REIT refinanced loans and medium term notes amounting to $780 million with three sustainability-linked loans.

Suntec REIT's exposure to derivatives is elaborated in the Financial Statements. The fair value of derivatives for FY 2023, which is included in the Financial Statements as "Derivative assets" and "Derivative liabilities", was $35.6 million and $14.8 million respectively. The net fair value of derivatives represented 0.3% of the net assets of Suntec REIT as at 31 December 2023.

Suntec City Office, Singapore

Manager's Report

PROPERTY PORTFOLIO

In Singapore, to capture the tourists' share of wallet, a dedicated coach bay at Suntec City Mall had been created and completed. With this new facility and the complementary trade mix, Suntec City Mall would be in a better position to draw more tourists to visit and spend.

In Australia, asset enhancement works at 55 Currie Street and 177 Pacific Highway to revitalise the workspaces and elevate the office environment have been completed and were well received by office tenants.

In navigating the current environment of elevated interest rates, $94.4 million[1] of strata units at Suntec City Office Towers were divested at an average price of 31% above book value. The proceeds will be/were used to pare down debts. The transactions are expected to be accretive to Suntec REIT's earnings as the assets were divested at a yield lower than the current borrowing costs.

Suntec REIT's property portfolio comprising approximately 4.4 million sq ft of office space and more than 1.0 million sq ft of retail and convention space was valued at $11.9 billion or 0.7% higher than the preceding year. This was mainly due to increase in valuation of the Singapore portfolio, partially offset by lower valuations of the Australia and the United Kingdom portfolios. The net asset value of Suntec REIT and its subsidiaries stood at $2.10 per unit as at 31 December 2023.

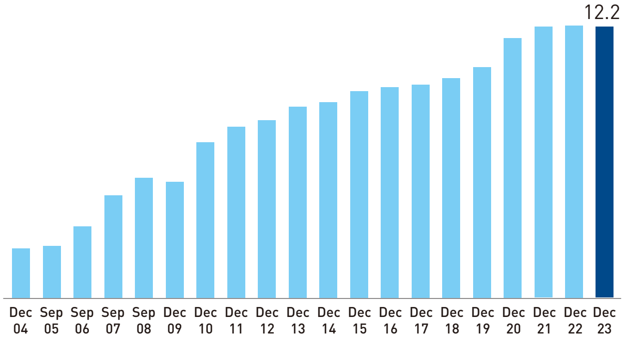
Note:

1 The sale of strata units amounting to $43.6 million[2] to separate unrelated third party investors namely, Skywin Investment Holdings Pte. Ltd., China Aviation Oil (Singapore) Corporation Ltd, Ocean Express Ventures Limited and Hansot Singapore Pte. Ltd. was completed in FY 2023 while the balance strata units sales are expected to complete in the first quarter of 2024.

2 Based on the valuation of $32.7 million derived by multiplying the Rate of Lettable Floor Area ($ per square metre) per the 31 December 2022 independent valuation report by the net lettable area of the divested strata units, using the income capitalisation, discounted cashflow and direct comparison methods.


177 Pacific Highway, Sydney

Assets Under Management
$'Billion



Property Valuation[1] ($ millions)	31 Dec 2023	31 Dec 2022
Suntec City[2]	5,415.0	5,215.0
Suntec Singapore[2]	483.8	463.7
One Raffles Quay[2]	1,324.0	1,323.3
MBFC Properties[2]	1,818.3	1,767.7
177 Pacific Highway[3]	618.6	645.4
21 Harris Street[3]	255.3	272.0
Southgate Complex[3]	328.2	337.7
Olderfleet, 477 Collins Street[3]	404.6	433.3
55 Currie Street[3]	115.7	130.5
Nova Properties[4,5]	664.3	707.5
The Minster Building[4,6]	465.7	512.3
Total	**11,893.5**	**11,808.4**

Notes:

1 Reflects Suntec REIT's interest in its respective properties.

2 Based on the valuation by Cushman & Wakefield VHS Pte Ltd.

3 Based on the valuation by Jones Lang LaSalle Advisory Services Pty Ltd.

4 Based on valuation by Colliers International Property Consultants Limited.

5 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 £414.4 million as of 31 December 23 and £455.0 million as of 31 December 22.

6 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 £290.5 million as of 31 December 23 and £329.7 million as of 31 December 22.

STRONG OCCUPANCY

Suntec REIT's asset portfolio performance continued to remain strong. As at 31 December 2023, the Singapore office portfolio achieved an overall committed occupancy of 99.7%, or 4.9 percentage points higher than the overall Core CBD occupancy of 94.8%[1]. For the Singapore retail portfolio, the overall committed occupancy as at 31 December 2023 was 95.6%.

In Australia, the office portfolio achieved an overall committed occupancy of 88.6%, 3.5 percentage points higher than the nationwide CBD occupancy of 85.1%[2].

In the United Kingdom, the overall portfolio achieved a committed occupancy of 93.5%, 2.7 percentage points higher than the Central London Office occupancy of 90.8%[2].

Suntec REIT's overall committed occupancy for the office and retail portfolio stood at 94.9% and 95.2% respectively as at 31 December 2023.

Committed Office Occupancy	31 Dec 2023	31 Dec 2022
Suntec City Office	100%	99.9%
One Raffles Quay	99.4%	100%
MBFC Tower 1 & 2	99.2%	94.1%
Singapore Office Portfolio	**99.7%**	**98.5%**
177 Pacific Highway	100%	100%
21 Harris Street	98.8%	97.0%
Southgate Complex	84.8%	93.2%
55 Currie Street	56.2%	100%
Olderfleet, 477 Collins Street	100%	99.5%
Australia Office Portfolio	**88.6%**	**98.0%**
Nova Properties	100%	100%
The Minster Building	87.3%	96.7%
United Kingdom Office Portfolio	**93.5%**	**98.3%**
Overall Office Portfolio	**94.9%**	**98.3%**

Committed Retail Occupancy	31 Dec 2023	31 Dec 2022
Suntec City Mall	95.6%	98.3%
Marina Bay Link Mall	96.5%	92.7%
Singapore Retail Portfolio	**95.6%**	**98.1%**
Southgate Complex	87.3%	86.1%
Australia Retail Portfolio	**87.3%**	**86.1%**
Overall Retail Portfolio	**95.2%**	**97.5%**

Notes:
1 Source: CBRE
2 Source: JLL

Suntec City Mall, Singapore

LEASING ACHIEVEMENTS

For the office portfolio, a total of 905,723 sq ft of new and renewal leases were secured in FY 2023. The tenant retention rate for FY 2023 was 74.0%. The average rent secured for FY 2023 for the Singapore, Australia and the United Kingdom office portfolios were $11.22 per square foot per month ("psf/mth"), $6.33 psf/mth and $8.38 psf/mth respectively.

Office Leasing Activities	Tenants	NLA (sq ft)
Renewal Leases	127	670,468
New Leases	108	235,255
Total	**235**	**905,723**

Retail Leasing Activities	Tenants	NLA (sq ft)
Renewal Leases	126	180,394
New Leases	83	79,282
Total	**209**	**259,676**

For the retail portfolio, a total of 259,676 sq ft of new and renewal leases were secured in FY 2023. The tenant retention rate for FY 2023 was 69.5%.

Property Portfolio

HIGH QUALITY COMMERCIAL ASSETS

Strategically Located in Prime Districts of Singapore, Australia and the 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 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"). These properties are located within Singapore's Central Business District ("CBD"), 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 the United Kingdom, Suntec REIT owns a 50.0% interest in Nova North, Nova South and The Nova Building (collectively known as "Nova Properties") and 100% interest in The Minster Building which are both located in London.

Spanning a total net lettable area ("NLA") of approximately 5.4 million square feet ("sq ft"), the properties provide a steady stream of income from a well-diversified pool of strong office and retail tenants.

	% (Based on Suntec REIT's interest)
Office NLA	4,382,994
Retail NLA	1,001,098
Total NLA	**5,384,092**
No. of tenants (Office)	522
No. of tenants (Retail)	501
Total	**1,023**
Valuation	**$11,893.5M**
Committed Occupancy (Office)	94.9%
Committed Occupancy (Retail)	95.2%

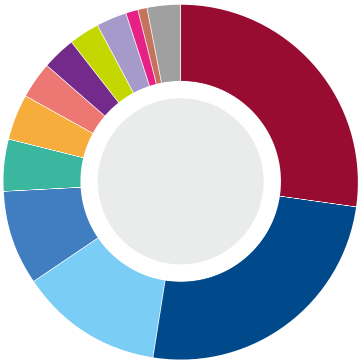
UNITED KINGDOM

AUSTRALIA

The Minster Building | Nova Properties | 21 Harris Street | 55 Currie Street | Southgate Complex

Office Portfolio Business Sector Analysis

(By Gross Rental Income[1])
As at 31 December 2023

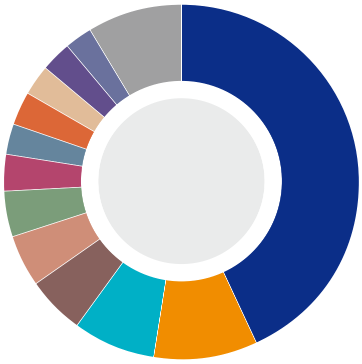


Technology, Media and Telecommunications	27.3%
Banking, Insurance and Financial Services	25.3%
Consultancy / Services	13.0%
Real Estate and Property Services	8.7%
Energy and Natural Resources	4.8%
Trading and Investments	4.1%
Shipping and Freight Forwarding	3.3%
Manufacturing	3.0%
Government and Government-Linked Offices	2.8%
Legal	2.7%
Pharmaceutical and Healthcare	1.3%
Hospitality / Leisure	0.7%
Others	3.0%

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

Retail Portfolio Business Sector Analysis

(By Gross Rental Income[1])
As at 31 December 2023



Food and Beverage	43.2%
Fashion and Accessories	9.4%
Leisure and Entertainment	7.6%
Beauty and Personal Care	5.3%
Kids, Gifts and Hobbies	4.7%
Sports and Lifestyle	4.2%
Fitness	3.1%
Jewellery, Watches and Optical	3.0%
Electronics and Telecommunications	2.9%
Supermarket	2.8%
Home and Furnishings	2.7%
Education	2.6%
Services	8.5%

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. 52.6% of the total gross office rental income for the month of December 2023 was attributable to the major business sectors of Technology, Media and Telecommunications, and Banking, Insurance and Financial Services. The top 10 tenants of the office portfolio contributed 20.2% of Suntec REIT's total office gross rental income for the month of December 2023 and occupied an area representing 23.2% of the REIT's total office portfolio area.

For the retail portfolio, 52.6% of the total gross retail rental income for the month of December 2023 was attributable to the major business sectors of Food and Beverage and Fashion and Accessories. The top 10 tenants of the retail portfolio contributed 15.8% of Suntec REIT's total gross retail income for the month of December 2023 and occupied an area representing 25.9% of the REIT's total retail portfolio area.

Olderfleet, 477 Collins Street | 177 Pacific Highway | One Raffles Quay | MBFC Properties | Suntec City

Property Portfolio

OFFICE PORTFOLIO — TOP 10 TENANTS (By Gross Rental Income[1]) As at 31 December 2023

Properties	Tenant	Business Sector	NLA (sq ft)[1]	% of Total Office NLA[2]	% of Total Monthly Office Gross Rental Income
Olderfleet, 477 Collins Street	Deloitte Services Pty Ltd	Consultancy/Services	154,953	4.0%	2.5%
One Raffles Quay	TikTok Pte. Ltd.	Technology, Media and Telecommunications	83,995	2.2%	2.3%
177 Pacific Highway	CIMIC Group	Real Estate and Property Services	114,206	2.9%	2.2%
177 Pacific Highway	TPG Telecom Limited	Technology, Media and Telecommunications	107,360	2.8%	2.1%
21 Harris Street	Publicis Groupe	Consultancy/Services	110,935	2.8%	2.0%
MBFC Towers 1 & 2	Standard Chartered Bank	Banking, Insurance and Financial Services	70,220	1.8%	2.0%
One Raffles Quay	Deutsche Bank	Banking, Insurance and Financial Services	72,495	1.9%	2.0%
Suntec City Office	WeWork Singapore Pte. Ltd.	Real Estate and Property Services	64,724	1.7%	1.8%
Suntec City Office	PayPal Pte. Ltd.	Technology, Media and Telecommunications	63,292	1.6%	1.7%
The Minster Building	Ardonagh Specialty Limited	Banking, Insurance and Financial Services	58,888	1.5%	1.6%
Total			**901,068**	**23.2%**	**20.2%**

RETAIL PORTFOLIO — TOP 10 TENANTS (By Gross Rental Income[1]) As at 31 December 2023

Properties	Tenant	Business Sector	NLA (sq ft)[1]	% of Total Retail NLA[2]	% of Total Monthly Retail Gross Rental Income
Suntec City Mall, One Raffles Quay, MBLM	Cold Storage Singapore (1983) Pte Ltd	Supermarket, Beauty and Personal Care, Services	30,957	3.4%	2.4%
Suntec City Mall	Golden Village Multiplex Pte Ltd	Leisure and Entertainment	60,098	6.6%	2.3%
Suntec City Mall	Arcade Planet Pte. Ltd.	Leisure and Entertainment	26,272	2.9%	2.3%
Suntec City Mall	Food Republic Pte. Ltd.	Food and Beverage	13,134	1.5%	1.5%
Suntec City Mall	DreamUs SPS Pte. Ltd.	Leisure and Entertainment	28,794	3.2%	1.4%
Suntec City Mall	Broadway Food Centre (Holdings) Pte Ltd	Food and Beverage	12,688	1.4%	1.3%
Suntec City Mall	Pertama Merchandising Pte Ltd	Food and Beverage	22,217	2.5%	1.3%
Suntec City Mall	Uniqlo (S) Pte Ltd	Fashion and Accessories	14,437	1.6%	1.2%
Suntec City Mall	Cotton On Singapore Pte. Ltd.	Fashion and Accessories	14,090	1.6%	1.1%
Suntec City Mall	Fun Empire Culture And Entertainment Management Co. Pte. Ltd.	Food and Beverage	10,552	1.2%	1.0%
Total			**233,239**	**25.9%**	**15.8%**

Note:

1 Reflects Suntec REIT's interest in its respective properties.

2 Based on leased area.

LEASE EXPIRY PROFILE

In FY 2023, approximately 905,723 sq ft of office space was renewed and replaced, including forward renewal of approximately 331,538 sq ft of the office leases expiring in FY 2024 and FY 2025.

As at 31 December 2023, 39.0% of the total office NLA is due to expire during the period from FY 2024 to FY 2026, while 55.8% is due to expire in FY 2027 and beyond.

For the retail portfolio as at 31 December 2023, 78.5% of the total retail NLA is due to expire during the period from FY 2024 to FY 2026, while 16.6% is due to expire in FY 2027 and beyond.

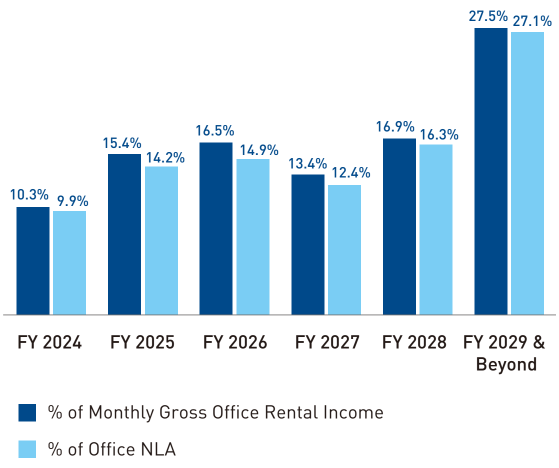
WEIGHTED AVERAGE LEASE EXPIRY PROFILE

The weighted average lease expiry ("WALE") of the overall office portfolio was 4.24 years as at 31 December 2023. The Singapore and overseas office portfolios' WALE was 2.68 years and 5.86 years respectively. The WALE of the office leases committed in FY 2023 was 3.51 years. These leases contribute 26.5% to the total monthly gross office rental income.

The WALE of the overall retail portfolio was 2.13 years as at 31 December 2023. The Singapore and overseas retail portfolios' WALE was 2.08 years and 3.04 years respectively. The WALE of the retail leases committed in FY 2023 was 2.67 years. These leases contribute 38.7% to the total monthly gross retail rental income.

Office Portfolio Lease Expiry Profile[1]

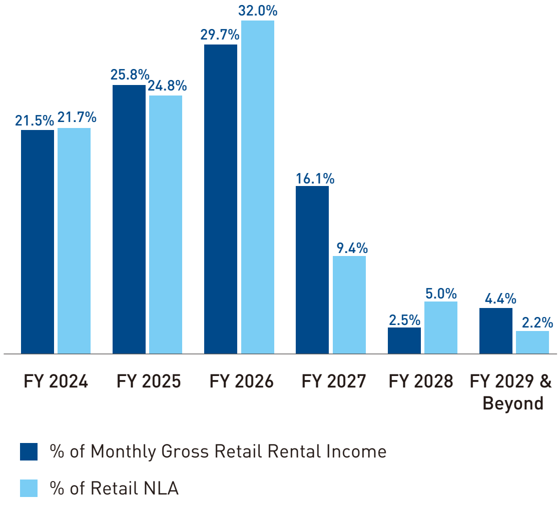
As at 31 December 2023



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

Retail Portfolio Lease Expiry Profile[1]

As at 31 December 2023



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

Property Details

SUNTEC CITY, SINGAPORE

- **Total Net Lettable Area**
  2,158,476 sq ft[1]
- **Office**
  1,242,069 sq ft
- **Retail**
  916,407 sq ft[1]

Property Statistics As at 31 December 2023	
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 (Remaining lease term of 65 years)
Number of tenants	632
Car Park Lots[2]	3,066
Purchase Price[3]	$2,339.3 million
Market Valuation[4]	$5,898.8 million (31 December 2022: $5,678.7 million)
Gross Revenue	$341.7 million[5] (31 December 2022: $300.7 million)
Net Property Income	$217.0 million (31 December 2022: $212.4 million)
Committed Occupancy	98.2% (31 December 2022: 99.2%)

Notes:
1 Based on Suntec REIT's interest in Suntec Singapore and includes space occupied by recreational facilities.
2 Owned and managed by the Management Corporation Strata Title Plan No. 2197 ("MCST 2197").
3 Includes the investment of 66.3% interest in Suntec Singapore and the divestment of Suntec City Office strata units completed as of 31 December 2023.
4 Includes the value of a 66.3% interest in Suntec Singapore of $483.8 million.
5 Comprises gross rental income of $249.8 million, other income of $7.1 million, and $84.8 million from Suntec Singapore.

Suntec City is an iconic integrated commercial development located in the Marina Central Business Improvement District.

A premier business, MICE[1], 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 development.

Suntec City Office Towers had achieved the Building and Construction Authority ("BCA") Green Mark Platinum award. With this achievement, the entire Suntec City is now fully Green Mark compliant.

Suntec REIT owns 55.1% of Suntec City Office, 100% of Suntec City Mall, and 66.3% interest in Suntec Singapore Convention and Exhibition Centre ("Suntec Singapore"). Easily accessible by car and public transport, Suntec City houses more than 3,000 carpark lots 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 Meetings, Incentives, Conventions and Exhibitions.

Property Details

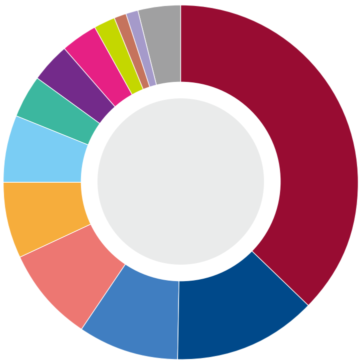
SUNTEC CITY OFFICE

Suntec REIT owns a net lettable area ("NLA") of approximately 1.2 million sq ft of Suntec City Office, comprising strata units across Towers 1, 2 and 3, and all strata units in Towers 4 and 5. Towers 1 to 4 are 45-storey buildings with typical floor plates ranging from 10,000 sq ft to 14,000 sq ft, whilst Tower 5 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 attracts a good stream of diverse multinational firms from sectors such as Technology, Media and Telecommunications, Banking, Insurance and Financial Services and Real Estate and Property Services.

Suntec City Office Business Sector Analysis

(By Gross Rental Income)
As at 31 December 2023



Technology, Media and Telecommunications	37.4%
Banking, Insurance and Financial Services	13.0%
Real Estate and Property Services	9.1%
Shipping and Freight Forwarding	8.6%
Trading and Investments	7.0%
Consultancy / Services	6.1%
Energy and Natural Resources	4.0%
Manufacturing	3.6%
Pharmaceutical and Healthcare	3.2%
Government and Government-Linked Offices	1.9%
Hospitality / Leisure	1.3%
Legal	1.0%
Others	3.8%

DIVERSE TENANT MIX

For the month of December 2023, 37.4% of the total gross office rental income was attributable to the Technology, Media and Telecommunications sector, followed by 13.0% and 9.1% from the Banking, Insurance and Financial Services sector and Real Estate and Property Services sector respectively.

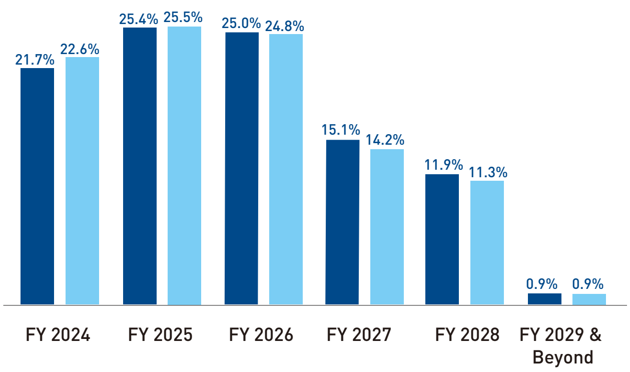
The Technology, Media and Telecommunications sector, Banking, Insurance and Financial Services sector, and Real Estate and Property Services sector, constitute 37.7%,12.9% and 9.0% of Suntec City's Office NLA respectively as at 31 December 2023.

The top 10 office tenants of Suntec City Office contributed 30.4% of the total gross office rental income for the month of December 2023, and represented 30.7% of the Suntec City Office NLA owned by Suntec REIT.

LEASE EXPIRY PROFILE

As at 31 December 2023, 72.9% of Suntec City's office NLA is due to expire during the period from FY 2024 to FY 2026, whilst 26.4% is due to expire in FY 2027 and beyond.

Suntec City Office Lease Expiry Profile



% of Monthly Gross Office Rental Income

% of Office NLA

Property Details

SUNTEC CITY MALL

Suntec City houses over 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, events and conferences.

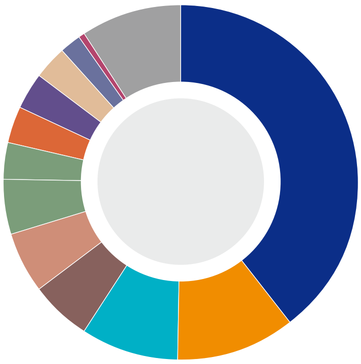
EVENTS AT SUNTEC CITY

Throughout the year, Suntec City hosted a myriad of activities in the mall. These include brand activations and roadshows at our atrium and event spaces. Strategic partnerships with LEGO®, Warner Brothers and LINE Friends for mall campaigns and festive celebrations also inject a vibrant atmosphere and delighted our shoppers.

Suntec City continued to celebrate the Purple Parade – a unifying national platform to promote awareness and celebrate the abilities of Persons with Disabilities. The 2023 edition saw a record turnout of more than 13,000 people and was the eighth consecutive year that Suntec City was the supporting partner for Purple Parade.

Suntec City Retail Business Sector Analysis

(By Gross Rental Income[1])
As at 31 December 2023



Food and Beverage	39.6%
Fashion and Accessories	10.9%
Leisure and Entertainment	8.7%
Beauty and Personal Care	5.7%
Kids, Gifts and Hobbies	5.5%
Sports and Lifestyle	4.9%
Jewellery, Watches and Optical	3.5%
Electronics and Telecommunications	3.4%
Home and Furnishings	3.1%
Supermarket	3.1%
Education	2.0%
Fitness	0.6%
Services	9.0%

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

ATTRACTIVE TENANT MIX

For the month of December 2023, 39.6% of the total gross retail rental income was attributable to the Food and Beverage sector, followed by 10.9% and 8.7% from Fashion and Accessories sector and Leisure and Entertainment sector respectively.

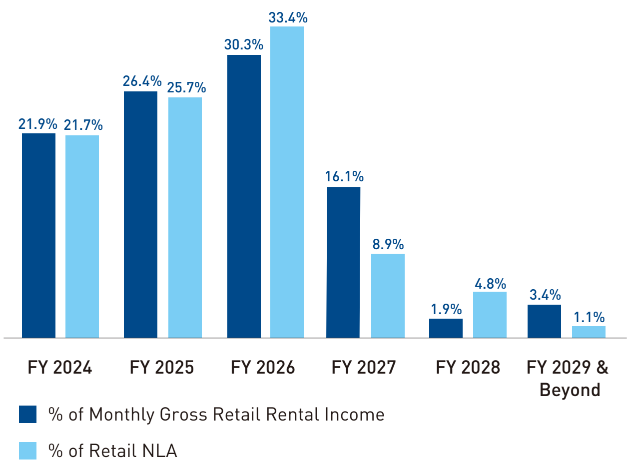
The Food and Beverage, Leisure and Entertainment, and Fashion and Accessories sectors made up 31.3%, 15.6% and 10.6% of Suntec City's retail NLA as at 31 December 2023.

The top 10 retail tenants of Suntec City Mall contributed to 16.9% of the total gross retail rental income for the month of December 2023, and represented 27.8% of Suntec City Mall's total leased area.

LEASE EXPIRY PROFILE

As at 31 December 2023, 80.8% of Suntec City's total retail NLA is due to expire during the period from FY 2024 to FY 2026, whilst 14.8% is due to expire in FY 2027 and beyond.

Suntec City Retail Lease Expiry Profile[1]



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

Property Details

SUNTEC SINGAPORE CONVENTION & EXHIBITION CENTRE

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 for 10 to 10,000 attendees. 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 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, the Leaders Week in 2009, the 33rd ASEAN Summit Meetings in 2018 and the Tour De France Singapore Criterium in 2023. Suntec Singapore also served as one of the largest sporting venues for the inaugural Youth Olympic Games in 2010 and the Olympic Esports Week in 2023.

Suntec Singapore had navigated through the challenges brought about by COVID-19 admirably. The convention business had recovered faster than expected and is now performing better than pre-pandemic levels. Domestic demand for corporate and consumer events remained key drivers for the convention business while the continued recovery of tourism will boost revenue from international and regional MICE events.

During the COVID-19 pandemic, Suntec Singapore maintained its relevance to industry needs and market demand. The impressive Engage Theatres were conceptualised and introduced in 2020 to provide a world-class facility for events ranging from conferences to corporate dinner and dance. Suntec Singapore's commitment to clients and partners was well appreciated and was demonstrated through it clinching various awards, such as the World MICE Award in 2022 for Asia's Best Convention Centre and the World Travel Award in 2023 for the World's Leading Hi-Tech Meetings and Convention Centre.

Property Details

ONE RAFFLES QUAY, SINGAPORE

- Total Net Lettable Area
  1,324,665 sq ft
- Number of tenants
  61
- Market Valuation
  $1,324.0 million
- Net Income Contribution
  $29.1 million

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

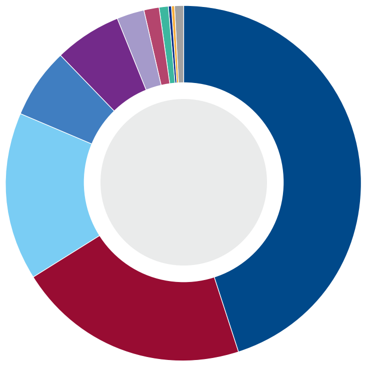
Designed by internationally renowned architectural firm Kohn Pedersen Fox Associates of New York, One Raffles Quay comprises a 50-storey office tower (the "North Tower") and a 29-storey office tower (the "South Tower"). An underground pedestrian network connects the development directly to the Downtown 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 2023	
Location	1 Raffles Quay, Singapore 048583
Title	Leasehold 99 years from 2001 (Remaining lease term of 77 years)
Net Lettable Area[1]	441,555 sq ft
Car Park Lots	713
Purchase Price	$941.5 million
Market Valuation[1]	$1,324.0 million (31 December 2022: $1,323.3 million)
Net Income Contribution[2]	$29.1 million (31 December 2022: $27.7 million)
Committed Occupancy	99.4% (31 December 2022: 100%)

Notes:
1 Based on Suntec REIT's interest in the property.
2 Comprises share of profits (excluding net change in fair value of investment properties) and interest income from loan to the joint venture.

One Raffles Quay Business Sector Analysis

(By Gross Rental Income)
As at 31 December 2023



Banking, Insurance and Financial Services	45.2%	Legal	2.7%
Technology, Media and Telecommunications	21.1%	Fitness	1.4%
Consultancy / Services	15.4%	Energy and Natural Resources	0.6%
Real Estate and Property Services	6.5%	Food and Beverage	0.4%
Manufacturing	5.9%	Trading and Investments	0.2%
		Services and Others	0.6%

In recognition of its outstanding achievements in environmental sustainability, One Raffles Quay retained its BCA Green Mark Platinum Award in 2023.

One Raffles Quay has a large and diversified tenant base comprising 56 office tenants and five retail tenants. The major office tenants include Deutsche Bank, Ernst & Young, L'Oreal and TikTok.

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

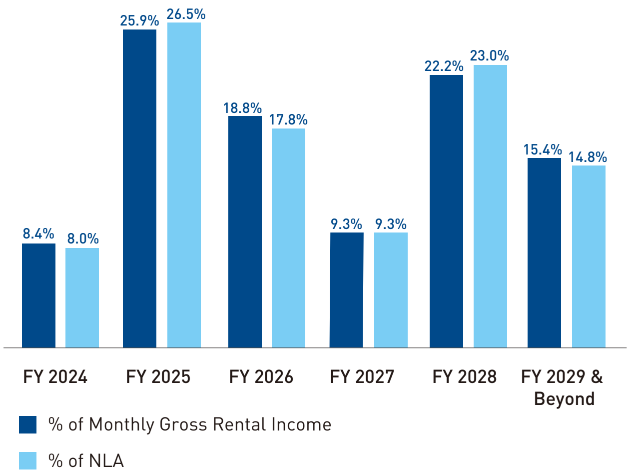
TENANT MIX

For the month of December 2023, 45.2% of the total gross rental income was attributable to the Banking, Insurance and Financial Services sector.

LEASE EXPIRY PROFILE

As at 31 December 2023, 52.3% of the total NLA of One Raffles Quay is due to expire during the period from FY 2024 to FY 2026, whilst 47.1% is due to expire in FY 2027 and beyond.

One Raffles Quay Lease Expiry Profile



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**
  1,720,786 sq ft
- **Number of tenants**
  147
- **Market Valuation**
  $1,818.3 million
- **Net Income Contribution**
  $33.6 million

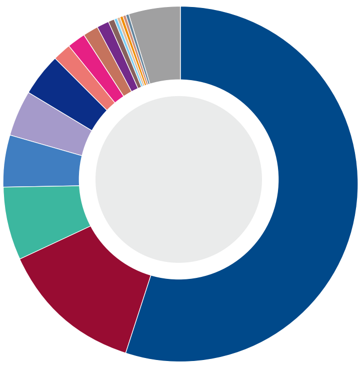
The Marina Bay Financial Centre is a prime landmark integrated development strategically located in the heart of Marina Bay.

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 95,934 sq ft of NLA for retail use and 695 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 2023	
Location	8, 8A and 10 Marina Boulevard, Singapore 018981/83/84
Title	Leasehold 99 years from 2005 (Remaining lease term of 81 years)
Net Lettable Area[1]	573,595 sq ft
Car Park Lots	695
Purchase Price	$1,495.8 million
Market Valuation[1]	$1,818.3 million (31 December 2022: $1,767.7 million)
Net Income Contribution[2]	$33.6 million (31 December 2022: $53.1 million)
Committed Occupancy	99.1% (31 December 2022: 94.0%)

Notes:
[1] Based on Suntec REIT's interest in the property.
[2] Comprises share of profits (excluding net change in fair value of investment properties) and interest income from loan to the joint venture.

MBFC Properties Sector Analysis
(By Gross Rental Income)
As at 31 December 2023



Banking, Insurance and Financial Services	57.2%
Technology, Media and Telecommunications	12.8%
Energy and Natural Resources	6.2%
Real Estate and Property Services	4.7%
Legal	3.9%
Food and Beverage	3.9%
Shipping and Freight Forwarding	1.5%
Pharmaceutical and Healthcare	1.5%
Hospitality / Leisure	1.4%
Manufacturing	1.0%
Beauty and Personal Care	0.6%
Consultancy / Services	0.3%
Supermarket	0.2%
Fashion and Accessories	0.1%
Kids, Gifts and Hobbies	0.1%
Jewellery, Watches and Optical	0.1%
Services and Others	4.5%

In recognition of its achievements in environmental sustainability, the development retained its BCA Green Mark Platinum Award in 2023.

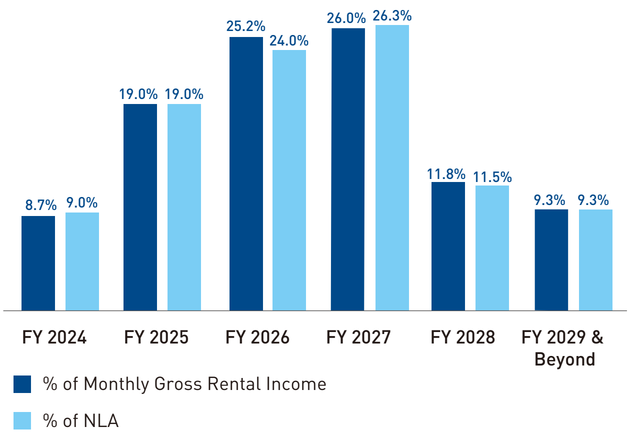
The MBFC Properties has a premier tenant base, with major office tenants including Barclays, HSBC, LinkedIn, Nomura and Standard Chartered Bank.

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

TENANT MIX
For the month of December 2023, 57.2% the total gross rental income was attributable to the Banking, Insurance and Financial Services sector.

LEASE EXPIRY PROFILE
As at 31 December 2023, 52.0% of the total NLA of the MBFC Properties is due to expire during the period from FY 2024 to FY 2026, whilst 47.1% is due to expire in FY 2027 and beyond.

MBFC Properties Lease Expiry Profile



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

177 PACIFIC HIGHWAY, SYDNEY

- Total Net Lettable Area
  430,915 sq ft
- Number of tenants
  10
- Market Valuation
  $618.6 million
- Net Property Income
  $27.1 million

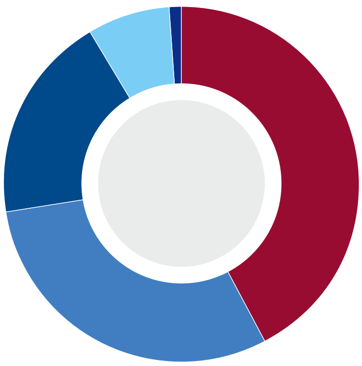
177 Pacific Highway is a 31-storey Grade A commercial tower designed by award-winning architecture firm Bates Smart. It is strategically located in North Sydney CBD and enjoys direct access to a number of major surrounding roadways. The property is within walking distance to the new Victoria Cross Metro Station linking North Sydney to Sydney CBD.

The property had recently completed asset enhancement works to the ground foyer lobby, elevating the tenant and visitor experience with a brand new welcoming environment. A third space facility with a boardroom and meeting room suites was also added on to cater to the business needs of the tenants.

Property Statistics As at 31 December 2023	
Location	177 Pacific Highway, North Sydney NSW 2060
Title	Freehold
Net Lettable Area	430,915 sq ft
Car Park Lots	112
Purchase Price	$457.5 million[1]
Market Valuation[2]	$618.6 million (31 December 2022: $645.4 million)
Gross Revenue	$33.8 million[3] (31 December 2022: $37.4 million[4])
Net Property Income	$27.1 million[3] (31 December 2022: $30.8 million[4])
Committed Occupancy	100% (31 December 2022: 100%)

Notes:
1. Based on total actual progress payment made, at an average exchange rate of A$1.00 = $1.107.
2. The drop in valuation is due to cap rate expansion and lower AUD exchange rate, which were based on A$1.00 = $0.8991 and A$1.00 = $0.9065 as at 31 December 2023 and 31 December 2022 respectively.
3. Based on exchange rate of A$1.00 = $0.8922.
4. Based on exchange rate of A$1.00 = $0.9557.

177 Pacific Highway Business Sector Analysis
(By Gross Rental Income)
As at 31 December 2023



177 Pacific Highway's premier tenant base include CBRE, CIMIC Group Limited, Cisco Systems, Jacobs Engineering Group Inc, Objective Corporation, Pepper Money Limited and TPG Telecom Limited.

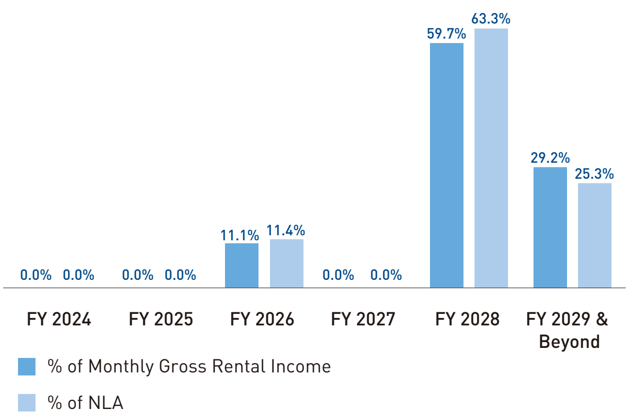
The building is Carbon Neutral certified by NABERS and has a 5 Star Green Star — Office Design v3 Certified Rating, 6 Star NABERS Energy Rating and 5 Star NABERS Water Rating.

TENANT MIX
For the month of December 2023, 42.3% of the total gross rental income was attributable to the Technology, Media and Telecommunications sector.

LEASE EXPIRY PROFILE
As at 31 December 2023, 11.4% of the total NLA of 177 Pacific Highway is due to expire in FY 2026, whilst 88.6% is due to expire in FY 2028 and beyond.

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

177 Pacific Highway Lease Expiry Profile



Property Details

21 HARRIS STREET, SYDNEY

- Total Net Lettable Area
  201,576 sq ft
- Number of tenants
  11
- Market Valuation
  $255.3 million
- Net Property Income
  $13.7 million

21 Harris Street is a 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.

Property Statistics As at 31 December 2023	
Location	21 Harris Street, Pyrmont, NSW 2009
Title	Freehold
Net Lettable Area	201,576 sq ft
Car Park Lots	171
Purchase Price[1]	$257.4 million
Market Valuation[2]	$255.3 million (31 December 2022: $272.0 million)
Gross Revenue	$18.2 million[3] (31 December 2022: $18.8 million[4])
Net Property Income	$13.7 million[3] (31 December 2022: $14.9 million[4])
Committed Occupancy	98.8% (31 December 2022: 97.0%)

Notes:

1 Based on exchange rate of A$1.00 = $0.8726 at the time of acquisition.

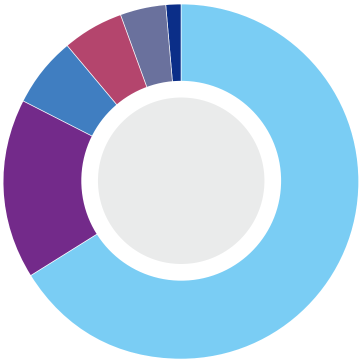
2 The drop in valuation is due to cap rate expansion and lower AUD exchange rate, which were based on A$1.00 = $0.8991 and A$1.00 = $0.9065 as at 31 December 2023 and 31 December 2022 respectively.

3 Based on exchange rate of A$1.00 = $0.8922.

4 Based on exchange rate of A$1.00 = $0.9557.

21 Harris Street Business Sector Analysis

(By Gross Rental Income)
As at 31 December 2023



Consultancy / Services	66.3%	Fitness	5.6%
Manufacturing	16.3%	Education	4.1%
Real Estate and Property Services	6.4%	Food and Beverage	1.3%

21 Harris Street is a nine storey campus style building comprising of 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.

The New South Wales government announced it would build a new metro railway at Pyrmont as part of the Sydney Metro West project which would shorten the travel time to Sydney CBD to two minutes.

Key tenants at 21 Harris Street include, Medium Rare Content Agency, Publicis Groupe, Strandbags Group and Viva Leisure.

The building has a 6 Star Green Star Rating, 6 Star NABERS Energy Rating and a 3.5 star NABERS Water Rating.

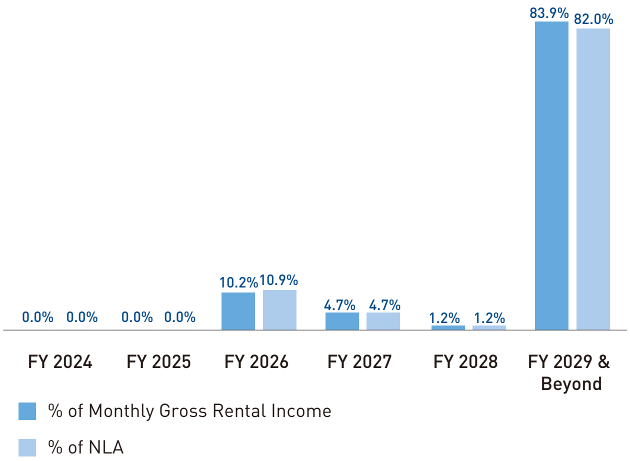
TENANT MIX

For the month of December 2023, 66.3% of the total gross revenue was attributable to the Consultancy / Services sector.

LEASE EXPIRY PROFILE

As at 31 December 2023, 98.8% of the total NLA of 21 Harris Street is due to expire in FY 2026 and beyond.

21 Harris Street Lease Expiry Profile



The Manager's objective for 21 Harris Street is to generate sustainable growth from the property for Suntec REIT unitholders.

Property Details

SOUTHGATE COMPLEX, MELBOURNE

- Total Net Lettable Area
  813,446 sq ft
- Number of tenants
  83
- Market Valuation
  $328.2 million
- Net Income Contribution
  $3.7 million

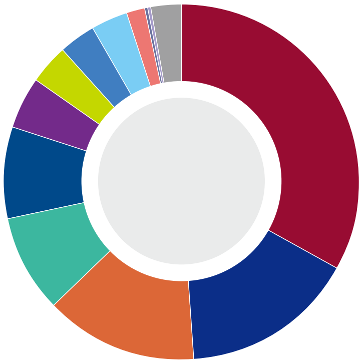
Southgate Complex is a freehold, landmark waterfront integrated development located alongside the Yarra River in the Southbank arts and leisure precinct of Melbourne. Southgate Complex comprises two Grade A office towers, the 30-storey "IBM Tower", the 25-storey "HWT Centre", a 3-storey retail podium and a car park with 975 lots.

Property Statistics As at 31 December 2023	
Location	40 and 60 City Road, 3 Southbank Avenue, Southbank, Melbourne, VIC 3006
Title	Freehold
Net Lettable Area[1]	405,724 sq ft Office: 354,011 sq ft Retail: 52,713 sq ft
Car Park Lots	975
Purchase Price[2]	$299.8 million
Market Valuation[1,3]	$328.2 million (31 December 2022: $337.7 million)
Net Income Contribution[4]	$3.7 million[5] (31 December 2022: $11.3 million[6])
Committed Occupancy	85.1% (31 December 2022: 92.3%)

Notes:
1 Based on Suntec REIT's interest in the property.
2 Based on an exchange rate of A$1.00 = $1.0615 and A$1.00 = $1.013 being the exchange rates at the time of acquisitions.
3 The drop in valuation is due to cap rate expansion and lower AUD exchange rate, which were based on A$1.00 = $0.8991 and A$1.00 = $0.9065 as at 31 December 2023 and 31 December 2022 respectively.
4 Comprises share of profits (excluding net change in fair value of investment properties).
5 Based on exchange rate of A$1.00 = $0.8922.
6 Based on exchange rate of A$1.00 = $0.9557.

Southgate Complex Business Sector Analysis

(By Gross Rental Income)
As at 31 December 2023



Technology, Media and Telecommunications	33.3%
Food and Beverage	15.7%
Electronics and Telecommunications	13.9%
Energy and Natural Resources	8.9%
Banking, Insurance and Financial Services	8.4%
Manufacturing	4.7%
Government and Government-Linked Offices	3.6%
Real Estate and Property Services	3.3%
Consultancy / Services	3.2%
Shipping and Freight Forwarding	1.9%
Education	0.3%
Legal	0.1%
Services and Others	2.7%

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.

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

IBM Tower has a 4 Star NABERS Energy Rating and a 2.5 Star NABERS Water Rating while HWT Centre has a 4 Star NABERS Energy Rating and 4.5 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.

Planning control amendments for the potential redevelopment of the retail podium and construction of a new office tower have been approved by relevant authorities in Melbourne in 2021. The Manager is re-evaluating the feasibility of the redevelopment in view of the economic uncertainty.

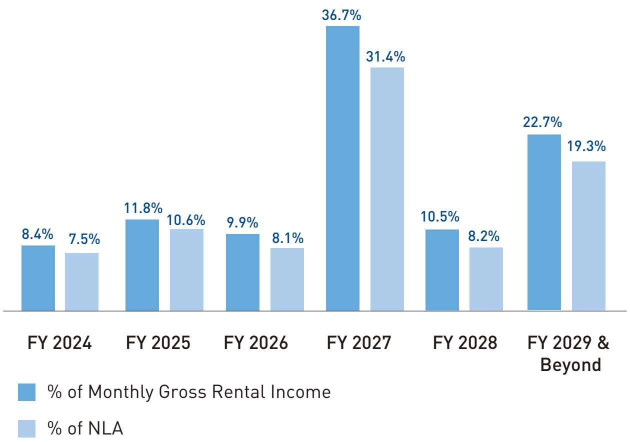
TENANT MIX

For the month of December 2023, 33.3% of the total gross rental income was attributable to the Technology, Media and Telecommunications sector.

LEASE EXPIRY PROFILE

As at 31 December 2023, 26.2% of the total NLA of Southgate Complex is due to expire during the period from FY 2024 to FY 2026 and 58.9% is due to expire in FY 2027 and beyond.

Southgate Complex Lease Expiry Profile



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, MELBOURNE

- Total Net Lettable Area
  630,702 sq ft
- Number of tenants
  22
- Market Valuation
  $404.6 million
- Net Property Income
  $20.6 million

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.

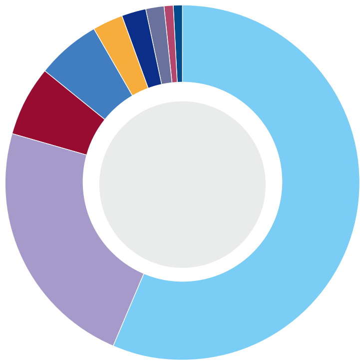
Property Statistics As at 31 December 2023	
Location	477 Collins Street, Melbourne, VIC 3000
Title	Freehold
Net Lettable Area[1]	315,351 sq ft
Car Park Lots	416
Purchase Price[2]	$430.9 million
Market Valuation[1,3]	$404.6 million (31 December 2022: $433.3 million)
Gross Revenue[1]	$26.9 million[4] (31 December 2022: $28.2 million[5])
Net Property Income[1]	$20.6 million[4] (31 December 2022: $22.3 million[5])
Committed Occupancy	100% (31 December 2022: 99.5%)

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 = $1.0041.
3 The drop in valuation is due to cap rate expansion and lower AUD exchange rate, which were based on A$1.00 = $0.8991 and A$1.00 = $0.9065 as at 31 December 2023 and 31 December 2022 respectively.
4 Based on exchange rate of A$1.00 = $0.8922.
5 Based on exchange rate of A$1.00 = $0.9557.

Olderfleet, 477 Collins Street Business Sector Analysis

(By Gross Rental Income)
As at 31 December 2023



Consultancy / Services	56.5%
Legal	23.0%
Technology, Media and Telecommunications	6.5%
Real Estate and Property Services	5.8%
Trading and Investments	2.7%
Food and Beverage	2.2%
Education	1.8%
Fitness	0.8%
Banking, Insurance and Financial Services	0.7%

The development achieved 6 Star Green Star rating, 5 Star NABERS Energy rating, 5 Star NABERS Water rating as well as International WELL Platinum rating for Core & Shell. The property provides market leading amenities including a business lounge, fitness studio, food and beverage options and hotel-style end-of-trip facilities and concierge services.

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 recognition of its architectural excellence, Olderfleet, 477 Collins Street won the prestigious World Architecture Festival (WAF) 2021 Awards for Office — Completed Buildings category and awarded winner for the Best Tall Building 100–199 metres category at the Council on Tall Building and Urban Habitat conference in 2022.

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

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

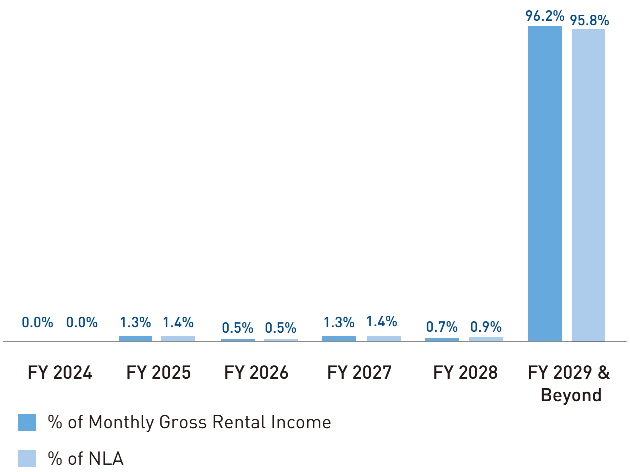
TENANT MIX

For the month of December 2023, 56.5% of the total gross rental income was attributable to the Consultancy/ Services sector.

LEASE EXPIRY PROFILE

As at 31 December 2023, 4.2% of the total NLA of Olderfleet, 477 Collins Street is due to expire during the period from FY 2024 to FY 2028 and 95.8% is due to expire in FY 2029 and beyond.

Olderfleet, 477 Collins Street Lease Expiry Profile



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, ADELAIDE

- Total Net Lettable Area
  282,770 sq ft
- Number of tenants
  11
- Market Valuation
  $115.7 million
- Net Property Income
  $9.0 million

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

The 12-storey property had recently completed the asset enhancement of the lobby area with improved amenities and environment, to enhance tenant experience and foster community building. With the completion of the ground floor lobby refurbishment works, 55 Currie Street now presents one of the biggest atrium lobbies amongst Grade A commercial assets in Adelaide, complete with meeting and conference amenities such as a boardroom, meeting suites and an auditorium to cater to the business needs of tenants. New recreational amenity areas were also added at the skydeck for tenants' use and events activations, transforming the property into a next generation desirable workplace.

Property Statistics As at 31 December 2023	
Location	55 Currie Street, Adelaide, SA 5000
Title	Freehold
Net Lettable Area	282,770 sq ft
Car Park Lots	95
Purchase Price[1]	$138.9 million
Market Valuation[2]	$115.7 million (31 December 2022: $130.5 million)
Gross Revenue	$14.5 million[3] (31 December 2022: $15.8 million[4])
Net Property Income	$9.0 million[3] (31 December 2022: $10.7 million[4])
Committed Occupancy	56.2% (31 December 2022: 100%)

Notes:

1 Based on exchange rate of A$1.00 = $0.9364 at the time of acquisition.

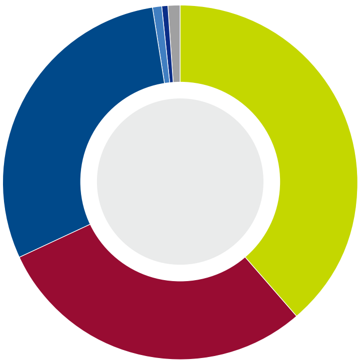
2. The drop in valuation is due to cap rate expansion and lower AUD exchange rate, which were based on A$1.00 = $0.8991 and A$1.00 = $0.9065 as at 31 December 2023 and 31 December 2022 respectively.

3 Based on exchange rate of A$1.00 = $0.8922.

4 Based on exchange rate of A$1.00 = $0.9557.

55 Currie Street Business Sector Analysis

(By Gross Rental Income)
As at 31 December 2023



Government and Government-Linked Offices	38.7%
Technology, Media and Telecommunications	29.5%
Banking, Insurance and Financial Services	29.3%
Real Estate and Property Services	1.0%
Food and Beverage	0.6%
Services and Others	0.9%

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. The property has a 5.5 NABERS Energy rating and a 4 Star NABERS Water rating.

Key tenants at 55 Currie Street include Allianz, Certegy Ezi-Pay, Commonwealth of Australia and Data Action.

TENANT MIX

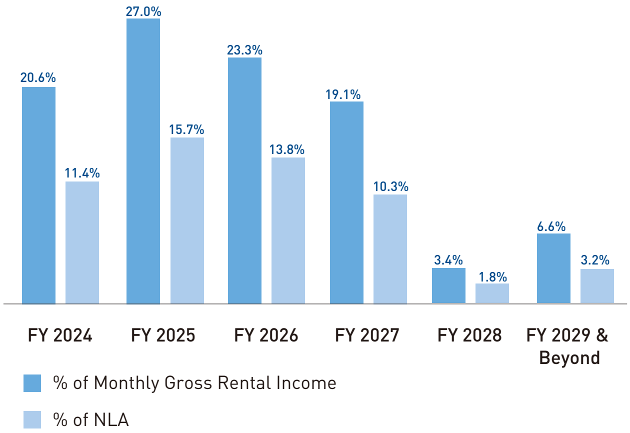
For the month of December 2023, 38.7% of the total gross rental income was attributable to the Government and Government-Linked Offices sector.

LEASE EXPIRY PROFILE

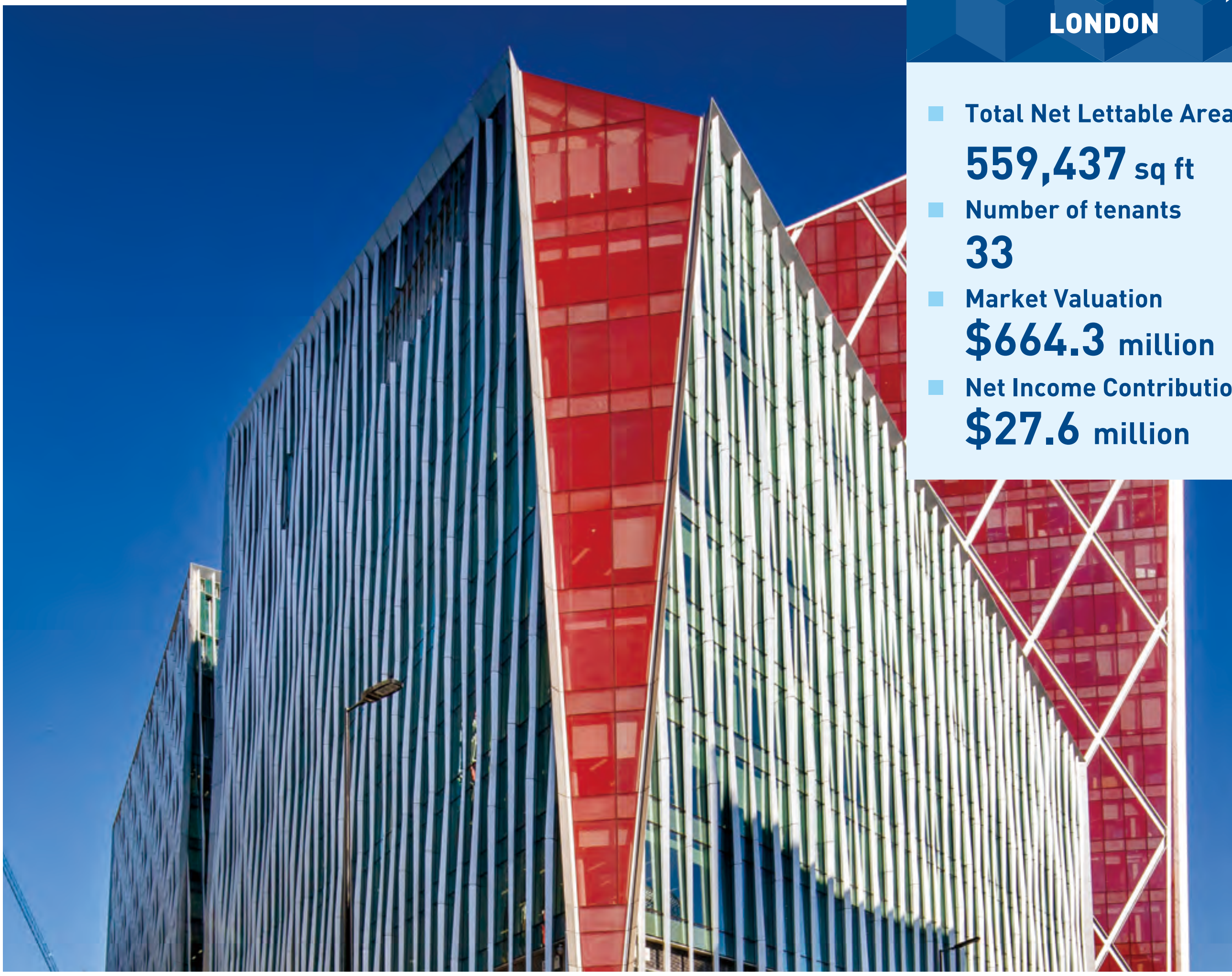
Based on the committed leases as at 31 December 2023, 40.9% of the total NLA of 55 Currie Street is due to expire during the period from FY 2024 to FY 2026 and 15.3% is due to expire in FY 2027 and beyond.

The Manager's objective for 55 Currie Street is to generate sustainable growth from the property for Suntec REIT unitholders.

55 Currie Street Lease Expiry Profile



Property Details



NOVA PROPERTIES, LONDON

- Total Net Lettable Area
  559,437 sq ft
- Number of tenants
  33
- Market Valuation
  $664.3 million
- Net Income Contribution
  $27.6 million

Property Statistics As at 31 December 2023	
Location	Nova Estate, Buckingham Palace Road and Bressenden Place, London SW1
Title	Leasehold expiring on 27 April 3062 (Remaining lease term of 1,039 years)
Net Lettable Area[1]	279,719 sq ft
Car Park Lots	20
Purchase Price[2]	$772.6 million
Market Valuation[1, 3, 4]	$664.3 million (31 December 2022: $707.5 million)
Net Income Contribution[5]	$27.6 million[6] (31 December 2022: $26.7 million[7])
Committed Occupancy	100% (31 December 2022: 100%)

Notes:

1 Based on Suntec REIT's interest in the property.

2 Based on exchange rate of £$1.00 = $1.7942 at the time of acquisition.

3 The drop in valuation is due to cap rate expansion. The exchange rate used for the valuation were based on £1.00 = $1.6817 and £1.00 = $1.6301 as at 31 December 2023 and 31 December 2022 respectively.

4 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 £414.4 million as of 31 December 23 and £455.0 million as of 31 December 22.

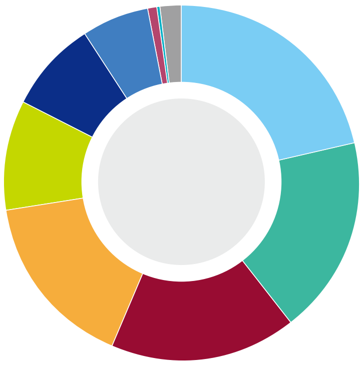
5 Comprises share of profits (excluding net change in fair value of investment properties) and interest income from loan to the joint venture.

6 Based on exchange rate of £1.00 = $1.6716.

7 Based on exchange rate of £1.00 = $1.6980.

Nova Properties Business Sector Analysis

(By Gross Rental Income)
As at 31 December 2023



Consultancy / Services	21.5%	Food and Beverage	8.4%
Energy and Natural Resources	18.0%	Real Estate and Property Services	6.3%
Technology, Media and Telecommunications	17.1%	Fitness	0.8%
Trading and Investments	16.1%	Leisure and Entertainment	0.3%
Government and Government-Linked Offices	9.8%	Others	1.7%

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 Victoria, 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.

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 agency, Vitol and BlueCrest. In terms of sustainability, Nova Properties has an Office BREEAM rating of "Very Good" and Retail BREEAM rating of "Good", and EPC Rating of "B".

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.

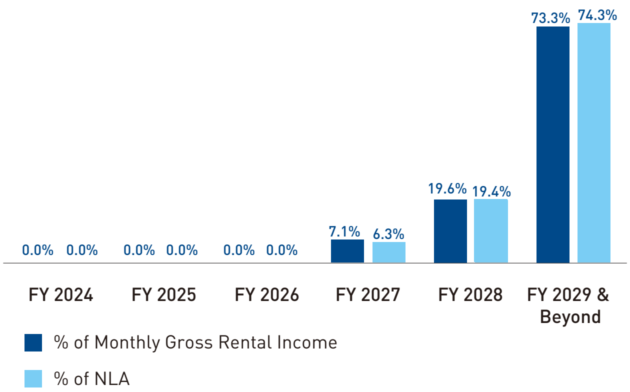
TENANT MIX

For the month of December 2023, 21.5% of the total gross rental income was attributable to the Consultancy / Services sector.

LEASE EXPIRY PROFILE

With the long lease tenures, the leases are only due to expire in FY 2027 and beyond.

Nova Properties Lease Expiry Profile



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

Property Details

THE MINSTER BUILDING, LONDON

- Total Net Lettable Area
  293,412 sq ft
- Number of tenants
  13
- Market Valuation
  $465.7 million
- Net Property Income
  $25.7 million

Property Statistics As at 31 December 2023	
Location	The Minster Building, 21 Mincing Lane, London EC3
Title	Leasehold expiring on 23 October 2989 (Remaining lease term of 966 years)
Net Lettable Area	293,412 sq ft
Car Park Lots	8
Purchase Price[1]	$666.0 million
Market Valuation[2, 3]	$465.7 million (31 December 2022: $512.3 million)
Gross Revenue	$27.6 million[4] (31 December 2022: $26.4 million[5])
Net Property Income	$25.7 million[4] (31 December 2022: $24.7 million[5])
Committed Occupancy	87.3% (31 December 2022: 96.7%)

Notes:

1 Based on exchange rate of £$1.00 = $1.8866 at the time of acquisition.

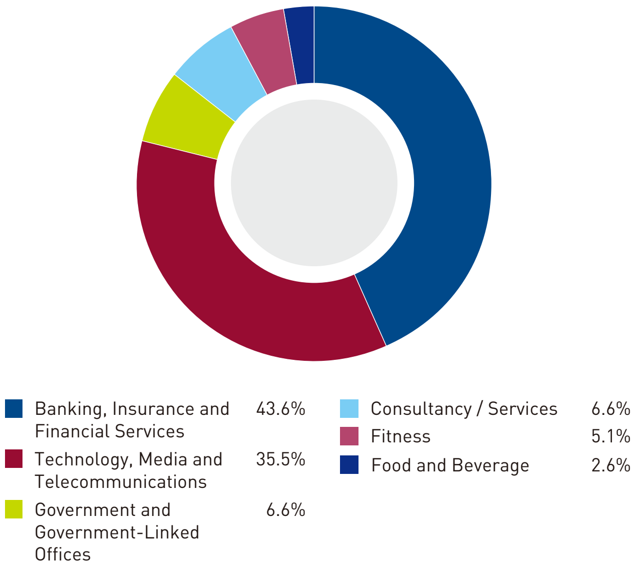
2 The drop in valuation is due to cap rate expansion. The exchange rate used for the valuation were based on £1.00 = $1.6817 and £1.00 = $1.6301 as at 31 December 2023 and 31 December 2022 respectively.

3 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 £290.5 million as of 31 December 23 and £329.7 million as of 31 December 22.

4 Based on exchange rate of £1.00 = $1.6716.

5 Based on exchange rate of £1.00 = $1.6980.

The Minster Building Business Sector Analysis
(By Gross Rental Income)
As at 31 December 2023



The Minster Building is a Grade A office building strategically located within City of London's central business district with extensive connection to London's transportation network. The 11-storey property had undergone significant refurbishment which was completed in 2018.

The Minster Building was Suntec REIT's second acquisition into London and the asset is a strategic fit with Suntec REIT's existing portfolio and enhances the resilience, diversification and income stability of Suntec REIT's portfolio.

The property is surrounded by several important institutions of historical significance and landmark attractions such as Lloyd's of London, The Bank of England, The Royal Exchange, Leadenhall Market, The Tower of London and Tower Bridge. The Minster Building is also within walking distance to Monument, Tower Hill and Liverpool train stations.

Key tenants at The Minster Building include ADM Investor Services Inc, Ardonagh Specialty Limited, Lyst, Risk Management Solutions Limited and Trustpilot. In terms of sustainability, The Minster Building has an Office BREEAM rating of "Very Good" and EPC Rating of "C".

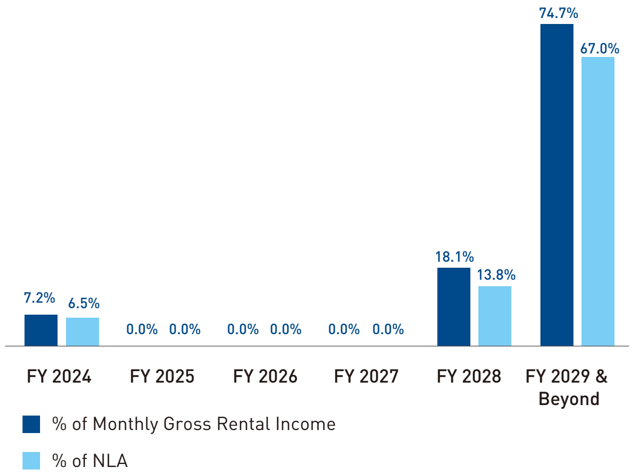
TENANT MIX

For the month of December 2023, 43.6% of the total gross rental income was attributable to the Banking, Insurance and Financial Services sector.

LEASE EXPIRY PROFILE

With the long lease tenures, 6.5% of the total NLA are due to expire in FY 2024 with the balance 80.8% only due to expire in FY 2028 and beyond.

The Minster Building Lease Expiry Profile



The Manager's objective for The Minster Building to generate stable income from the property for Suntec REIT unitholders.

Independent Market Report

Knight Frank

SINGAPORE OFFICE AND RETAIL PROPERTY MARKET

1. ECONOMIC OVERVIEW

According to the Ministry of Trade and Industry ("MTI"), Singapore's economy grew by 2.2% on a year-on-year ("y-o-y") basis in 4Q 2023, faster than the 1.0% y-o-y growth recorded in the previous quarter. For the whole of 2023, the economy expanded by 1.1% y-o-y, moderating from the 3.8% y-o-y growth recorded in 2022. Growth was exhibited for all goods and services industries except for the manufacturing sector which contracted 4.3% in 2023. Yet, the manufacturing sector has shown signs of recovery as it recorded a 1.4% y-o-y expansion in the last quarter of 2023 after three consecutive quarters of contraction.

For 2024, consumer-oriented sectors such as retail trade and food & beverage services are expected to remain supported by Singapore's resilient job market and prospects of international visitor arrivals. Tourism-related sectors such as air transport and accommodation are envisaged to continue its post-COVID recovery. Economic growth may also be fuelled by potential interest rate cuts, widely expected to commence in the second half of 2024 with the US Federal Reserve's objective for a soft landing. However, ongoing headwinds in the form of sticky inflation, elevated labour costs hampering businesses, potential escalations in the Israel-Hamas conflict and the protracted war in Ukraine have cast a shadow on global recovery with risks of renewed supply chain disruptions and commodity price shocks. Considering these ongoing uncertainties, the MTI forecasted Singapore's Gross Domestic Product ("GDP") growth to be in the range of 1.0% to 3.0% in 2024.

2. OVERVIEW OF OFFICE MARKET

2.1 Demand, Supply and Occupancy

Based on the Urban Redevelopment Authority's ("URA") estimates, Singapore's existing net office stock totalled approximately 86.6 million sq ft (as at 4Q 2023), with 41.7 million sq ft (48.1%) located within the Downtown Core planning area.

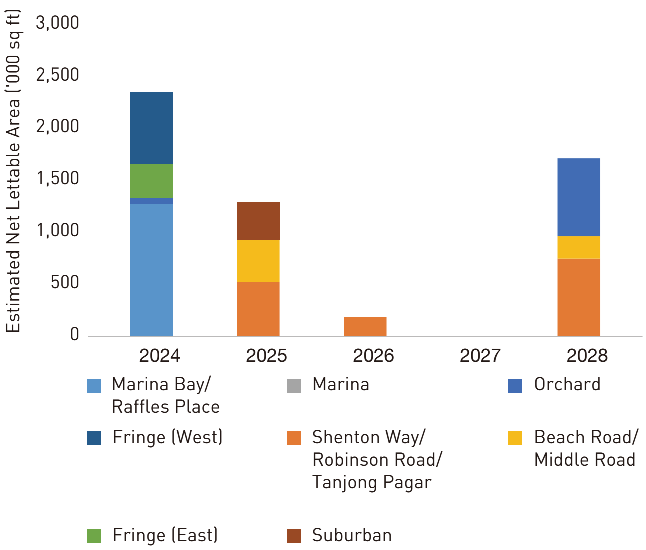
As IOI Central Boulevard Towers is expected to complete in Q1 2024 due to construction delays, Guoco Midtown, with approximately 650,000 sq ft of net lettable office space, was the only notable office development completed in the Downtown Core in 2023. As at end-November 2023, occupancy at Guoco Midtown was reported at approximately 90%, with notable tenants spanning various industries.

Net new office supply nation-wide was 893,000 sq ft in 2023 while occupancy stood at 88.8%-the highest level recorded since 2016 as firms prioritise business continuity and operational stability which resulted in renewals and expansions. Post-pandemic, many businesses have implemented hybrid working policies and an increased focus on workplace well-being, as such quality workspaces and recreational facilities have become essential for occupiers to retain and attract talent. To comply with Environment, Social and Governance ("ESG") requirements, occupiers are also placing greater emphasis on choosing quality office buildings with good sustainability credentials. While 2.3 million sq ft of new office supply is envisaged nation-wide for 2024, the lack of office supply pipeline between 2025 to 2027 is expected to provide near-term support and keep office occupancy stable in 2024.

2.2 Supply Pipeline

Based on URA data, Knight Frank estimates over 5.5 million sq ft of net lettable office supply to be completed between 2024 to 2028. Notable upcoming supply slated for completion in 2024 include IOI Central Boulevard Towers (1.3 million sq ft) in the CBD, and Labrador Towers (0.7 million sq ft) and Paya Lebar Green (0.3 million sq ft) in decentralised locations. Key tenants secured at IOI Central Boulevard Towers include Amazon (369,000 sq ft) and Morgan Stanley (100,000 sq ft), while Prudential Singapore is reported to have leased 150,000 sq ft of office space at Labrador Towers. New office supply between 2025 to 2027 is expected to be limited. In 2028, some large office developments are projected to complete such as Singtel's Comcentre Redevelopment at Somerset (0.8 million sq ft) and AXA Tower Redevelopment at Shenton Way (0.8 million sq ft) by a joint venture between Alibaba Group and a Perennial Holdings-led consortium.

Chart 1: Upcoming supply of office stock, by region (2024 to 2028)

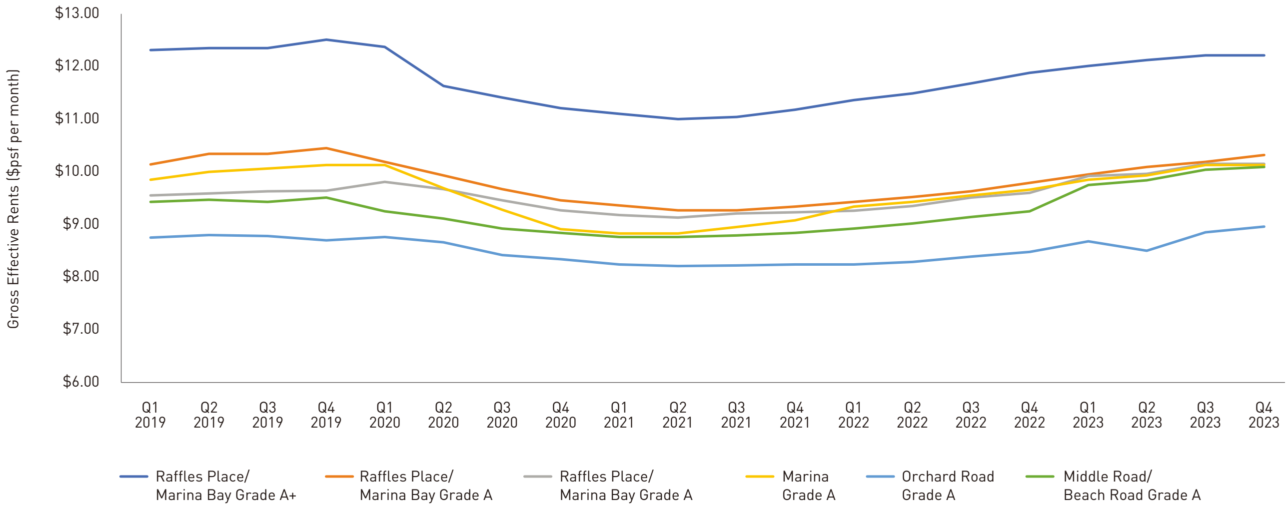


Source: Knight Frank Consultancy, URA Realis

2.3 Rental Performance

According to estimates by Knight Frank, prime grade (Grade A+/A) office rents in the Downtown Core exhibited stable growth throughout 2023 across all precincts, increasing 2.8% y-o-y to post an average rent of $10.30 per sq ft per month ("psf pm") in 4Q 2023 amid tight office supply. The Beach Road/Middle Road precinct recorded the highest growth of 9.1% over the past year, achieving an estimated average rent of $10.10 psf pm as at 4Q 2023 (Chart 2).

Chart 2: Average quarterly gross rents of prime office spaces (2019 to 2023)



Source: Knight Frank Consultancy (as at 4Q 2023)
Note: Based on Knight Frank's basket of office properties
Downtown Core Planning Area comprises Raffles Place, Marina Bay, Marina, Shenton Way/Tanjong Pagar and Middle Road/Beach Road precincts.

2.4 Outlook

Singapore's trade-oriented economy is expected to improve in 2024 from the potential moderation of interest rates, coupled with the global turnaround in global electronics demand which would boost the recovery of the manufacturing sector. However, this optimism is tapered by continued geo-political tensions in the Middle East which could raise logistics costs for the global economy with sharp increases in shipping costs and delivery delays.

On the office demand outlook, Singapore's high-operating cost base may pressure companies to rationalise their office space footprint, with some multi-national corporations mulling relocation to neighbouring countries. Nonetheless, balancing cost efficiency, ESG and workforce needs, the emphasis on building quality and sustainability is envisaged to take hold among corporate occupiers and office spaces in choice locations and good building attributes have greater probability of tenant retention. Being the top financial hub in the region, future demand is likely to be sustained by a growing pool of corporates shifting business functions from other parts of Asia to Singapore as a flight-to-safety destination amid geopolitical and market uncertainties.

In terms of office supply pipeline in 2024, only one new building, IOI Central Boulevard Towers, is expected to complete by Q1 2024 — of which half of its 1.3 million sq ft (NLA) is already pre-committed. With Labrador Towers and Paya Lebar Green only slated for completion towards the end of the year, it is unlikely for prime office CBD rents to be negatively impacted. Underpinned by Singapore's fundamentals as an attractive destination to do business, occupancy levels of existing good quality office buildings and pre-commitments of upcoming developments in Singapore are expected to remain healthy in 2024.

Considering the above factors, barring any new pandemic or escalations in global conflicts, Knight Frank envisages prime office rents to grow moderately between 1% and 3% for the whole of 2024.

3. OVERVIEW OF RETAIL MARKET

3.1 Retail Sales Performance

According to the Department of Statistics, Singapore's Retail Sales Index (RSI, excluding motor vehicles) recorded y-o-y improvements in most months of 2023. The annual retail sales totalled $48.3 billion in 2023, circa 2.3% increase y-o-y. Online sales accounted 12.5% to 17.2% of total retail sales. The highest proportion of online sales was recorded in November 2023 due to the various online shopping events launched across multiple platforms.

Independent Market Report

The Recreational Goods industry recorded a 12.3% y-o-y fall in sales, partly contributed by a fall in demand for sporting goods. Similarly, Optical Goods & Books and the Furniture & Household Equipment industries saw a y-o-y drop in retail sales of 11.8% and 8.5% respectively. The Motor Vehicles industry posted the highest growth of 23.8%, in line with the higher quota for Certificates of Entitlement ("COEs").

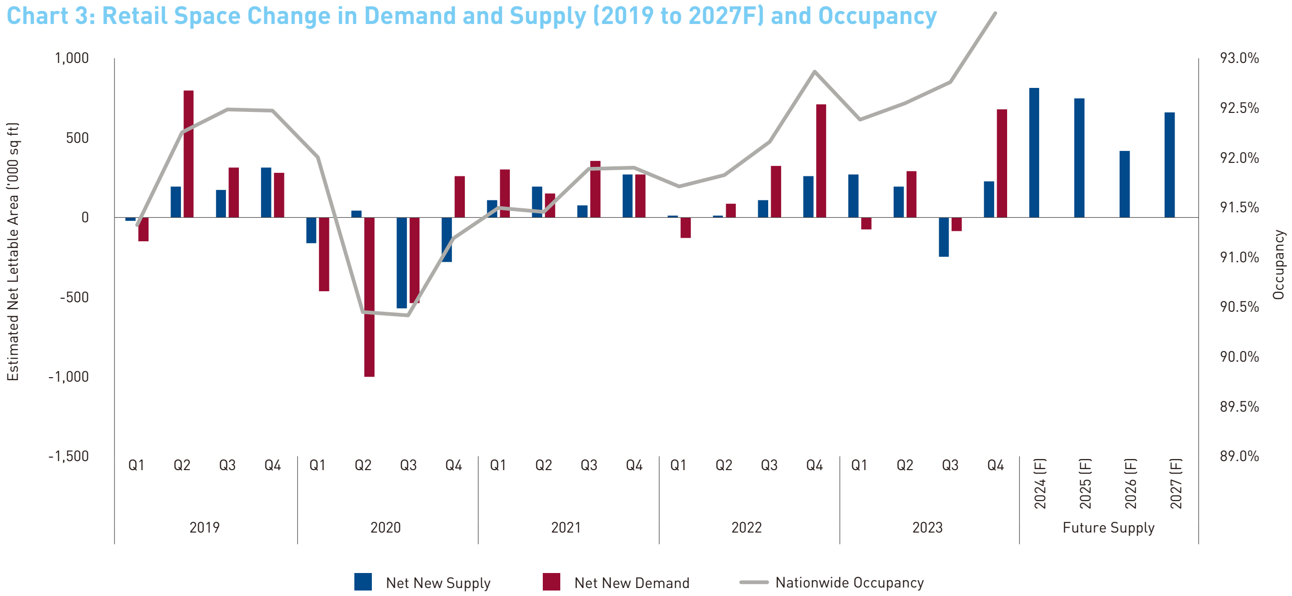
Sales of Food and Beverage ("F&B") Services rose 0.3% y-o-y in December 2023, continuing the 1.6% y-o-y growth achieved in the previous month. The Food & Alcohol industry posted a 4.4% y-o-y increase in sales, lower than the 37.4% y-o-y spike in December 2022, due in part to higher outbound travel during the year end season. Cafes, Food Courts & Other Eating Places achieved a 3.8% y-o-y growth while restaurants saw a 4.8% y-o-y decline.

Tourism rebounded strongly in 2023 with a total of 13.6 million international visitor arrivals, with growth momentum expected to continue into 2024. The Singapore Tourism Board ("STB") projects international visitor arrivals to reach 15–16 million, bringing in an estimated $26–$27.5 billion in tourist receipts in 2024.

3.2 Demand, Supply and Occupancy

The existing nation-wide retail stock totalled over 67.5 million sq ft (NLA) as at 4Q 2023, a slight 0.7% increase from 4Q 2022. Net new supply of retail space saw an increase of approximately 441,000 sq ft in 2023, including the completion of One Holland Village (79,000 sq ft NLA) and Sengkang Grand Mall (62,200 sq ft NLA).

Chart 3: Retail Space Change in Demand and Supply (2019 to 2027F) and Occupancy



Source: Knight Frank Consultancy, URA Realis (as at 4Q 2023)
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.

Recovering tourist and domestic spending had driven retail receipts to near pre-pandemic levels. This demand-led growth resulted in a positive net new demand of 807,000 sq ft of retail space on a nation-wide basis. The resilience of consumer demand and business confidence in Singapore's retail sector bolstered retailers' sentiments towards business expansion and this is reflected in the increase in nation-wide occupancy level of 0.6 percentage points ("pp") to 93.5% in 4Q 2023.

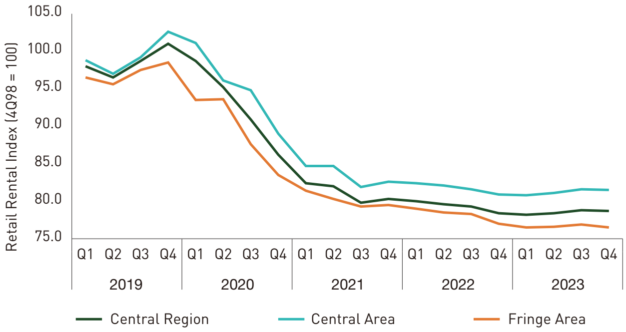
3.3 Supply Pipeline

From URA data, Knight Frank estimates over 2.6 million sq ft NLA of upcoming retail stock between 2024 to 2027, translating to an average annual supply of 660,000 sq ft NLA over the next four years. Notable upcoming projects include the redevelopment of The Cathay (127,900 sq ft NLA) and Pasir Ris Mall (256,400 sq ft NLA), slated for completion in 2024 and 2025 respectively. Other upcoming retail supply within the Central Region comprises mainly ancillary retail amenities of office and residential developments, such as the Keppel South Central (24,700 sq ft NLA) and the redevelopment of AXA Tower (49,200 sq ft NLA).

3.4 Retail Rental Indices

Driven by increased tourist and domestic spending as well as improved retailers' sentiments, Singapore's retail sector saw rental rebounds in 2023. The URA Retail Rental Index for the Central Region grew 0.4% y-o-y in 4Q 2023 (Chart 4), and this is expected to continue into 2024 due to an expected increase in footfall from stronger return to office phenomenon and the continued recovery of Singapore's tourism sector.

Chart 4: URA Retail Rental Indices (2019 to 2023)



Source: Knight Frank Consultancy, URA Realis (as at 4Q 2023)

3.5 Outlook

Inflationary pressures and geo-political tensions will continue to affect economic growth prospects and exert upward cost pressures on both landlords and retailers in 2024. Notwithstanding the above risks, Knight Frank envisages an overall positive outlook this year, led by the continued growth in both business and leisure visitor arrivals into Singapore. The mutual 30-Day Visa Exemption Arrangement between Singapore and China will also help to boost the recovery of Chinese visitor numbers. Singapore's conducive environment for business and its position as the leading business hub of the region will continue to attract international retail brands as they seek to capitalise on the rising affluence of the Southeast Asian population. Although consumers' spending could be dampened by the increase in Goods and Services Tax ("GST") to 9% in 2024, overall retail sales is expected to grow. Barring any black swan events that could derail economic prospects, retail rents of prime spaces are estimated to grow between 2% to 4% in 2024.

Knight Frank

AUSTRALIA OFFICE MARKET OVERVIEW

1.0 ECONOMIC OVERVIEW

The Australian economy slowed in 2023, growing an estimated 1.5% over the year, compared to 3.7% in 2022. Growth is expected to ease further to 1.2% in 2024, before strengthening to 2.7% and 3.6% in 2025 and 2026 (Oxford Economics). The economy continued to provide strong employment levels and high wage growth, though retail spending has slowed markedly as interest rates rose.

Despite record high net migration of 518,000, the strong labour market meant unemployment barely rose, at a near generational low of 3.9% in December 2023. This is only forecast to rise slightly in 2024. Wage growth rose to a 15-year high of 4.0% annually (an increase of 1.9% for the quarter) in 3Q. Consequently, despite global price pressures, quarter-on-quarter ("q-o-q") rise in retail sales of 0.5% in 4Q 2023 and 0.8% y-o-y for 2023.

Inflation fell significantly from a high of 7.8% in 4Q 2022 to 4.1% in 4Q 2023. Interest rates rose to 4.35% but have remained stable since November 2023. Overall inflation is expected to moderate in 2024, and interest rates are expected to fall.

2.0 OVERVIEW OF AUSTRALIA OFFICE MARKET

A weakening economy led to negative net absorption of 2.3 million sq ft[1] nation-wide in 2023. Over the year, Melbourne and Sydney both showed above average negative figures. This highlighted the effect of the global slowdown and uncertainty about future office space demand trends, both of which impacting key international markets.

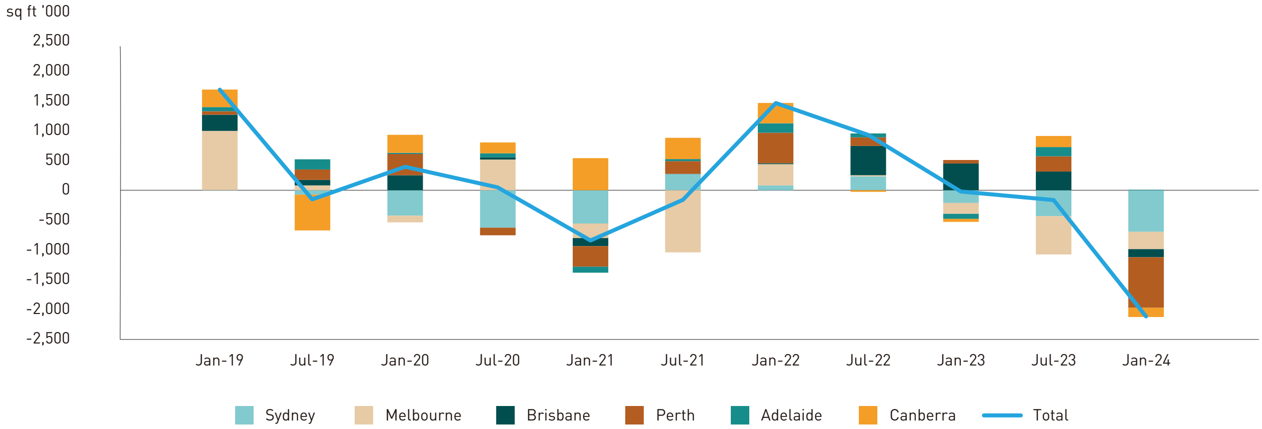
Average prime incentives[2] continued to rise in Sydney and particularly Melbourne as landlords focus on attracting new tenants or retain existing ones. In line with a weak global capital market, investment activity was low across the board showing a 63% decline y-o-y. Office yields continued rising throughout the year.

1 Incentives are inducements (such as rent-free periods or fit-out contributions) offered by the landlord to secure a tenancy agreement and are expressed as a percentage of the contractual rent (either on a gross or net rent basis depending on the market). Average prime incentives refer to the average incentive offered on a representative basket of office properties rated as either "Premium" or "Grade A" by the Property Council of Australia and Knight Frank Australia on a quality scale ranging from "Premium" (highest rating) to "Grade D" (lowest rating).

2 This was skewed by a redefinition of the planning boundaries of Perth CBD leading to a reduction in net absorption in H2 2023 (-0.9 million sq ft). There was a similar large withdrawal of stock defined as within the CBD leading to a net fall in vacancy levels — see Chart 2.

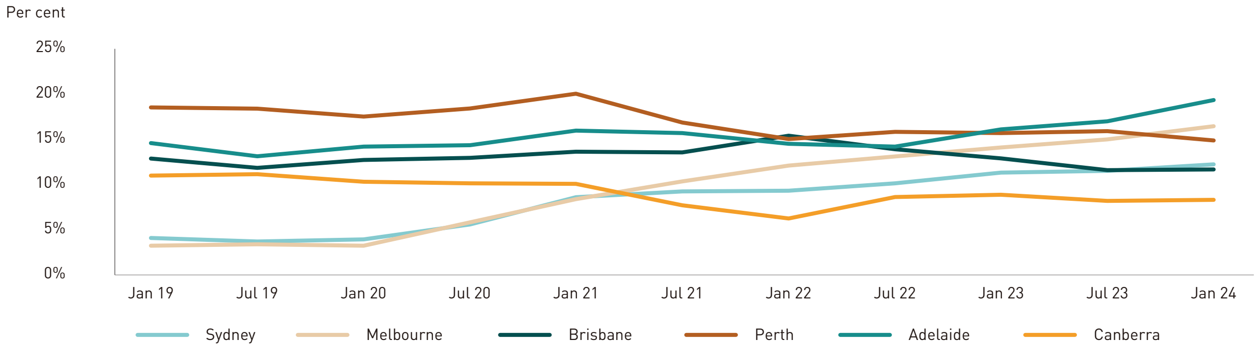
Independent Market Report

Chart 1 - Net absorption*



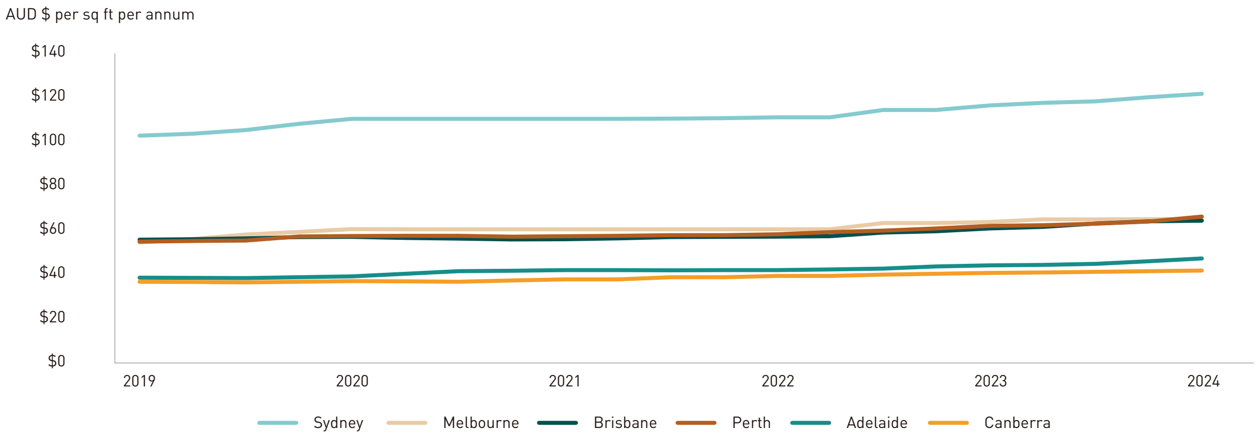
Source: Knight Frank Australia Research & Consulting, PCA
Note: Net absorption is the sum of square feet that became physically occupied minus the sum of square feet that became physically vacant during a specific time period. It takes into account losses from total stock due to demolition, refurbishment, change of use or change in a building's grade.
* This was skewed by a redefinition of the planning boundaries of Perth CBD leading to a reduction in net absorption in H2 2023 (-0.9 million sq ft). There was a similar large withdrawal of stock defined as within the CBD leading to a net fall in vacancy levels — see Chart 2.

Chart 2 - CBD office vacancy rate



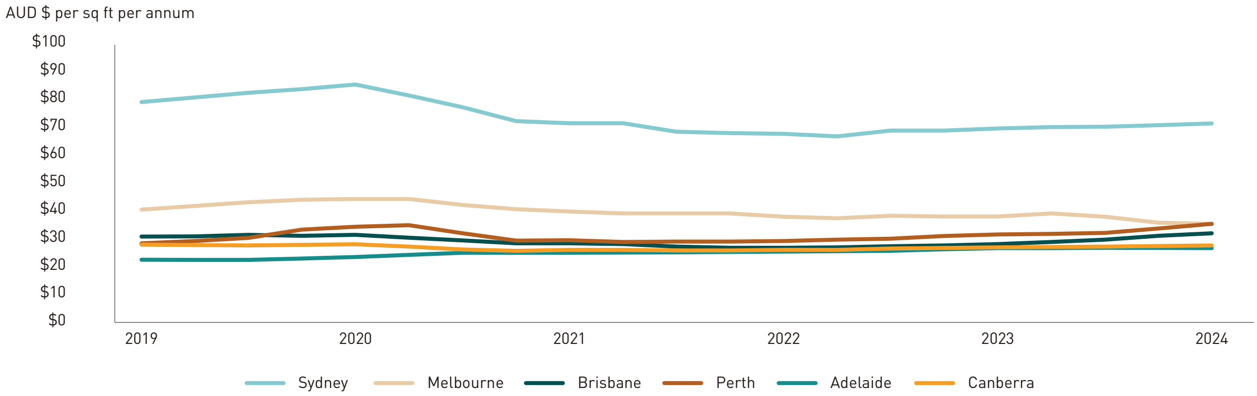
Source: Knight Frank Australia Research & Consulting, PCA

Chart 3 - Prime net face rents



Source: Knight Frank Australia Research & Consulting, PCA
Note: Net face rent refers to the contractual rent less outgoings such as property rates, insurance, repairs and maintenance, and management fees.

Chart 4 - Prime net effective rents



Source: Knight Frank Australia Research & Consulting, PCA

Note: Net effective rents are net face rents less any incentives offered by the landlord such as rent-free periods or contributions to new fit-out costs etc. Effective rent is a measure of the economic rents paid by the tenant.

3.0 SYDNEY CBD MARKET

3.1 Demand and occupancy

According to data from the Property Council of Australia ("PCA"), vacancy edged higher from 11.3% in end 2022 to 12.2% in end 2023. This was due to negative net absorption in the Sydney CBD of 1.1 million sq ft. However, there is still positive market sentiment heading into 2024 with tenants seeking quality workspaces in the core CBD areas which are closer to transport nodes and amenities.

3.2 Supply pipeline

Development activity was minimal in 2023 with small size developments and refurbishments totalling 317,000 sq ft. Projected office pipeline for 2024 will reach over 2 million sq ft with major completions such as Parkline Place (529,000 sq ft), Metro Martin North Tower (807,000 sq ft) and Metro Martin South Tower (323,000 sq ft).

3.3 Rental performance

Prime net face rents increased by 4.5% through 2023 to an average A$122 per sq ft per annum. Incentives have similarly increased slightly over the year to an average of 34.9%. Landlords continue to raise incentives to retain and attract tenants. Consequently, prime net effective rents increased by 2.6%.

3.4 Investment activities

Transaction activity slowed in 2023 as increased funding costs impacted market sentiment and kept buyers and vendors on the sidelines. There were A$1.6 billion in deal volumes recorded in 2023, well below the 10-year average of A$4.5 billion annually. One of the largest deals of 2023 was 60 Margaret Street, acquired by Ashe Morgan and MEC for A$779.2 million on a 6.1% yield. The Sydney CBD average prime office yield[2] softened by over 100 basis points ("bps") through the year to 5.78%, with further softening expected in the first half of 2024.

3.5 Outlook

The Sydney CBD vacancy rate is expected to remain around the 12%-13% range in 2024. Face rents are forecasted to increase whilst incentives remain elevated at their current levels. Investment activity will likely pick up throughout the year as investors now have a clearer picture on the cost of capital given the weakening inflationary pressures.

4.0 MELBOURNE CBD MARKET

4.1 Demand and occupancy

Vacancy rates rose 2.3pp to 16.4% at the end of 2023, the highest in 25 years as increased net supply (453,000 sq ft) and weak demand resulted in a negative net absorption of 931,000 sq ft (PCA).

4.2 Supply pipeline

A phase of more moderate supply has taken over in Melbourne in 2023 with approximately 1.0 million sq ft of new supply added as compared to the 10-year average of 1.6 million sq ft. Another 1.0 million sq ft of new office space is expected in 2024, including one major tower, the Melbourne Quarter Tower offering 732,000 sq ft, 30% of which is pre-let. 2025 is envisaged to see a pick-up in supply with about 1.6 million sq ft being delivered including several major towers expected to be completed.

[2] Prime yield refers to the prevailing yield as assessed by Knight Frank Australia on a representative basket of office properties rated as either "Premium" or "Grade A" by the Property Council of Australia and Knight Frank Australia.

Independent Market Report

4.3 Rental performance

Prime net face rents edged up 2.0% in 2023 to A$65.00 per sq ft per annum. However, it was quality buildings and locations where rents rose as tenants traded up. Consequently, the Eastern Core saw face rents rise but several precincts saw a 1% fall. The leasing environment has seen incentives rise markedly to stand at an average of 46%. Only the Eastern core has incentives below 40%. Consequently, net effective rents fell 7.0% through 2023.

4.4 Investment activities

Investment volumes were sharply down in 2023. Total sales of only A$541 million were dominated by a deal in 1H 2023 where A$315 million was paid for a 50% share of the development of 7 Spencer Street. The average prime office yield has increased markedly from 5.13% in 4Q 2022 to 6.25% in 4Q 2023.

4.5 Outlook

The demand outlook has weakened, and whilst supply is moderate, vacancy rates are expected to rise further in 2024. Face rents, outside of quality buildings and core locations will come under pressure. 2025 will see improvement with incentives starting to fall and effective rents being the initial beneficiary. Investment activity is expected to increase in 2H 2024, and yields are seen as at, or very near their peak for prime property.

5.0 ADELAIDE CBD MARKET

5.1 Demand and occupancy

Following strong take-up in 1H 2023, net absorption in the Adelaide CBD was 7,244 sq ft in 2H and 161,000 sq ft in 2023 overall. New development stock drove vacancy rates up to 19.3% at year-end (PCA).

5.2 Supply pipeline

2023 saw a large influx of development supply, with 482,000 sq ft completed in 2H alone. Completions in 2024 are expected to slow to 356,000 sq ft. This includes Kyren Group's Franklin Street development (226,000 sq ft) which is largely without pre-commitment.

5.3 Rental performance

Prime net face rents continued to increase over 2023 to A$47.33 per sq ft per annum at year-end. Incentives rose slightly to 34% and consequently, effective rents have been stable. With new premium quality stock coming to market, secondary properties came under pressure with minimal growth in net effective rents in 2023.

5.4 Investment activities

The investment market was busy at the start of 2023, with over A$200m of deals being completed, including 211 Victoria Square which fetched A$130.5m. Investment sales have slowed markedly in 2H, with only one transaction in the $10m+ range. Prime yields continued rising, reaching 6.96% by year end.

5.5 Outlook

As the rate of forecasted supply additions slow, vacancy rates are likely to stabilise in 2024 before falling in 2025. Most tenants are still prioritising quality space in the CBD with an uptick in businesses upgrading from fringe to CBD locations. Secondary and older generation properties that do not invest in refurbishment will see difficulties filling vacancy especially as ESG compliance is expected to continue guiding investment and tenant decisions.

Knight Frank

LONDON OFFICE MARKET COMMENTARY

1.0 ECONOMIC OVERVIEW

The UK economy experienced subdued levels of GDP growth in 2023 as high inflation led to a significant moderation in business investment and consumer spending.

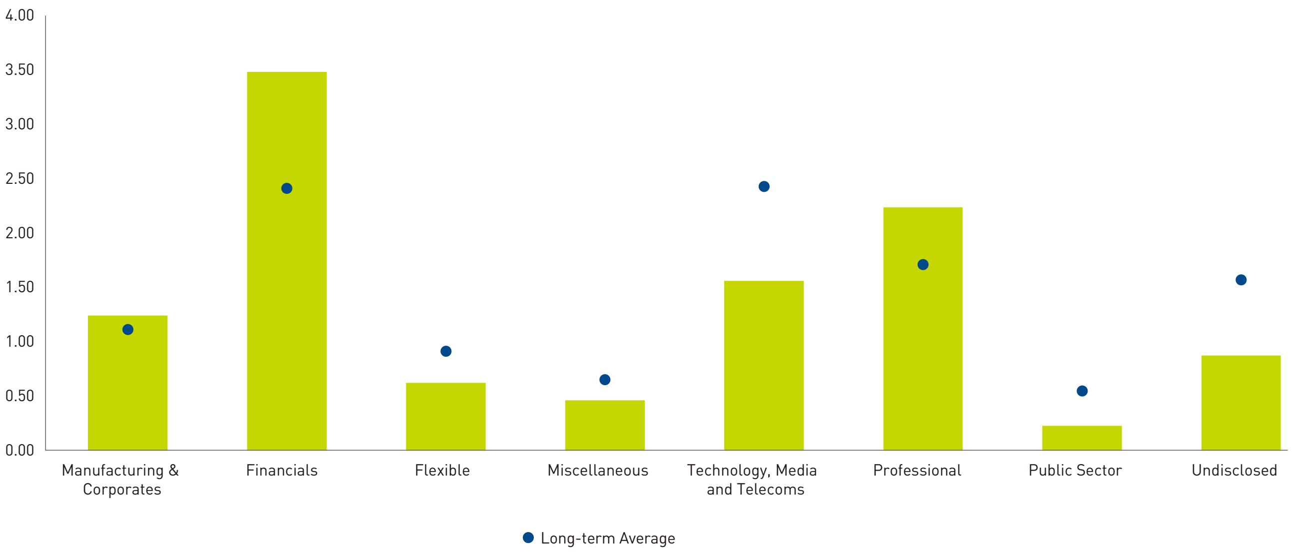
The impact of 14 consecutive interest rate rises resulted in considerable easing in economy-wide inflation rate which fell from over 10% to 4% at the end of 2023. However, policy tightening has been a factor resulting in a technical recession with two consecutive quarters of negative GDP growth in the second half of the year.

London's office market continued to face headwinds in 2023, but business activity in the capital has been growing, with expectations of improvement in near-term outlook. The re-pricing of London office assets tested institutional investors, with investment volumes falling as interest rate uncertainty affected buyer sentiments. Nonetheless, the leasing market was more resilient, with an increase in space requirements for best-in-class offices which drove a growth in prime rents.

2.0 LONDON OFFICE MARKET[3] OVERVIEW

Overall space take-up for 2023 was 10.7 million sq ft, down 6.8% y-o-y from 11.4 million sq ft transacted in 2022, with levels remaining below the long-term average of 12 million sq ft. Take-up accelerated throughout 2023, with 4Q 2023 having the highest take-up level in five years. Financial services make up 33% of all lettings, followed by professional occupiers (21%), and technology, media and telecommunications (14%).

Chart 1: London - 2023 Office Take-up by Sector

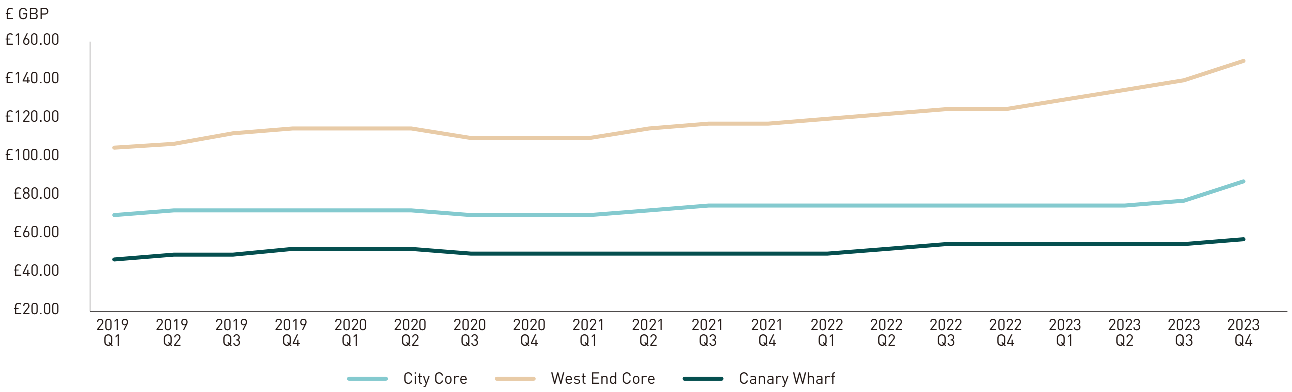


Source: Knight Frank Research

There were 5.4 million sq ft of completions in 2023, of which 39% was pre-let ahead of completion. The under-construction pipeline shows future completions of just over 15 million sq ft by 2026. Almost 30% of this pipeline has been pre-let.

There has been continued pressure on prime rents to rise due to the lack of available good quality space and strengthening occupier demand. In 2023, City Core prime rents have risen to £87.50 per sq ft per annum (psf) in 4Q 2023 from £75.00 per sq ft, and in the West End Core rents have risen to £150.00 per sq ft from £125.00 per sq ft.

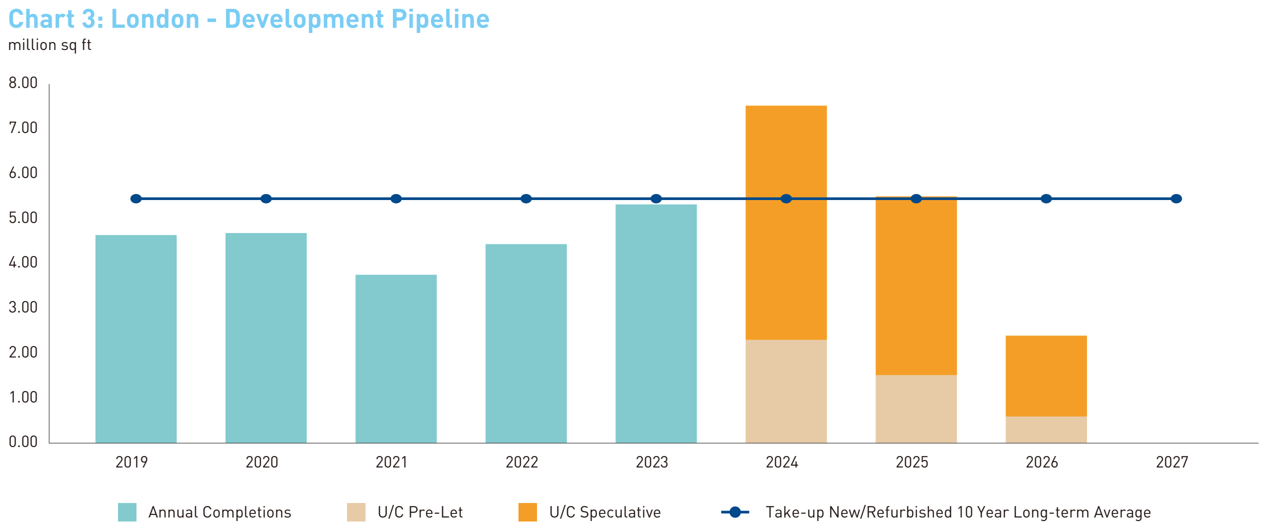
Chart 2: London - Prime Rents



Source: Knight Frank Research

3 London Office Market is divided into West End, Docklands & Stratford, and City Office markets.

Independent Market Report



Source: Knight Frank Research

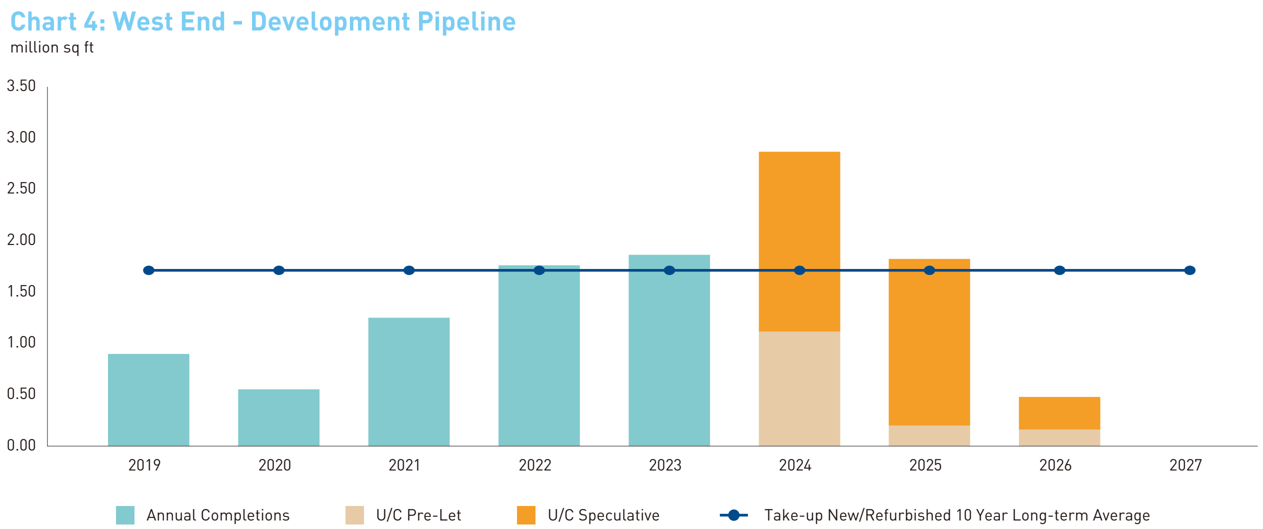
Investment volumes totalled £7.1 billion in 2023, 49% lower than 2022. Almost 55% of transactions were by private capital investors whilst institutional investors accounted for only 4% of 2023 volumes. By nationality, investors from APAC (38%) and the United Kingdom (26%) were the most active investor groups. During the year, prime yields have remained stable in the West End at 3.75% whilst City yield rose by 50 bps to 5.25%.

3.0 WEST END OFFICE MARKET

Take-up in the West End was 3.8 million sq ft in 2023, a 23.1% decrease from 2022. Financial companies accounted for 34% of take-up, continuing to transact at volumes far above their long-term average driven primarily by upcoming lease events, followed by professional services at 16%, and tech and media occupiers at 13%. There is currently 1.8 million sq ft of active demand[1], 44% of which is from financial occupiers.

Availability rose slightly to 6.8 million sq ft in 2023, above the long-term average of 5.4 million sq ft. The vacancy rate rose to 7.3%, also above the long-term average of 6.2%, due to completions previously delayed by the pandemic.

Completions in 2023 totalled 1.8 million sq ft, with a further 5.2 million sq ft to be completed by the end of 2026, of which 1.5 million sq ft has been pre-let.



Source: Knight Frank Research

Growth of prime rents in the West End Core is expected to continue, with a forecast of 3.7% annual increase over the next five years.

Annual investment sales turnover reached £3.5 billion in 2023, a 40% decrease from £5.9 billion in 2022. Europe-based investors led investment demand with £0.9 billion in transactions. Private capital investors accounted for 50% of West End investment and prime yields have remained stable at 3.75%.

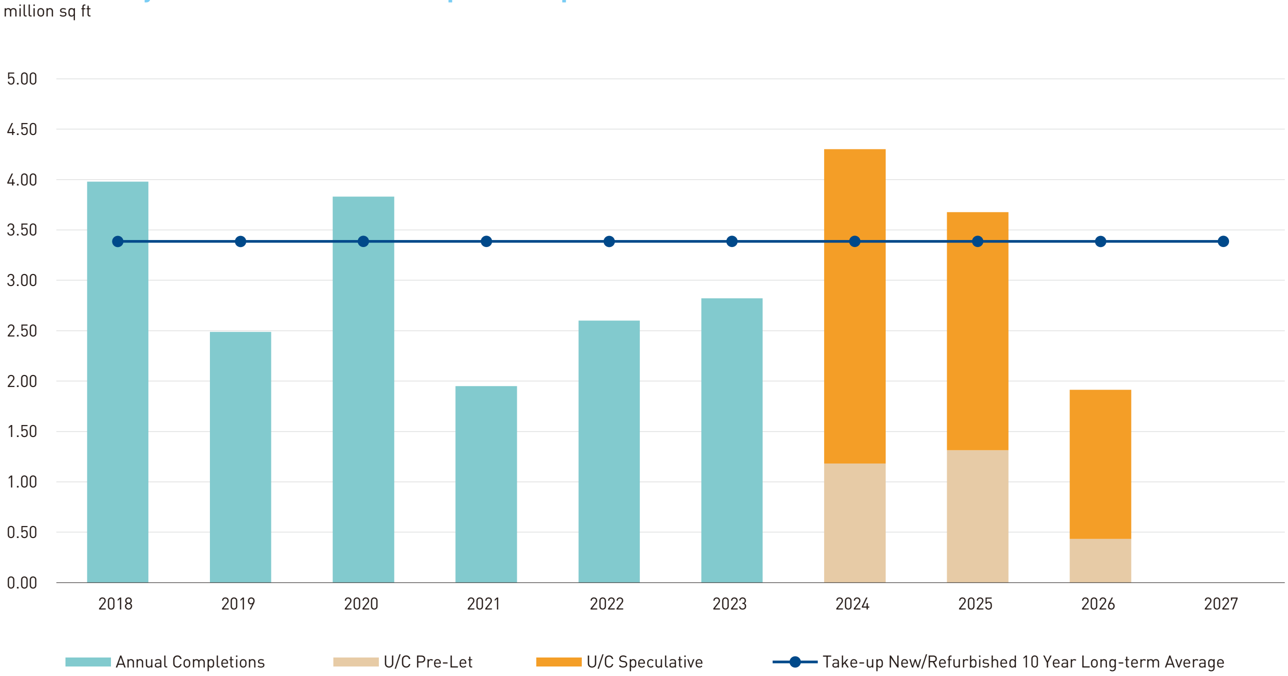
4.0 CITY OFFICE[4] MARKET

Overall take-up was 6.4 million sq ft in 2023, up 10.5% y-o-y. Activity was driven by the financial sector, which accounted for 34% of take-up, followed by professional occupiers at 26%. The strong transaction volume from financial occupiers is set to continue as they represent 58% of the 5.1 million sq ft of active demand at the end of 2023. Professional services follow with 25% at 1.3 million sq ft.

Niche financial occupiers drove space take-up in 1H 2023 while traditional banking occupiers dominated 2H 2023, notably HSBC's 520,359 sq ft pre-letting of Panorama, 81 Newgate St, EC1 in 4Q 2023, the largest deal since 2018.

Availability remains above trend at 13.9 million sq ft at the end of 2023, but has since decreased in 2H 2023 due to strong lettings activity. The vacancy rate of 10.1% in 4Q 2023 compared to 9.5% in the previous year is above the ten-year long-term trend of 7.0%.

Chart 5: City Office Market - Development Pipeline



Source: Knight Frank Research

Completions in 2023 totalled 2.8 million sq ft, an 8.6% increase from the previous year. A further 9.9 million sq ft is under construction till the end of 2026, of which 29.6% is pre-let.

Prime rents increased in the City Core to £87.50 per sq ft and are expected to rise 4.2% annually over the next five years.

Annual investment sales turnover was £3.3 billion in 2023. Demand was led by investors from the APAC region which accounted for 50% of transactions, followed by purchasers from the United Kingdom at 25%. Private capital investors accounted for almost two-thirds of transaction volume and prime yields rose by 50 bps in 2023 to 5.25%.

[4] City Office Market refers to City of London and Southbank markets.

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 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 fourteenth annual general meeting of Suntec REIT unitholders in April 2023, was held in a wholly physical format and was 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 16 local and foreign brokerage firms, providing a global reach to shareholders and potential investors worldwide. Interim updates are also provided to unitholders in addition to the mandatory financial statements. The Investor Relations department also provides the Board with regular updates on the feedback received from investors.

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 2023

January
- FY 2022 post-results investor meetings

April
- 1Q 2023 Updates investor meetings

June
- Investor Meetings in Hong Kong
- Investor Meetings in London
- ESR Group Sponsor & REITs Day

July
- 1H 2023 post-results investor meetings

August
- Citi ASEAN Financials and Real Estate Investment Forum 2023

October
- 3Q 2023 Updates investor meetings

November
- DBS-SGX-REITAS Bangkok Conference 2023

PROPOSED SUNTEC REIT FY 2024 CALENDAR

April-24
- First Quarter Business Updates

May-24
- Payment of First Quarter distribution

July-24
- Announcement of Half Year results

August-24
- Payment of Second Quarter distribution

October-24
- Third Quarter Business Updates

November-24
- Payment of Third Quarter distribution

January-25
- Announcement of Full Year results

February-25
- Payment of Fourth Quarter distribution

UNITHOLDER ENQUIRIES

For more information on Suntec REIT and its operations, please contact Suntec REIT's Investor Relations department via the following:

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

Ms Eugenia Ong
Manager, Portfolio Management

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 and Risk Committee (the "ARC") are responsible for ensuring that the Manager establishes robust risk management policies and procedures to safeguard Suntec REIT's assets and address its strategic operational, financial, compliance risks as well as climate-related risks.

Suntec REIT's enterprise risk management framework (the "ERM Framework") is adapted from COSO Internal Control-Integrated Framework (the "COSO Framework") and best practices from the Task-Force on Climate-related Financial Disclosure ("TCFD"). The COSO Framework 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, while the TCFD Framework is designed to assess, identify, understand, adapt and/or mitigate climate-related risks and opportunities (both physical and transition) that are material to Suntec REIT, including potential financial impacts, through scenarios analysis and climate risk assessments.

The ERM framework provides a holistic and consistent process for identifying, assessing, monitoring and reporting of risks. In addition, 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 residual level and within risk appetite as approved by the Board and the ARC 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 of the risk profile are identified, assessed and monitored by the Manager together with the relevant departments and reported to the ARC on a regular basis. The risk profiles highlight any risk changes and trends, quantitative and qualitative factors affecting the inherent risk levels and effectiveness of mitigating controls to arrive at the residual risk levels, which is 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 ARC, providing reasonable assurance to the ARC on the adequacy and effectiveness of the risk management system.

The key risks identified include but are not limited to:

STRATEGIC RISK

Strategic risks relate to the risk that there may not be sustainable long-term growth in net asset value and distribution income of Suntec REIT. The risk can be mitigated through sound investment strategies, asset management and clear communications with stakeholders. The Manager proactively manages Suntec REIT's asset portfolio to maximise returns, through acquisitions, proactive asset enhancements, as well as divesting of non-core and/or mature assets at an opportune time.

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, both in terms of quality of building as well as the property's green credentials. To mitigate against execution risks, the Manager has in place a robust and fair 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 adhered to a set of standard operating procedures ("SOPs") to identify, monitor and manage operational risks associated with day-to-day activities, 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.

Risk Management

To mitigate against leasing risk which is the risk arising from weak demand resulting in prolonged vacancy period, the Manager employs proactive leasing strategies including actively engaging tenants for forward renewals, active marketing of spaces to minimise vacancy, spreading out the portfolio lease expiry profile as well as achieving a diversified tenant base to reduce concentration risk.

Human capital risk, which is the risk that there may be insufficient or inadequate human capital, 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 diverse, inclusive, and conducive workplace. In addition, Suntec REIT also recognises that human capital is key to the business and has put in place measures to manage talent acquisition and management, including succession planning, periodic benchmarking of staff remuneration, performance-based rewards and employee engagement, among others.

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.

TECHNOLOGY RISK

The Manager acknowledges the rising threats posed by cyber-attacks which have become increasingly more prevalent and sophisticated. Suntec REIT is continuously assessing the adequacy of the computer systems and implementing improvements to the platforms due to the increased reliance on technology to improve operational efficiency and provides high quality internal governance. There are multiple layers of security incorporated across the Information Technology ("IT") landscape with constant monitoring of internet gateways to detect potential security events, network vulnerability assessment and penetration testing are also conducted regularly to identify any potential security gaps.

Periodic IT security trainings are conducted for new and existing employees to raise IT security awareness on the evolving threats landscape such as spotting potential phishing attempts and simulated phishing exercises. Technical implementations such as Secure Access Service Edge ("SASE"), antivirus, firewalls, monitoring and alerts and Multi-Factor Authentication ("MFA") are also applied to reduce the varying risk of cyber security attacks across the IT spectrum. Policies and processes governing information availability, confidentiality and security are also implemented and updated periodically. In addition, an IT disaster recovery plan is in place and tested annually to ensure that Suntec REIT's business recovery objectives are met in the event of a disaster including ensuring the information proprietary is kept safe and secured.

To augment the defense mechanisms against the financial repercussions of cyber incidents, the Manager has secured cyber liability insurance, which also covers information security risks. This strategic move provides an additional safeguard, aimed at mitigating the potential financial losses and liabilities that may arise from cybersecurity threats and data breaches.

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, the risk associated with the inability to refinance loans, and lengthen debt maturity. The Manager 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 Scheme (the "Property Funds Appendix") issued by the Monetary Authority of Singapore (the "MAS").

Interest rate risk, defined as the risk of volatile interest rates and the threat they pose to Suntec REIT's operations, 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. In the current high interest rate environment, the Manager proactively seeks to mitigate interest rate risks and, as at end 2023, approximately 61.0% of Suntec REIT's consolidated borrowings were either hedged or on fixed rates.

Credit risk, defined as the risk of tenant default, 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 managers. Credit risks are further mitigated through the upfront collection of security deposits of an amount typically equivalent to three months' rental.

The Manager monitors Suntec REIT's foreign currencies exposure regularly and manages the exposure through appropriate financial instruments such as forward currency contracts. The Manager follows a set of foreign currency hedging guideline and forward-hedged the net income for its overseas 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 Securities and Futures Act 2001 of Singapore, the Code of Corporate Governance 2018, 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 2001 of Singapore.

To avoid the risk of non-compliance with relevant regulations, the Manager has put in place policies and procedures with the necessary checklists to facilitate compliance with the applicable laws and regulations. Suntec REIT is committed to comply with the applicable laws and jurisdictions in its day-to-day business processes and does not tolerate any breaches in regulatory compliance. The Manager works closely with external legal professionals and internal compliance support at ESR Group level 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.

CLIMATE-RELATED RISK

Suntec REIT recognises that climate change threatens to disrupt businesses in precipitous and potentially devastating manner. Such climate-related risks have the potential to financially impact Suntec REIT through physical and transition risk channels. Physical risks, such as rising sea levels, violent storms, heat waves and flash floods, arise from the impact of weather events and long term or widespread environmental changes, while transition risks arise from the process of adjustment to an environmentally sustainable economy, including changes in public policies, disruptive technological developments, and shifts in consumer and investor preferences.

Since 2022, the Manager has put in place policies and processes to assess, monitor and manage environmental risks in building a resilient portfolio. The Manager has also undertaken gap analysis and peer benchmarking to identify environmental risks that are relevant to Suntec REIT. Where material risks are identified, mitigating controls have been/will be put in place to address these risks. The Manager is also currently working closely with external consultants and support at ESR Group level on other sustainability related reporting requirements and compliance. In addition, the Manager also monitors evolving changes in climate regulations under every country's jurisdiction that it operates due to the more stringent regulations, disclosures and increased expectations from stakeholders. The Board will oversee and review the environmental, social and governance issues pertinent to Suntec REIT, including climate-related or environmental risks which will be tabled at the regular Board meetings for review and discussions. Please refer to Suntec REIT's Sustainability Report FY 2023 to be released electronically by end-May 2024 for more details.

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 set out the Manager's main corporate governance policies and practices for the financial year ended 31 December 2023 ("FY 2023"). 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. Where there are any deviations from the 2018 CG Code, 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. Saved as disclosed, the Manager confirms that it has adhered to the principles and provisions as set out in the 2018 CG Code for FY 2023.

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 and annual business plans, 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 2001 (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.

The Manager also considers sustainability issues (including environmental and social factors) as part of its responsibilities. Suntec REIT's environmental sustainability and community outreach programmes can be found in our sustainability report which will be available in electronic format on SGXNET and our website by end-May 2024. In addition, for FY 2023, the Manager has complied with the relevant requirements under the MAS Guidelines for Environmental Risk Management for Asset Managers.

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, an eleventh supplemental deed dated 2 April 2020, a third amending and restating deed dated 8 December 2022 and as further supplemented by the thirteenth supplemental deed thereto dated 20 April 2023 (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" or "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 and hold Management accountable for performance. The Board sets an appropriate tone from the top and the desired organisational culture and ensures proper accountability within the Manager.

The Directors have the responsibility to act with due diligence in the discharge of their duties and ensure that they have the relevant knowledge to carry out and discharge their duties as directors, including understanding their directorship duties (including their roles as executive, non-executive and independent Directors), the business of Suntec REIT and the environment in which Suntec REIT operates. The Directors are also required to dedicate the necessary effort, commitment and time and are expected to attend all Board meetings.

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 be required to disclose his or her interest to the Board, recuse himself or herself from the deliberations and abstain from voting on the matter. The Directors have complied with this practice and such compliance has been duly recorded in the minutes of meetings or written resolutions.

Corporate Governance

The Board has adopted a set of prudent internal controls to safeguard Unitholders' interests and Suntec REIT's assets. A set of internal guidelines set 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 financial 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 and risk committee (the "Audit and Risk Committee") and the nominating and remuneration committee (the "Nominating and Remuneration 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.

The composition of each Board Committee is also reviewed as and when there are changes to Board members. Where appropriate, changes are made to the composition of the Board Committees, with a view of ensuring there is an appropriate diversity of skills, experience, and foster active participation and contributions from Board Committees' members.

Audit and Risk Committee

The Audit and Risk Committee has its own terms of reference, operating under the authority delegated from the Board, with the Board retaining oversight. The Audit and Risk Committee's composition, terms of reference, delegation of authority to make decisions and a summary of its activities are set out in pages 85 to 90 of this Annual Report.

Nominating and Remuneration Committee

The Nominating and Remuneration Committee was established on 20 April 2023 to assist the Board and the Manager to fulfil the oversight responsibilities relating to nomination and remuneration matters of Suntec REIT. The Nominating and Remuneration Committee's composition, terms of reference, delegation of authority to make decisions and a summary of its activities are set out in pages 73 to 82 of this Annual Report.

Meetings of Board and Board Committees

The Directors attend and actively participate in Board and Board Committees' 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 Committees and Board's attention. The Constitution of the Manager allows Directors to convene meetings via teleconferencing, videoconferencing or other similar means of communication.

Prior to the Board Committees' meetings and the 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, to enable the Board to make informed decisions and discharge their duties and responsibilities. Explanatory background information relating to matters brought before the Board includes quarterly business updates, half-year and full year financial results announcements, budgets and documents related to the operational and financial performance of Suntec REIT.

Board Committees and Board meetings for the year are scheduled in advance to facilitate the Directors' administrative arrangements and commitments. The Board and Board Committees may also hold ad-hoc meetings as and when required. 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 and Risk Committee and the Board regularly.

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 Committees of his or her views on the matters to be discussed and conveyed to other Directors at the meetings. The Board and Board Committees may also make decisions and approve matters by way of written resolutions. 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. At the Board and Board Committee meetings, all the Directors actively participate in discussions, in particular, they engage in open and constructive debate and feedback to Management on its assumptions and recommendations. The Board composition allows for diversity in views and perspectives which enriches deliberations and contributes to better decision-making of the Board in the best interest of Suntec REIT.

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 Secretaries, 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).

In addition, Directors may request for briefings and discussions with 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 secretaries of the Manager (the "Company Secretaries") and/or their 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 Secretaries advise the Board on governance matters and work with the Chairman to ensure that information flows within the Board and the Board Committees and between the Management and the Directors. The Company Secretaries will also assist with professional development and training for Directors when required to do so. The appointment and the removal of the Company Secretaries 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.

Corporate Governance

Four Board meetings were held in FY 2023. The key deliberations and decisions taken at Board and Board Committees meetings are minuted. The attendance of the Directors at Board meetings, Board Committee meetings and the Annual General Meeting ("AGM"), as well as the frequency of such meetings, are set out below.

DIRECTORS' ATTENDANCE AT BOARD, AUDIT AND RISK COMMITTEE, NOMINATING AND REMUNERATION COMMITTEE AND UNITHOLDERS' MEETINGS IN FY 2023

	Board Meetings		Audit and Risk Committee Meetings		Nominating and Remuneration Committee Meetings		AGM
Directors	Participation	Attendance/ Number of Meetings	Participation	Attendance/ Number of Meetings	Participation	Attendance/ Number of Meetings	Attendance/ Number of Meetings
Ms Chew Gek Khim	Chairman	4/4	NA	NA	Member	1/1	1/1
Mr Lim Hwee Chiang, John	Member	4/4	NA	NA	NA	NA	1/1
Mr Yap Chee Meng	Member	4/4	Chairman	5/5	NA	NA	1/1
Mr Chan Pee Teck, Peter	Member	2/4	Member	3/5	Chairman	1/1	0/1
Mrs Yu-Foo Yee Shoon	Member	4/4	Member	5/5	NA	NA	1/1
Mr Lock Wai Han	Member	4/4	Member	4/5	Member	1/1	1/1
Mr Jeffrey David Perlman[1]	Member	1/3	NA	NA	NA	NA	1/1
Mr Shen Jinchu, Jeffrey[2]	Member	NA	NA	NA	NA	NA	NA
Mr Chong Kee Hiong	Member and CEO	4/4	CEO	NA	CEO	1/1	1/1

1 Resigned as Non-Executive Director on 30 August 2023.
2 Appointed as Non-Executive Director on 6 November 2023.

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 are provided with opportunities to develop and maintain their skills and knowledge at the Manager's expense. A director who has no prior experience as a director of an issuer listed on the SGX-ST must undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST. 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 Director also received regular training on sustainability topics, as prescribed by the SGX-ST, shared by external consultants which are advising on climate-related risk, sustainability reporting and benchmarking surveys. 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 will arrange for the necessary training for such directors in future appointments. Mr Shen Jinchu, Jeffrey was appointed as a Non-Executive Director on 6 November 2023 and he has prior experience acting as a Director of a listed company. Accordingly, Mr Shen is not required to undergo the trainings under Practice Note 2.3 of the Listing Manual.

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 executive, 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. The Chairman of the Board is Ms Chew Gek Khim and 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 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 of the Board should comprise Independent Directors.

The Board seeks to continuously refresh its membership in an orderly and progressive manner towards achieving the objectives, 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 Management. The independence of each Independent Director is reviewed upon appointment and thereafter annually by the Nominating and Remuneration Committee 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 not 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 Nominating and Remuneration Committee.

Corporate Governance

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 Nominating and Remuneration Committee. On the basis of the declarations of independence provided, the Nominating and Remuneration Committee 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 Nominating and Remuneration Committee has noted from Mr Lock Wai Han's independence declaration form that he is currently an Executive Director and CEO of OKH Global Ltd, an SGX-ST listed company, which is an associated corporation of a Substantial Unitholder. Notwithstanding such relationship, the Nominating and Remuneration Committee 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 2023, Mr Lock was able to act in the best interests of all unitholders as a whole and the Board has determined and was 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 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 regularly, as led by the Independent Directors, and provide feedback and updates to the Board where necessary and as appropriate.

The composition of the Board is reviewed periodically by the Nominating and Remuneration Committee 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 ESR Group Limited ("ESR"), which has an established framework for setting the board diversity approach, including measurable objectives to ensure diversity of its composition. The selection process for Board candidates is structured to account for a range of diversity perspectives including but not limited to gender, age, ethnicity, cultural and educational background, professional experience, skills, knowledge and tenure of service are considered. The current composition of the Board has achieved the diversity objectives under the ESR Board Diversity Policy of having international and industry experience, expertise in related fields including real estate, investing, financial and legal, gender and age diversity. Gender diversity is also considered an important aspect of diversity. The current Board has two female members, one of whom is the Chairman of the Board. Each of the Director possess at least one or more core competencies and/or experience in areas such as real estate, international expertise in areas that the REIT operates, fund management, legal, regulatory and governance, accounting, financial management, human capital management and strategic planning. This combination of skills, talents, experience and diversity of its directors serves the needs and plans of Suntec REIT, as required under Rule 710A(2)(d) of the Listing Manual. 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. The ultimate decision will be based on merits and contributions that the selected candidates will bring to the Board that complement and expand the skills and experience of the Board as a whole, and having regard to the overall balance and effectiveness of a diverse Board.

The Nominating and Remuneration Committee has reviewed and improved on the existing Board Diversity Policy by including Board diversity targets, plans and timeline for achieving these targets. The aim is to improve Board's decision making, help the Board to more effectively mentor and monitor Management to achieve Suntec REIT's long-term objectives and strategies for the benefit of the REIT and the Unitholders. The Board diversity targets are reviewed by the Nominating and Remuneration Committee annually to ensure the targets remain relevant in evolving business and regulatory landscape.

The following table outlines the Board Diversify Targets, set by the Nominating and Remuneration Committee, with the endorsement by the Board, as well as the progress and timeline for achieving those targets.

No.	Diversity Target	Progress and Timeline	Target Met
1	Ensuring the Board comprises members who collectively possess core competencies and/or experience in the following areas: • Real estate • International expertise in the areas that the REIT operates • Fund management • Legal, regulatory and governance • Accounting • Financial management • Human capital management • Information technology, digital transformation • Strategic planning • Sustainability	The Board has achieved its short-term target of Board members collectively possessing at least 8 out of 10 of the identified core competencies and/or experience. The Nominating and Remuneration Committee will continue to identify gaps in directors' skills and strive to achieve the fulfilment of all the identified core competencies and/or experience (e.g. information technology/digital transformation and sustainability) in the next 3 to 5 years (by financial year ending 31 December 2028).	√
2	Ensuring a diverse age range within the Board members: • 50 years and below • 51–70 years • Above 70 years	The Board has directors with ages across 50s, 60s and 70s. The Nominating and Remuneration Committee will continue to identify suitable candidates with relevant knowledge, experience and core competencies while also being mindful of age diversity.	√
3	Ensuring a diverse board tenure within the Board members: • Less than 5 years • 5 to 9 years • More than 9 years	The board tenure of the Board members is spread across the 'less than 5 years', '5 to 9 years' and 'more than 9 years' categories.	√
4	Ensuring gender diversity with at least 2 female representatives on the Board and the appointment of female director as chairperson of the Board or the Board Committee	The Board currently has 2 female directors on the Board. Ms Chew Gek Khim is the Chairman and Non-Executive Director of the Board. Mrs Yu-Foo Yee Shoon is an Independent Non-Executive Director of the Board. The Nominating and Remuneration Committee will continue to identify suitable candidates with relevant knowledge, experience and core competencies while also being mindful of gender diversity.	√

Corporate Governance

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, thus deviating from Provision 2.2 of the 2018 CG Code. 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). Notwithstanding this, this practice is consistent with Principle 2 which requires having an appropriate level of independence, given that half of the Board is independent. The Board will continuously review and increase its independence composition, where necessary. With independent directors making up half of the Board (four out of eight Directors are Independent Directors), and Non-Executive Directors making up a majority of the Board (seven out of eight Directors are Non-Executive Directors), the Board is satisfied and assured that no individual or group of Directors has unfettered powers of decision-making that could create a potential conflict of interest. The Board will also explain and implement additional measures to enhance its independence.

It is noted that Rule 210(5)(c) of the Listing Manual requires (i) Suntec REIT's Board to have at least two non-executive directors who are independent and free of any material business or financial connection with Suntec REIT, and (ii) independent directors to comprise at least one-third of Suntec REIT's Board. In the event of any retirement or resignation of any Director which renders the Suntec REIT unable to meet any of the foregoing requirements, the Manager will endeavour to fill the vacancy within two months, but in any case not later than three months. Accordingly, Rule 210(5)(c) has been complied with.

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).

With the above assessment, the Nominating and Remuneration Committee 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 and Board Committees' sizes are 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 Nominating and Remuneration Committee will continue to review and assess 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.

For the purpose of Regulation 13E(b)(ii) of the SF(LCB)R, the Board is satisfied that, as at the last day of FY 2023, all non-independent Directors were able to act in the best interests of all unitholders of Suntec REIT that was managed by the Manager.

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 appointed in FY 2023.

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 engagement manner and maintains open lines of communication 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 Chairman presides over the AGM each year and other Unitholders' meetings where she plays a pivotal role in fostering constructive dialogue between Unitholders, the Board and the Management.

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. He provides leadership in situations where the Chairman is conflicted, and especially since the Chairman is not independent. The Lead Independent Director also co-ordinates meetings with other Independent Non-Executive Directors as and when required, without the presence of 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 established a Nominating and Remuneration Committee on 20 April 2023. The Nominating and Remuneration Committee currently comprises five (5) members (including the Lead Independent Director, Mr Yap Chee Meng), the majority of whom, including the chairman are Independent Non-Executive Directors. They are:

- Mr Chan Pee Teck, Peter, independent non-executive director (Chairman)
- Ms Chew Gek Khim, non-executive director (Member)
- Mr Lock Wai Han, independent non-executive director (Member)
- Mr Shen Jinchu, Jeffrey, non-executive director (Member)[1]
- Mr Yap Chee Meng, independent non-executive director (Member)[1]

[1] Appointed as member of the Nominating and Remuneration Committee on 13 March 2024.

Corporate Governance

The lead independent director was appointed as a member of the Nominating and Remuneration Committee on 13 March 2024. The Manager is of the view that the corporate governance requirements relating to the Nominating and Remuneration committee have been substantively addressed.

One (1) Nominating and Remuneration Committee meeting was held during FY 2023.

The Nominating and Remuneration Committee is guided by its written terms of reference which defines its duties and scope of authority. Specifically in nomination matters, the duties of the Nominating and Remuneration Committee include but are not limited to the following:

- tabling nominations for appointment of Director(s) to the Board and reviewing, taking into account, and making recommendations to the Board on the succession plan and framework for Directors, in particular, the appointment and/or replacement of the Chairman of the Board sub-committees, the CEO and key management personnel;
- reviewing the structure, size and composition of the Board;
- reviewing and making recommendations to the Board on the process and criteria for the evaluation of the overall performance of the Board, the Board Committees and the Directors including their time commitment;
- making recommendations to the Board on the appointment of directors (including alternate directors, if any);
- reviewing the independence of Board members; and
- as and when necessary, reviewing and making recommendations to the Board on the training and professional development programmes for the Board and the Directors.

The Nominating and Remuneration Committee has deliberated and reviewed the appointment of Mr Shen Jinchu, Jeffrey through email communications and circular resolutions.

The Nominating and Remuneration Committee believes that it can achieve orderly succession and renewal through continuously reviewing the composition of the Board. Guidelines on the tenure of the Directors were put in place. The guidelines provided that an Independent Director should serve up to a period of nine years.

In terms of succession plans, the Nominating and Remuneration Committee has in mind the Manager's strategic priorities and the factors affecting the long-term success of the Manager. Further, the Nominating and Remuneration Committee aims to maintain an optimal Board composition by considering the trends affecting the Manager, reviewing the skills needed and identifying gaps, including considering whether there is an appropriate level of diversity of thought. Such considerations are used by the Nominating and Remuneration Committee to set appointment criteria for successors. In addition, the Nominating and Remuneration Committee considers different time horizons for succession planning as follows: (i) long-term planning, to identify competencies needed for the Manager's strategy and objectives; (ii) medium-term planning, for the orderly replacement of Board members and key management personnel, and (iii) contingency planning, for preparedness against sudden and unforeseen changes.

Process for Appointment of New Directors

When reviewing and recommending the appointment of new Directors, the Nominating and Remuneration Committee takes into consideration the current Board's size and mix, core competencies and the principles outlined in the subsequent part of this Report. The Nominating and Remuneration Committee has put in place a process for shortlisting, evaluating and nominating candidates for appointment as Directors. The selection and appointment of potential new candidates is evaluated taking into account various factors including the current and mid-term needs and goals of Suntec REIT, as well as the relevant experience, skillsets and background of the candidates and their potential contributions to Suntec REIT's business as may be determined by the Board, which provide an appropriate balance and contribute to the collective skills, experience and diversity of the Board. With regard to the channels used in the search and nomination process for identifying appropriate candidates, candidates may be put forward or sought through contacts and recommendations by the Directors or through external referrals where applicable. Shortlisted candidates would be required to furnish their profile containing information on their academic/professional qualification, work experience, employment history and experience (if any) as directors of listed companies. The Nominating and Remuneration Committee has deliberated and reviewed the appointment of Mr Shen Jinchu, Jeffrey as a candidate, where he is currently the Group Co-CEO of ESR. As a result, Mr Shen Jinchu, Jeffrey was appointed as a Non-Executive Director with effect from 6 November 2023.

Criteria for Appointment and Re-appointment of Directors

The Nominating and Remuneration Committee 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 Nominating and Remuneration Committee also determines whether its members as a whole have the skills, knowledge and experience required to achieve the objectives of Suntec REIT.

The Nominating and Remuneration Committee recommends the appointment of new Directors to the Board for approval. Once appointed, the Nominating and Remuneration Committee ensures that new Directors are aware of their duties and obligations. The Manager and Suntec REIT do not need to table the re-appointment of directors at their AGM pursuant to the Manager's constitution and trust deeds. For re-appointment of Directors, the Nominating and Remuneration Committee assesses the relevant Directors' performance (e.g. attendance, preparedness, participation and candour) as disclosed under Principle 5 below. The Nominating and Remuneration Committee seeks to refresh the Board's 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 Nominating and Remuneration Committee 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 (in particular, Provision 2.1 of the 2018 CG Code) and applicable laws and regulations. Directors are expected to disclose any relationships with the Manager, its related corporations, its substantial shareholders, its officers or the substantial unitholders, if any, which may affect their independence, as and when it arises, to the Nominating and Remuneration Committee and the Board.

The Nominating and Remuneration Committee has reviewed the Directors' independence declarations for FY 2023 and the Board, having taken into account the views of the Nominating and Remuneration Committee, 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.

Corporate Governance

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 Nominating and Remuneration Committee has determined that each individual Director is able to and 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' annual performance review as disclosed in Principle 5 below. In FY 2023, the Directors attended Board meetings, had given feedback and participated constructively when discussing the activities of Suntec REIT. Their attendance record for FY 2023 is set out on page 72 of this Annual Report. The Nominating and Remuneration Committee has assessed the Board performance and also procured written confirmations from the Directors stating that sufficient time and attention are given to the affairs of Suntec REIT, and 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 Nominating and Remuneration Committee is of the view that such external appointments do not hinder the Directors from diligently discharging their duties.

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 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 Nominating and Remuneration Committee has recommended for the Board's approval and implemented objective performance criteria and a structured process in assessing the annual performance and effectiveness of the Board as a whole and of each Board Committee separately, as well as the contribution by the Chairman and each of its Director (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 and reviewed by the Nominating and Remuneration Committee in steering Suntec REIT in the appropriate direction, as well as the long-term performance of Suntec REIT whether under favourable or challenging market conditions. 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 Nominating and Remuneration Committee meeting 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.

Based on the assessment of the Board and individual Director's performance for FY 2023, the Nominating and Remuneration Committee is satisfied with the overall results. The Nominating and Remuneration Committee had presented and discussed the results with the Board. Action plan will be implemented for areas which the Board is of the view that improvements are required to enhance the overall effectiveness of the Board, the Nominating and Remuneration Committee and the Audit and Risk Committee. The Board is satisfied with the outcome of the evaluation for FY 2023.

(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 composition of the Nominating and Remuneration Committee has been set out in Principle 4 above. The Nominating and Remuneration Committee comprises entirely Non-Executive Directors, a majority of whom are independent Directors and includes the Lead Independent Director. The Nominating and Remuneration Committee is guided by its written terms of reference which defines its duties and scope of authority. Specifically in remuneration matters, the duties of the Nominating and Remuneration Committee include, but not limited to the following:

a) recommend directors'/non-executive directors' remuneration/directors' fees;

b) recommend CEO's basic remuneration;

c) review CEO's incentive;

d) review proposed short-term bonus pool, a summary of Key Performance Indicators ("KPIs") and proposed long-term incentive pool, if any.

The Nominating and Remuneration Committee has reviewed and adopted the remuneration policies of ESR and it has approved the remuneration packages of the CEO and key management personnel for FY 2023 (as required under Provisions 6.1 and 6.3). As a result, the Nominating and Remuneration Committee is of the view that such remuneration policies, practices and termination terms (if any) to be fair and appropriate for Suntec REIT. Accordingly, the Manager is of the view that there is an established framework for the remuneration, compensation, benefits and succession planning for the Directors and key management personnel of the Manager. With this established framework, such practice is still consistent with Principle 6 of the 2018 CG Code which requires 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.

Remuneration Framework

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

- comprise a variable component of 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 and other stakeholders and promotes the long-term success of Suntec REIT;
- 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.

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Link between pay and performance

A comprehensive and structured performance assessment is carried out annually for the CEO and key management personnel of the Manager. At the start of the year, KPIs for the CEO and key management personnel 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 personnel are determined.

The designated key management personnel of the Manager also participate in a Long-Term Incentive Plan Scheme ("LTIP"). The objective of the LTIP is to effectively recognise, reward and motivate designated key management personnel for their contributions to the growth and long-term success of the business of Suntec REIT in driving business continuity and retaining talent following the completion of the acquisition of ARA by ESR on 20 January 2022. The incentive payments for the LTIP are awarded through the vesting of shares in ESR across 4 years and allocated amongst the designated key management personnel who have a more direct impact and influence over the long-term business goals and results, with the condition of payment tied to the continued employment of the designated key management personnel. Subject to the continued employment of the designated key management personnel who remain in service until the vesting date, the first quarter of the vested amount of shares was issued only in FY 2023. In addition, such compensation is in the long-term interests of Suntec REIT as Suntec REIT is a key part of ESR's business and ecosystem and Management's actions to grow Suntec REIT and drive Suntec REIT's performance will also have a positive impact on ESR. With the ultimate aim of retaining talent and that the LTIP has a 4-year vesting period and is linked to the continued employment of the designated key management personnel in contributing to the business of Suntec REIT and not to the KPIs of the designated key management personnel, the LTIP will accordingly not result in the key management personnel prioritising the interest of ESR over that of Suntec REIT. In addition, to further mitigate any potential conflicts of interests, it should be further noted that under the SFA, the Manager and Directors are required to act in the best interest of Suntec REIT and give priority to the interest of Suntec REIT over the interests of the shareholders of the Manager, and the Manager has established internal control procedures to ensure that all Interested Person Transactions (as defined below) 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. Based on the above, the Manager is of the view that there would not be any conflicts of interest arising from the arrangement and there is no misalignment of interest and the designated key management personnel of the Manager will act objectively in the best interests of Suntec REIT and its Unitholders.

The remuneration of the CEO and key management personnel is not linked to the gross revenue of Suntec REIT. As and when required, the Nominating and Remuneration Committee also has access to independent remuneration consultants. In FY 2023, the Manager had engaged the services of an independent remuneration consultant, Aon Solutions Singapore, in the design and development of a Total Compensation Framework for Suntec REIT management team and recommendations for FY 2023 annual increment and bonus payouts. The Nominating and Remuneration Committee noted that the third-party consultant does not have any relationship with the Manager or Suntec REIT which would affect its independence or objectivity.

The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities. The details are prescribed under Principle 8 below.

The Nominating and Remuneration Committee 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. The remuneration of key management personnel is also appropriate to attract, retain and motivate the key management personnel to successfully manage Suntec REIT for the long term.

In FY 2023, there were no termination, retirement and post-employment benefits granted to Directors, the CEO and key management personnel.

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 2023 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	—	—	128,416	—	128,416
Mr Lim Hwee Chiang, John	—	—	60,000	—	60,000
Mr Yap Chee Meng	—	—	100,000	—	100,000
Mr Chan Pee Teck, Peter	—	—	90,521	—	90,521
Mrs Yu-Foo Yee Shoon	—	—	80,000	—	80,000
Mr Lock Wai Han	—	—	88,416	—	88,416
Mr Jeffrey David Perlman[1]	—	—	—	—	—
Mr Shen Jinchu, Jeffrey[2]	—	—	9,205	—	9,205

1 Resigned as Non-Executive Director on 30 August 2023. Mr Perlman has elected to waive his Director's Fee entitlement for FY 2023.
2 Appointed as Non-Executive Director on 6 November 2023.

Director's fees are established annually based on the Directors' responsibilities on the Board and the Board Committees. 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 and Risk Committee	Chairman	S$40,000 per annum
	Member	S$20,000 per annum
Nominating and Remuneration Committee	Chairman	S$15,000 per annum
	Member	S$12,000 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 Directors or the CEO), on a named basis, in bands of no wider than S$250,000; (iii) the aggregate remuneration of its CEO and top five key management executives (who are not 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 Directors or the CEO) (as required under Provisions 8.1 and 8.3). The Board with concurrence from the Nominating and Remuneration Committee 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;

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(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' interests are not prejudiced by the partial deviations.

In FY 2023, 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 designated key management personnel received remuneration in cash and shares vested in ESR (across 4 years commencing FY 2023) under the LTIP in FY 2023. The details of LTIP were prescribed under Principles 6 and 7.

(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 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 and Risk 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 and Risk Committee in assessing the adequacy of internal controls. The Risk Management Committee comprises the CEO, the Chief Operating Officer, the Chief Financial Officer ("CFO") and the Group Head of Governance & Sustainability ("G&S") of ESR. G&S is a corporate function of ESR, the ultimate 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 and Risk Committee on overall risk management matters every six months during the Audit and Risk Committee meetings.

The Risk Management Committee identifies the material risks that Suntec REIT faces, including strategic, operational, financial, compliance and information technology risks, as well as climate related 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 and Risk 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 and Risk Committee. The Audit and Risk 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 and Risk Committee

The Board and the Audit and Risk 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 written assurance (a) from the CEO and the CFO 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.

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 and Risk 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 CFO of the Manager to give assurance on the state of risk management and internal controls.

For FY 2023, 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 and Risk Committee has concurred with the Board's assessment. In addition, the Audit and Risk 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 and Risk Committee.

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Whistle-Blowing Policy

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

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

The Audit and Risk Committee is guided by the Whistle-Blowing Policy 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 and Risk Committee. The outcome of each investigation is reported to the Audit and Risk Committee, which is responsible for oversight and monitoring of whistleblowing. The Manager is committed to ensuring the protection of the whistle-blower against detrimental or unfair treatment.

Details of the Whistle-Blowing Policy 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 and Risk Committee (with such complaints copied to ESR's Group Head of G&S) to facilitate an independent investigation of any matter raised and appropriate follow-up action as required. The Manager will ensure that the identity of such complainant is kept confidential except for circumstances where it is required by law for such identity to be revealed. 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. For FY 2023, there were no reported incidents pertaining to whistle-blowing.

AUDIT AND RISK COMMITTEE

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

The Audit and Risk 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 and Risk Committee (including the Audit and Risk Committee Chairman) are Independent Non-Executive Directors.

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

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

The members of the Audit and Risk 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 and Risk 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 and Risk Committee does not comprise any former partner or director of the incumbent External Auditors (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation and in any case, (b) for as long as they hold any financial interest in the auditing firm or auditing corporation.

Five (5) Audit and Risk Committee meetings were held during FY 2023.

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

1. overseeing financial reporting, including reviewing quarterly business updates, half-year and full year financial results and review the audited financial statements of Suntec REIT;

2. 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;

3. reviewing the assurance from the CEO and the CFO on the financial records and financial statements;

4. overseeing risk management and internal control, including reviewing the company's risk strategy, risk appetite and risk tolerance levels, risk parameters and risk policies to be approved within the risk framework (traditional risks and sustainability risk framework);

5. overseeing the design, implementation and monitoring of the risk management and internal control systems;

6. reviewing the assurance from the CEO and the CFO on the effectiveness of risk management and internal controls;

7. 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 (as part of SGX Listing Rule 1207(10) requirements);

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

9. 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;

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

11. where applicable, conducting internal quality assurance review of the in-house internal audit function at least annually;

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

13. making recommendations to the Board on (i) the proposals to the Unitholders on the 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;

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14. 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;

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

16. 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;

17. 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 to be safely raised, independently investigated and appropriately followed up on;

18. undertaking such other reviews and projects as may be requested by the Board; and

19. undertaking such other functions and duties as may be required by statue of the Listing Manual and by such amendments made thereto from time to time.

The Audit and Risk Committee has the authority to investigate any matters within its terms of reference. It is entitled to full access and co-operation from Management and has full discretion to invite any Director or any key management executive of the Manager to attend its meetings. The Audit and Risk 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.

The Audit and Risk Committee meets with the External Auditors, and with the Internal Auditors, in each case without the presence of Management, at least annually. In FY 2023, the Audit and Risk Committee had met with the Internal Auditors and External Auditors without the presence of Management. The Internal Auditors and External Auditors may also request the Audit and Risk 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 and Risk 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 and Risk Committee for discussions at the meetings. The Audit and Risk 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 and Risk Committee concurs with the conclusion of the Management and the External Auditors on the key audit matters.

During FY 2023, the Audit and Risk Committee performed an independent review of the quarterly business updates, half-yearly and full year financial statements of Suntec REIT. In the process, the Audit and Risk 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 and Risk Committee, covering the audit focus areas, key audit matters findings, quality and independence.

In connection with the ERM Framework under risk management, the Audit and Risk 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 and Risk Committee had also conducted a review of all non-audit services provided by Ernst & Young 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 2023 amounted to S$916,000 and S$159,000 respectively.

The Audit and Risk Committee is satisfied that the resources and experience of the audit partner of Ernst & Young 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 and Risk 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 and Risk Committee.

The Audit and Risk Committee, with the concurrence of the Board, has recommended the re-appointment of Ernst & Young LLP as the external auditors of Suntec REIT at the forthcoming AGM. 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 and Risk 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 and Risk 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 and Risk Committee. All Interested Person Transactions together with the Register of Interested Person Transactions are reviewed by the Audit and Risk 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 2023, 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 report directly to the Audit and Risk Committee on audit matters and to the Management on administrative matters.

The primary reporting line of the internal audit function is to the Audit and Risk Committee, which also decides on the appointment, termination and remuneration of the auditing firm, as the internal audit function is outsourced. The Audit and Risk 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 and Risk 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 and Risk Committee. The Audit and Risk Committee approves the appointment, removal, evaluation and fees of the Internal Auditors, and conducts an assessment of the Internal Auditors' performance during re-appointments.

Corporate Governance

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 as well as climate related risk. The Internal Auditors plan its internal audit schedules in consultation with, but independent of the Management and its plan is submitted to the Audit and Risk Committee for approval prior to the beginning of each financial year. 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 and Risk Committee. The Internal Auditors also report to the Audit and Risk 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 and Risk Committee.

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

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL 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 allow for an ongoing exchange of views so as to actively engage and 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 quarterly business updates, 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 business updates, half-year and full year financial 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 2023, 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 participation 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 (excludes the date of the notice and the date of the AGM) prior to the 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' general 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, authentication of the identity of Unitholders 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' general meetings, each substantially separate 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.

After the publication of the notice of general meeting, unitholders are given at least 7 calendar days to submit substantial and relevant questions to Suntec REIT and the Manager will endeavour to respond to the questions through publication on SGXNET and Suntec REIT's corporate website at least 48 hours before the closing date and time for the lodgement of proxy forms. In addition, the unitholders or their proxies can also post their questions during the general meetings.

The Directors, the Audit and Risk Committee, the Management and the External Auditors will be in attendance at these meetings to address questions raised by Unitholders about the conduct of audit and the preparation and content of the auditors' report. Save for Mr Chan Pee Teck, Peter, all Directors, including the Board Chairman and CEO, attended the general meetings held in 2023. A record of the Directors' attendance at the general meeting in 2023 can be found in their meeting attendance records as set out on page 72 of this Annual Report.

Minutes of the Unitholders' general meeting recorded the substantial and relevant comments made or queries from Unitholders relating to the agenda of the Unitholders' general meeting and corresponding responses provided from the Board and Management, would be prepared and are made publicly available on Suntec REIT's website as soon as practicable and in any case, within one month from the meeting.

The forthcoming Suntec REIT's AGM shall be convened in a wholly physical format (subject to compliance with any prevailing applicable regulatory requirements) at Level 3, Summit 1, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593. The arrangements for the conduct of Suntec REIT's forthcoming AGM will include attendance by Unitholders at the physical location, submission of questions to the Chairman of the AGM in advance of or at the AGM and voting at the AGM by Unitholders or their duly appointed proxy(ies) to attend, speak and vote on their behalf at the AGM and will be conducted by way of electronic poll voting. Unitholders/proxy(ies) will be briefed on the voting and vote tabulation procedures involved in conducting a poll before the meeting proceeds. There will be no option to participate virtually.

An independent scrutineer is appointed to validate the proxy forms submitted by the Unitholders and the votes of all such valid proxy forms are 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 incorporate comments or queries from Unitholders and corresponding responses from the Board and Management and these minutes will be publicly available on SGX-ST's website and Suntec REIT's website as soon as practicable.

Corporate Governance

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 Environmental, 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 2023, the Manager's strategy is to continue 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)(iv), 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 address 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 and Risk 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 2023.

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 ESR Employee Dealing and the Handling of Inside Information Policy to guide its Directors, key management personnel and employees (collectively referred to as "the Manager's personnel") in respect of dealings in Units. The Manager's personnel are encouraged to deal in the Units on long-term considerations.

This policy prohibits the Manager's personnel from dealing in such Units (i.e. not to deal on short-term considerations):

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 financial 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 personnel and employees have adhered to the policy for dealing in the Units for FY 2023.

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 before the public announcement of Suntec REIT's quarterly business updates and one month before the half-year and full year financial 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, 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

Corporate Governance

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 and Risk 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 and Risk 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 and Risk 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 and Risk 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 and Risk Committee for Interested Person Transactions and Internal Control Procedures

All Interested Person Transactions will be subject to regular periodic reviews by the Audit and Risk 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 and Risk 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 and Risk 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 and Risk 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 and Risk Committee.

If a member of the Audit and Risk 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.

Corporate Governance

The Manager discloses 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.

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 2001, 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, an eleventh supplemental deed dated 2 April 2020, amended and restated by a third amending and restating deed dated 8 December 2022, and a thirteenth supplemental deed dated 20 April 2023) (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 104 to 186 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
25 March 2024

Statement by the Manager

In the opinion of the directors of ARA Trust Management (Suntec) Limited, the accompanying financial statements set out on pages 104 to 186, 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 2023, 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 Investment Funds* 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
25 March 2024

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 (collectively, the "Group"), which comprise the Statements of Financial Position and Portfolio Statements of the Group and the Trust as at 31 December 2023, 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 material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the Statements of Financial Position, Portfolio Statements, Statements of Total Return, Distribution Statements and Statements 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 2023 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 Investment Funds* 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 ("ACRA") *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.

We have fulfilled our responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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)

Key audit matters (continued)

Valuation of investment properties

As disclosed in Note 6 to the financial statements, the Group owns investment properties located in Singapore, Australia and United Kingdom. As at 31 December 2023, the carrying amount of the Group's investment properties was $8.0 billion which accounted for 71.9% of total assets. The Group records the investment properties at fair value as at the balance sheet date.

The Group also has significant interest in investment properties through its investment in joint ventures which are involved in the business of property investment and holds investment properties in Singapore, Australia and United Kingdom. As at 31 December 2023, the carrying value of the interests in joint ventures amounted to $2.8 billion, representing 25.4% of total assets of the Group. For the financial year ended 31 December 2023, the Group's share of joint ventures' results was $36.0 million.

The valuation of the investment properties is significant to our audit due to the magnitude and the complexity of the valuation which is highly dependent on a range of assumptions and estimates made by the external appraisers engaged by the Manager.

Valuations of investment properties are sensitive to changes in the significant unobservable inputs, particularly those relating to market rents, discount rates and capitalisation rates. The extent of estimation uncertainty and judgement is further impacted by the volatility in the relevant market and economic conditions. Accordingly, we have identified this as a key audit matter.

The Manager uses external appraisers to support its determination of the individual fair value of the investment properties. Our audit procedures included, amongst others, an assessment of the Group's process relating to the selection of the external appraisers, the determination of the scope of work of the appraisers, and a review of the valuation reports issued by the external appraisers. We evaluated the objectivity, independence and expertise of the external appraisers and read their terms of engagement to ascertain whether there are matters that might have affected the scope of their work and their objectivity.

We involved our internal real estate valuation specialists to assist us in assessing the reasonableness of the valuation model and the reasonableness of the significant assumptions and estimates by reference to historical rates and market data. Our procedures also included checking the reliability of property related data used by the external appraisers, assessing the appropriateness of the valuation techniques and basis for the significant assumptions and estimates used, including key valuation adjustments made by the external appraisers in response to the changes in market and economic conditions. We assessed the overall reasonableness of the movements in fair value of the investment properties. We also assessed the adequacy of disclosures relating to investment properties in the consolidated financial statements.

Other matter

The financial statements of Suntec Real Estate Investment Trust and its subsidiaries for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 23 March 2023.

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)

Other information

ARA Trust Management (Suntec) Limited, the Manager of the Trust (the "Manager") is responsible for other information contained in the annual report. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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 of financial statements that give a true and fair view in accordance with the recommendations of Statement of Recommended Accounting Practice 7 *Reporting Framework for Investment Funds* 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 liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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.

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)

Auditor's responsibilities for the audit of the financial statements (continued)

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 control 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 auditor's 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 auditor's 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 control 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.

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)

Auditor's responsibilities for the audit of the financial statements (continued)

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 auditor's report unless law or regulation precludes 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 auditor's report is Low Yen Mei.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
25 March 2024

Statements of Financial Position

As at 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Non-current assets					
Plant and equipment	5	1,697	858	927	408
Investment properties	6	7,964,809	7,906,828	5,375,239	5,215,000
Rental guarantee receivables	7	—	314	—	—
Interests in joint ventures	8	2,829,479	3,424,076	901,918	1,472,073
Interests in subsidiaries	9	—	—	2,601,034	2,326,684
Long-term investment	10	—	—	637	637
Derivative assets	11	24,387	81,642	6,657	23,785
		10,820,372	11,413,718	8,886,412	9,038,587
Current assets					
Investment properties held for sale	6	39,761	—	39,761	—
Derivative assets	11	11,239	2,804	412	2,804
Rental guarantee receivables	7	—	865	—	—
Trade and other receivables	12	39,931	24,368	19,852	9,472
Cash and cash equivalents	13	217,925	269,610	89,077	144,404
		308,856	297,647	149,102	156,680
Total assets		11,129,228	11,711,365	9,035,514	9,195,267
Current liabilities					
Interest-bearing borrowings	14	399,853	645,577	399,853	279,913
Trade and other payables	15	119,998	129,583	120,574	126,651
Derivative liabilities	11	192	36	192	36
Security deposits		23,628	24,149	16,866	17,450
Current tax liabilities		8,699	8,264	—	2
		552,370	807,609	537,485	424,052
Non-current liabilities					
Interest-bearing borrowings	14	3,860,497	4,197,902	2,708,348	3,185,695
Security deposits		60,386	56,580	51,363	45,790
Derivative liabilities	11	14,630	3,182	12,926	3,182
Deferred tax liabilities	16	57,445	61,973	—	—
		3,992,958	4,319,637	2,772,637	3,234,667
Total liabilities		4,545,328	5,127,246	3,310,122	3,658,719
Net assets		6,583,900	6,584,119	5,725,392	5,536,548
Represented by:					
Unitholders' funds		6,107,793	6,116,353	5,377,352	5,188,508
Perpetual securities holders	17	348,040	348,040	348,040	348,040
Non-controlling interests	18	128,067	119,726	—	—
		6,583,900	6,584,119	5,725,392	5,536,548
Units in issue ('000)	19	2,897,274	2,875,948	2,897,274	2,875,948
Net asset value per Unit ($)	20	2.099	2.119	1.848	1.797

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Total Return

Year ended 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Gross revenue	21	462,739	427,269	407,865	403,200
Property expenses	22	(149,303)	(111,626)	(69,429)	(54,867)
Net (provision)/reversal of impairment on trade receivables		(286)	108	244	335
Net property income		313,150	315,751	338,680	348,668
Other income	23	5,961	8,097	18	—
Share of profit of joint ventures	8	36,001	144,856	—	—
Finance income	24	21,116	39,204	28,323	24,455
Finance costs	24	(174,694)	(151,440)	(132,602)	(221,988)
Net finance costs		(153,578)	(112,236)	(104,279)	(197,533)
Asset management fees	25				
— base fee		(41,129)	(40,865)	(36,670)	(36,527)
— performance fee		(20,299)	(20,306)	(20,299)	(20,306)
Professional fees		(3,955)	(963)	(2,278)	(92)
Trustee's fees		(2,048)	(2,006)	(1,887)	(1,870)
Audit fees		(948)	(787)	(575)	(452)
Valuation fees		(179)	(345)	(65)	(126)
Other expenses		(2,124)	(1,855)	(1,703)	(1,495)
Net income		130,852	289,341	170,942	90,267
Net change in fair value of financial derivatives		(46,220)	65,407	(25,602)	29,060
Net change in fair value of investment properties	6	109,859	159,120	229,731	217,267
Net gain from divestment of investment properties	6	9,800	—	9,800	—
Total return for the year before tax	26	204,291	513,868	384,871	336,594
Tax expense	27	(7,970)	(16,241)	(630)	(9,779)
Total return for the year after tax		196,321	497,627	384,241	326,815
Attributable to:					
Unitholders of the Trust and perpetual securities holders		185,384	476,811	384,241	326,815
Non-controlling interests	18	10,937	20,816	—	—
		196,321	497,627	384,241	326,815
Earnings per Unit (cents)					
Basic	28	5.927	16.117	12.804	10.894
Diluted	28	5.902	16.057	12.750	10.853

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Distribution Statements

Year ended 31 December 2023

	Group		Trust	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Amount available for distribution to Unitholders at the beginning of the year	57,270	65,207	57,270	65,207
Total return attributable to Unitholders and perpetual securities holders	185,384	476,811	384,241	326,815
Less: Total return attributable to perpetual securities holders	(13,975)	(13,975)	(13,975)	(13,975)
Net tax adjustments (Note A)	(138,629)	(392,740)	(186,477)	(80,333)
Taxable income	32,780	70,096	183,789	232,507
Add:				
Tax exempt dividend income (Note B)	151,009	162,411	—	—
Others (Note C)	23,000	23,000	23,000	23,000
Amount available for distribution to Unitholders	264,059	320,714	264,059	320,714
Distributions to Unitholders:				
Distribution of 2.280 cents per Unit for period from 1/10/2021 to 31/12/2021	—	(65,382)	—	(65,382)
Distribution of 2.391 cents per Unit for period from 1/1/2022 to 31/3/2022	—	(68,628)	—	(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 of 1.990 cents per Unit for period from 1/10/2022 to 31/12/2022	(57,445)	—	(57,445)	—
Distribution of 1.737 cents per Unit for period from 1/1/2023 to 31/3/2023	(50,197)	—	(50,197)	—
Distribution of 1.739 cents per Unit for period from 1/4/2023 to 30/6/2023	(50,316)	—	(50,316)	—
Distribution of 1.793 cents per Unit for period from 1/7/2023 to 30/9/2023	(51,948)	—	(51,948)	—
	(209,906)	(263,444)	(209,906)	(263,444)
Income available for distribution to Unitholders at end of the year	54,153	57,270	54,153	57,270
Distribution per Unit (cents) *	7.135	8.884	7.135	8.884

* 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 accounting policies and explanatory notes form an integral part of the financial statements.

Distribution Statements

Year ended 31 December 2023

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Note A				
Net tax adjustments comprise:				
— Amortisation of transaction costs	7,018	4,901	7,018	4,901
— Asset management fees paid/payable in Units	28,484	28,417	28,484	28,417
— Net profit from subsidiaries and joint ventures	(114,301)	(208,439)	—	—
— Trustee's fees	2,048	2,006	1,887	1,870
— Net change in fair value of investment properties	(109,859)	(159,120)	(229,731)	(217,267)
— Net gain from divestment of investment properties	(9,800)	—	(9,800)	—
— Net foreign currency exchange differences	1,102	5,725	(23,560)	117,971
— Net change in fair value of financial derivatives	48,091	(62,669)	27,473	(26,322)
— Sinking fund contribution	8,202	—	8,202	—
— Deferred tax	(3,164)	(2,826)	—	—
— Other items (Note D)	3,550	(735)	3,550	10,097
Net tax adjustments	(138,629)	(392,740)	(186,477)	(80,333)

Note B

This relates to the dividend income received from Comina Investment Limited, Suntec Harmony Pte. Ltd., Suntec REIT Capital Pte. Ltd., Suntec REIT UK 1 Pte. Ltd., Victoria Circle Unit Trust 1, Victoria Circle Unit Trust 2, Suntec REIT UK (LP) Pte. Ltd. and distributions of profits from Suntec REIT (Australia) Trust and BFC Development LLP.

Note C

This relates to a portion of the sale 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.

Statements of Movements in Unitholders' Funds

Year ended 31 December 2023

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Unitholders' funds at the beginning of the year	6,116,353	6,051,805	5,188,508	5,110,695
Total return attributable to Unitholders and perpetual securities holders	185,384	476,811	384,241	326,815
Less: Total return attributable to perpetual securities holders	(13,975)	(13,975)	(13,975)	(13,975)
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges[1]	(16,503)	19,820	—	—
Foreign currency translation reserve				
Translation differences from financial statements of foreign operations	17,956	(183,081)	—	—
Net gain/(loss) recognised directly in Unitholders' funds	1,453	(163,261)	—	—
Unitholders' transactions				
Creation of Units:				
— asset management fees paid/payable in Units[2]	13,704	13,587	13,704	13,587
Units to be issued:				
— asset management fees payable in Units[2]	14,780	14,830	14,780	14,830
Distributions to Unitholders	(209,906)	(263,444)	(209,906)	(263,444)
Net decrease in Unitholders' funds resulting from Unitholders' transactions	(181,422)	(235,027)	(181,422)	(235,027)
Unitholders' funds at the end of the year	6,107,793	6,116,353	5,377,352	5,188,508

(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 joint ventures (2022: 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 accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Movements in Unitholders' Funds

Year ended 31 December 2023

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Perpetual securities holders at the beginning of the year	348,040	348,047	348,040	348,047
Total return attributable to perpetual securities holders	13,975	13,975	13,975	13,975
Transactions with perpetual securities holders				
Issue expenses	—	(7)	—	(7)
Distribution to perpetual securities holders	(13,975)	(13,975)	(13,975)	(13,975)
Net decrease resulting from transactions with perpetual securities holders	(13,975)	(13,982)	(13,975)	(13,982)
Perpetual securities holders at the end of the year	348,040	348,040	348,040	348,040
Non-controlling interests at the beginning of the year	119,726	98,910	—	—
Total return attributable to non-controlling interests	10,937	20,816	—	—
Share of hedging reserve	(574)	—	—	—
Transactions with non-controlling interests				
Distribution to non-controlling interests	(2,022)	—	—	—
Net decrease resulting from transactions with non-controlling interests	(2,022)	—	—	—
Non-controlling interests at the end of the year	128,067	119,726	—	—

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

Portfolio Statements

As at 31 December 2023

Group

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed Occupancy Rate 2023 %	Committed Occupancy Rate 2022 %	Carrying Value 2023 $'000	Carrying Value 2022 $'000	Percentage of Unitholders' funds 2023 %	Percentage of Unitholders' funds 2022 %
Investment properties in Singapore											
Suntec City Mall	Leasehold	99 years	65 years	3 Temasek Boulevard	Commercial	95.6	98.3	2,143,000	2,070,000	35.1	33.8
Suntec City Office Towers	Leasehold	99 years	65 years	5–9 Temasek Boulevard	Commercial	100	99.9	3,232,239	3,145,000	52.9	51.4
Suntec Singapore^	Leasehold	99 years	65 years	1 Raffles Boulevard	Commercial	n/m	n/m	729,700	699,400	12.0	11.4
Investment properties in Australia											
177 Pacific Highway	Freehold	–	–	177–199 Pacific Highway, North Sydney	Commercial	100	100	618,567	645,450	10.1	10.6
21 Harris Street	Freehold	–	–	21 Harris Street, Pyrmont, New South Wales	Commercial	98.8	97.0	255,337[1]	270,777[1]	4.2	4.4
55 Currie Street	Freehold	–	–	55 Currie Street, Adelaide	Commercial	56.2	100	115,712	130,540	1.9	2.1
Olderfleet, 477 Collins Street	Freehold	–	–	477 Collins Street, Melbourne	Commercial	100	99.5	404,586	433,321	6.6	7.1
Investment property in United Kingdom											
The Minster Building	Leasehold	999 years	966 years	21 Mincing Lane, EC3, London	Commercial	87.3	96.7	465,668[2]	512,340[2]	7.6	8.4
Investment properties, at valuation								7,964,809	7,906,828	130.4	129.2
Investment properties held for sale								39,761[3]	–	0.7	–
Interests in joint ventures (Note 8)								2,829,479	3,424,076	46.3	56.0
								10,834,049	11,330,904	177.4	185.2
Other assets and liabilities (net)								(4,250,149)	(4,746,785)	(69.6)	(77.6)
Net assets								6,583,900	6,584,119	107.8	107.6
Perpetual securities holders								(348,040)	(348,040)	(5.7)	(5.7)
Non-controlling interests								(128,067)	(119,726)	(2.1)	(1.9)
Unitholders' funds								6,107,793	6,116,353	100.0	100.0

^ denotes Suntec Singapore Convention and Exhibition Centre.

[1] For 21 Harris Street, the fair value of the investment property including rental guarantee arrangements is $255.3 million (2022: $272.0 million).

[2] 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 $488.5 million (2022: $537.4 million).

[3] As at 31 December 2023, investment properties with a carrying value of $39,761,000 relating to the proposed divestment of three strata units of Suntec City Office have been reclassified to investment properties held for sale (Note 6).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Portfolio Statements

As at 31 December 2023

Trust

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed Occupancy Rate 2023 %	Committed Occupancy Rate 2022 %	Carrying Value 2023 $'000	Carrying Value 2022 $'000	Percentage of Unitholders' funds 2023 %	Percentage of Unitholders' funds 2022 %
Investment properties in Singapore											
Suntec City Mall	Leasehold	99 years	65 years	3 Temasek Boulevard	Commercial	95.6	98.3	2,143,000	2,070,000	39.9	39.9
Suntec City Office Towers	Leasehold	99 years	65 years	5–9 Temasek Boulevard	Commercial	100	99.9	3,232,239	3,145,000	60.1	60.6
Investment properties, at valuation								5,375,239	5,215,000	100.0	100.5
Investment properties held for sale								39,761[1]	–	0.7	–
Interests in joint ventures (Note 8)								901,918	1,472,073	16.8	28.4
Interests in subsidiaries (Note 9)								2,601,034	2,326,684	48.4	44.8
								8,917,952	9,013,757	165.9	173.7
Other assets and liabilities (net)								(3,192,560)	(3,477,209)	(59.4)	(67.0)
Net assets								5,725,392	5,536,548	106.5	106.7
Perpetual securities holders								(348,040)	(348,040)	(6.5)	(6.7)
Unitholders' funds								5,377,352	5,188,508	100.0	100.0

[1] As at 31 December 2023, investment properties with a carrying value of $39,761,000 relating to the proposed divestment of three strata units of Suntec City Office have been reclassified to investment properties held for sale (Note 6).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Portfolio Statements

As at 31 December 2023

Note:

Suntec City Mall is one of Singapore's largest shopping mall and comprises approximately 820,000 sq ft of net lettable area.

Suntec City Office Towers comprise 12 (2022: 12) strata lots in Suntec City Office Tower One, 1 (2022: 3) strata lot in Suntec City Office Tower Two, 74 (2022: 76) strata lots in Suntec City Office Tower Three and all (2022: 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 2023 were based on independent valuations undertaken by Cushman & Wakefield VHS Pte Ltd., Jones Lang LaSalle Advisory Services Pty Ltd, and Colliers International Property Consultants Limited. (2022: Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Cushman & Wakefield (Valuations) Pty Ltd, CIVAS (VIC) Pty Limited, Jones Lang LaSalle Limited, and Savills (UK) 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.

Description of property	Valuation 2023 $'000	Valuation 2022 $'000
Suntec City Mall	2,143,000	2,070,000
Suntec City Office Towers	3,272,000	3,145,000
Suntec Singapore	729,700	699,400
177 Pacific Highway	618,567	645,450
21 Harris Street[1]	255,337	270,777
55 Currie Street	115,712	130,540
Olderfleet, 477 Collins Street	404,586	433,321
The Minster Building[2]	465,668	512,340

(1) For 21 Harris Street, the fair value of the investment property including rental guarantee arrangements is $255.3 million (2022: $272.0 million).
(2) 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 $488.5 million (2022: $537.4 million).

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000
Cash flows from operating activities			
Total return for the year before tax		204,291	513,868
Adjustments for:			
Net provision/(reversal) of impairment on trade receivables		286	(108)
Recovery of bad debt previously written off		—	(109)
Asset management fees paid/payable in Units		28,484	28,417
Depreciation of plant and equipment	5	621	680
Loss on disposal of plant and equipment		2	—
Net change in fair value of financial derivatives		46,220	(65,407)
Net change in fair value of investment properties	6	(109,859)	(159,120)
Net finance costs	24	153,578	112,236
Net gain from divestment of investment properties	6	(9,800)	—
Share of profit of joint ventures	8	(36,001)	(144,856)
		277,822	285,601
Changes in:			
— Trade and other receivables		(18,457)	(4,824)
— Trade and other payables		13,767	8,825
Cash generated from operations		273,132	289,602
Tax paid		(21,113)	(5,419)
Net cash from operating activities		252,019	284,183
Cash flows from investing activities			
Capital expenditure on investment properties		(9,848)	(13,899)
Deposit received from divestment of investment properties		508	—
Dividend income received		65,052	66,665
Additional investments in joint ventures		(4,730)	(11,213)
Loan to joint ventures		—	(332)
Loan repayment by joint venture		584,887	25,195
Net proceeds from divestment of investment properties		42,628	—
Interest received		21,116	48,549
Purchase of plant and equipment		(1,460)	(192)
Net cash from investing activities		698,153	114,773

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2023

	Note	Group 2023 $'000	Group 2022 $'000
Cash flows from financing activities			
Distributions to Unitholders		(209,906)	(263,444)
Distributions to perpetual securities holders		(13,975)	(13,975)
Dividends paid to non-controlling interests		(2,022)	—
Financing costs paid		(171,233)	(133,062)
Repayment of medium-term notes		(280,000)	(100,000)
Payment of transaction costs on issuance of perpetual securities		—	(7)
Proceeds from interest-bearing loans		1,146,000	900,000
Repayment of interest-bearing loans		(1,469,849)	(773,104)
Net cash used in financing activities		(1,000,985)	(383,592)
Net (decrease)/increase in cash and cash equivalents		(50,813)	15,364
Cash and cash equivalents at beginning of the year		269,610	268,311
Effects of exchange rate fluctuations on cash held		(872)	(14,065)
Cash and cash equivalents at the end of the year	13	217,925	269,610

Significant non-cash transactions

The Group and the Trust had issued a total of 21,326,543 (2022: 22,948,339) Units to the Manager, amounting to approximately $28.5 million (2022: $35.4 million) at unit prices ranging from $1.1855 to $1.4234 (2022: $1.4883 to $1.7267) as satisfaction of asset management fees payable in Units.

Notes to the 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 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, an eleventh supplemental deed dated 2 April 2020, amended and restated by a third amending and restating deed dated 8 December 2022, and a thirteenth supplemental deed dated 20 April 2023) (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 2023 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 Group and the Trust have entered into several service agreements in relation to the Group and the Trust's property operations and management of the Trust. 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.

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.

Notes to the Financial Statements

1. GENERAL (continued)

(i) Property management fees (continued)

ESR Asset Management (Australia) Pty Limited (2022: 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.

ESR Asset Management (Australia) Pty Limited (2022: APM Australia (ARA) Pty Ltd), the property manager of 177 Pacific Highway is entitled to receive 1.25% 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.

ARA Dunedin Asset Management LLP, the property manager of The Minster Building is entitled to receive 4.13% per annum of net rent.

The property management fees for the Singapore and Australia properties are payable monthly in arrears and the property management fees for The Minster Building are payable quarterly.

(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.

Notes to the Financial Statements

1. GENERAL (continued)

(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 Investment Funds* 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").

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise disclosed in the notes below.

As at 31 December 2023, the current liabilities of the Group and the Trust exceeded their current assets by $243.5 million and $388.4 million, respectively. This is primarily due to the classification of the Trust's term loan of $400.0 million as current liabilities as they are maturing in 2024. On 29 February 2024, the Trust has refinanced the $400.0 million loan. The date of maturity of the new loan is 28 February 2029 (Note 39).

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 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the financial year, the Group has adopted all the new and revised standards that are effective for annual financial period beginning on 1 January 2023.

The adoption of these standards did not have any significant effect on the financial performance or position of the Group and the Trust.

Notes to the Financial Statements

2. BASIS OF PREPARATION (continued)

2.5 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1: *Classification of Liabilities as Current or Non-Current*	1 January 2024
Amendments to FRS 1: *Non-Current Liabilities with Covenants*	1 January 2024
Amendments to FRS 7 and FRS 107: *Supplier Finance Arrangements*	1 January 2024
Amendments to FRS 21: *Lack of Exchangeability*	1 January 2025

The Manager expects that the adoption of the standards above will have no material impact on the financial statements in the period of the initial application.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Basis of consolidation

(a) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

(b) 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 within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Notes to the Financial Statements

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(c) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and 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.

(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 Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in joint ventures are accounted for using the equity method.

Under the equity method, the investment in joint venture is initially recognised at cost. 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.

3.3 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 2023, the Group is a 50% (31 December 2022: 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.

Notes to the Financial Statements

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.4 Foreign currency

(a) Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting 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 statement of total return. 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 Unitholders' funds.

(b) 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 statement of total return 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 total return.

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.

Notes to the Financial Statements

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.5 Plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Furniture & fittings	—	5 years
Equipment	—	3–5 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of total return when the asset is derecognised.

3.6 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 initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of total return in the period in which they arise, including the corresponding tax effect.

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 the statement of total return.

Notes to the Financial Statements

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.7 Investment properties held for sale

The Group classifies investment properties as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. These investment properties are measured at fair value and any increase or decrease on fair valuation is credited or charged directly to the statement of total return as a net change in fair value of investment properties. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

3.8 Leases

Lessee

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.

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.

(a) Right-of-use asset

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.

Notes to the Financial Statements

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.8 Leases (continued)

As a lessee (continued)

(b) Lease liabilities

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.

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 total return if the carrying amount of the right-of-use asset has been reduced to zero.

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.

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.

Notes to the Financial Statements

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.8 Leases (continued)

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'.

3.9 Financial instruments

(a) Non-derivative financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the Group becomes a party to the contractual provisions of the instruments. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of total return. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL").

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the statement of total return when the assets are derecognised or impaired, and through the amortisation process.

Notes to the Financial Statements

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.9 Financial instruments (continued)

(a) Non-derivative financial assets (continued)

Subsequent measurement (continued)

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in Unitholders' funds which will not be reclassified subsequently to the statement of total return.

Dividends from such investments are to be recognised in the statement of total return when the Group's right to receive payments is established. For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in the statement of total return.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired or when the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in Unitholders' funds is recognised in the statement of total return.

(b) Non-derivative financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVTPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVTPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of total return when the liabilities are derecognised, and through the amortisation process.

Notes to the Financial Statements

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.9 Financial instruments (continued)

(b) Non-derivative financial liabilities (continued)

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of total return.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis — i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modifications to the additional changes.

Notes to the Financial Statements

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.10 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.11 Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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 the statement of total return as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of total return.

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 the statement of total return.

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 the statement of total return in the same period or periods as the hedged expected future cash flows affect total return.

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 the statement of total return.

Notes to the Financial Statements

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.12 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 the statement of total return.

3.13 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

3.14 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 the statement of total return.

3.15 Impairment

(a) Non-derivative financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

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.

Notes to the Financial Statements

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.15 Impairment (continued)

(a) Non-derivative financial assets (continued)

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.

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.

Notes to the Financial Statements

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.15 Impairment (continued)

(a) Non-derivative financial assets (continued)

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.

The carrying amounts of the Group's non-financial assets, other than investment properties and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs 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.

Notes to the Financial Statements

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.15 Impairment (continued)

(a) Non-derivative financial assets (continued)

Write-off (continued)

Impairment losses are recognised in the statement of total return. 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.

3.16 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.

3.17 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.

3.18 Revenue recognition

(i) Rental income from operating leases

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(ii) Dividend income

Dividend income is recognised in the statement of total return on the date that the right to receive payment is established.

Notes to the Financial Statements

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.19 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.

3.20 Asset management fees

Asset management fees are recognised on an accrual basis using the applicable formula stipulated in Note 1(ii).

3.21 Trustee's fees

Trustee's fee is recognised on an accrual basis using the applicable formula stipulated in Note 1(iii).

3.22 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

3.23 Finance income and finance costs

Finance income comprises interest income on funds invested and net foreign exchange gains that are recognised in the statement of total return.

Finance costs comprise interest expense on borrowings, amortisation of transaction costs incurred on borrowings and net foreign exchange losses that are recognised in the statement of total return.

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.

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.

Notes to the Financial Statements

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.24 Taxation

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the statement of total return 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, using tax rates enacted or substantively enacted at the reporting date.

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 taxation purposes. Deferred tax is not recognised for:

- temporary differences 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;
- temporary differences related to investments in subsidiaries 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; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to 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 for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax periods based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Notes to the Financial Statements

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.24 Taxation (continued)

The Inland Revenue Authority of Singapore ("IRAS") has issued a tax ruling on the taxation of the Trust for income earned and expenditure incurred after its listing on the SGX-ST. Subject to meeting the terms and conditions of the tax ruling which includes a distribution of at least 90% of the taxable income of the Trust, the Trustee will not be taxed on the portion of taxable income of the Trust that is distributed to Unitholders. Any portion of the taxable income that is not distributed to Unitholders will be taxed on the Trustee. In the event that there are subsequent adjustments to the taxable income when the actual taxable income of the Trust is finally agreed with the IRAS, such adjustments are taken up as an adjustment to the taxable income for the next distribution following the agreement with the IRAS.

Although the Trust is not taxed on its taxable income distributed, the Trustee and the Manager are required to deduct income tax from distributions of such taxable income of the Trust (i.e. which has not been taxed in the hands of the Trustee) to certain Unitholders. However, the Trustee and the Manager will not deduct tax from distributions made out of the Trust's taxable income to the extent that the beneficial Unitholder is:

- An individual (excluding a partnership in Singapore);
- A tax resident Singapore-incorporated company;
- A body of persons registered or constituted in Singapore (e.g. a town council, a statutory board, a registered charity, a registered cooperative society, a registered trade union, a management corporation, a club or a trade and industry association);
- A Singapore branch of a foreign company which has been presented a letter of approval from the Comptroller of Income Tax granting waiver from tax deducted at source in respect of distributions from the Trust;
- 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.

3.25 Earnings per Unit

The Group presents basic and diluted earnings per unit ("EPU") data for its Units. Basic EPU is calculated by dividing the total return for the period after tax by the weighted average number of Units outstanding during the year. Diluted EPU is determined by adjusting the total return for the period after tax and the weighted average number of Units outstanding for the effects of all dilutive potential Units.

3.26 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.

Notes to the Financial Statements

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Use of estimates and judgements

The preparation of financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, expenses and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is 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 6 — Valuation of investment properties
- Note 11 — Valuation of financial instruments

5. PLANT AND EQUIPMENT

	Furniture and fittings $'000	Equipment $'000	Total $'000
Group			
Cost			
At 1 January 2022	6,378	3,590	9,968
Additions	4	188	192
At 31 December 2022	6,382	3,778	10,160
Additions	453	1,007	1,460
Disposals	(568)	(89)	(657)
Translation	—	2	2
At 31 December 2023	6,267	4,698	10,965
Accumulated depreciation			
At 1 January 2022	5,821	2,801	8,622
Depreciation charge for the year	297	383	680
At 31 December 2022	6,118	3,184	9,302
Depreciation charge for the year	232	389	621
Disposals	(566)	(89)	(655)
At 31 December 2023	5,784	3,484	9,268
Carrying amounts			
At 31 December 2022	264	594	858
At 31 December 2023	483	1,214	1,697

Notes to the Financial Statements

5. PLANT AND EQUIPMENT (continued)

	Equipment $'000
Trust	
Cost	
At 1 January 2022	2,394
Additions	83
At 31 December 2022	2,477
Additions	738
At 31 December 2023	3,215
Accumulated depreciation	
At 1 January 2022	1,797
Depreciation charge for the year	272
At 31 December 2022	2,069
Depreciation charge for the year	219
At 31 December 2023	2,288
Carrying amounts	
At 31 December 2022	408
At 31 December 2023	927

Notes to the Financial Statements

6. INVESTMENT PROPERTIES

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
At 1 January	7,906,828	7,913,100	5,215,000	4,997,000
Capital expenditure	9,848	13,899	3,003	733
Capitalisation of straight-line rental income	3,625	6,101	—	—
Tenant incentives	4,120	2,735	—	—
Divestments	(32,734)	—	(32,734)	—
Reclassification to investment properties held for sale	(39,761)	—	(39,761)	—
	7,851,926	7,935,835	5,145,508	4,997,733
Changes in fair value	109,859	159,120	229,731	217,267
Effects of movements in exchange rates	3,024	(188,127)	—	—
At 31 December	7,964,809	7,906,828	5,375,239	5,215,000

The carrying amounts of the investment properties as at 31 December 23 were based on independent valuations undertaken by Cushman & Wakefield VHS Pte Ltd, Jones Lang LaSalle Advisory Services Pty Ltd, and Colliers International Property Consultants Limited. (2022: 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 2023, Suntec REIT had completed the divestment of four strata units in Suntec City Office and granted Options to Purchase for another three strata units in Suntec City Office to unrelated third parties. The carrying value of these three strata units have been reclassified to investment properties held for sale.

Security

The investment properties, Suntec City Mall, Suntec Singapore, 177 Pacific Highway, 55 Currie Street and 21 Harris Street (2022: Suntec City Mall, Suntec Singapore, 177 Pacific Highway, 55 Currie Street and 21 Harris Street), with a total carrying value of $3,862.3 million (2022: $3,816.2 million), have been mortgaged as security for credit facilities (Note 14).

Notes to the Financial Statements

7. RENTAL GUARANTEE RECEIVABLES

	Group	
	2023 $'000	2022 $'000
Current	—	865
Non-current	—	314
	—	1,179

Rental guarantee receivables as at 31 December 2022 relates to the rental guarantee receivables under rental guarantee arrangements with the sellers of 21 Harris Street. Pursuant to the terms of the rental guarantee arrangements, the seller will provide a rental guarantee on minimum tenancy levels for a period of 2 to 5 years. This rental guarantee arrangement has expired in 2023.

8. INTERESTS IN JOINT VENTURES

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Investment in joint ventures	2,255,291	2,281,581	850,574	850,574
Loans to joint ventures	574,188	1,142,495	51,344	621,499
	2,829,479	3,424,076	901,918	1,472,073

Included in the Group's loans to joint ventures as at 31 December 2023 are amounts of $310.0 million (2022: $885.8 million) which bear interest ranging from 5.00% to 6.33% (2022: 2.64% to 5.70%) per annum. The remaining balances are interest-free.

The Trust's loans to joint ventures bear interest between 5.80% to 6.33% (2022: 2.64% to 5.70%) per annum.

In 2023, a joint venture of the Trust had replaced its loan from shareholders with an external bank loan and repaid $570.2 million of loan to the Trust.

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.

Notes to the Financial Statements

8. INTERESTS IN JOINT VENTURES (continued)

Details of the material joint ventures are as follows:

Name of joint ventures	Country of incorporation	Effective interests held by the Group	
		2023 %	2022 %
One Raffles Quay Pte. Ltd. ("ORQPL") [1]	Singapore	33.33	33.33
BFC Development LLP ("BFCDLLP") [1]	Singapore	33.33	33.33
Southgate Trust ("SGT") [2]	Australia	50.0	50.0
Nova Limited Partnership ("NLP") [2]	United Kingdom	50.0	50.0
Nova Residential Limited Partnership [2]	United Kingdom	50.0	50.0

[1] Audited by Ernst & Young LLP Singapore.
[2] Audited by a member of Ernst & Young Global Limited.

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.

Notes to the Financial Statements

8. INTERESTS IN JOINT VENTURES (continued)

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.

	ORQPL $'000	BFCDLLP $'000	SGT $'000	NLP $'000	Immaterial joint ventures $'000	Total $'000
2023						
Revenue	175,377	229,817	50,956	66,429		
Expenses	(97,446)	(130,617)	(43,500)	(38,168)		
Net change in fair value of investment properties	(37,000)	152,000	(29,069)	(129,134)		
Total return for the year[a]	40,931	251,200	(21,613)	(100,873)		
[a] Includes:						
Depreciation	(50)	(46)	—	—		
Interest income	567	529	67	—		
Interest expense	(38,898)	(72,694)	(19,235)	(26,557)		
Tax expense	(16,009)	—	—	—		
Non-current assets	1,718,197	5,457,034	668,620	1,242,465		
Current assets[b]	1,518,652	43,480	14,749	113,442		
Current liabilities[c]	(58,122)	(66,416)	(381,063)	(10,141)		
Non-current liabilities[d]	(1,045,384)	(1,717,124)	—	(1,043,134)		
Net assets	2,133,343	3,716,974	302,306	302,632		
[b] Includes cash and cash equivalents	16,031	38,720	12,208	18,220		
[c] Includes current financial liabilities (excluding trade and other payables and provisions)	2,938	17,835	367,935	—		
[d] Includes non-current financial liabilities (excluding trade and other payables and provisions)	1,039,176	1,717,124	—	1,043,134		
Group's interest in net assets of joint ventures at the beginning of the year	726,990	1,192,784	163,189	195,458	3,160	2,281,581
Share of total return	13,644	83,734	(10,807)	(50,436)	(134)	36,001
Distributions for the year	(25,981)	(33,027)	(4,524)	—	—	(63,532)
(Loss)/Gain recognised directly in Unitholders' funds	(3,539)	(4,500)	(1,435)	6,294	(309)	(3,489)
Additional investment during the year	—	—	4,730	—	—	4,730
Carrying amount of interest in joint ventures at the end of the year	711,114	1,238,991	151,153	151,316	2,717	2,255,291

Notes to the Financial Statements

8. INTERESTS IN JOINT VENTURES (continued)

	ORQPL $'000	BFCDLLP $'000	SGT $'000	NLP $'000	Immaterial joint ventures $'000	Total $'000
2022						
Revenue	164,390	217,493	56,632	63,993		
Expenses	(87,564)	(124,943)	(33,977)	(41,477)		
Net change in fair value of investment properties	94,000	253,100	(48,924)	(52,772)		
Total return for the year[a]	170,826	345,650	(26,269)	(30,256)		
[a] Includes:						
Depreciation	(28)	(38)	—	—		
Interest income	138	288	6	—		
Interest expense	(26,406)	(66,762)	(10,563)	(29,319)		
Tax expense	(15,668)	—	—	—		
Non-current assets	1,754,279	5,301,579	687,520	1,330,207		
Current assets[b]	1,517,854	30,979	18,861	128,026		
Current liabilities[c]	(57,219)	(43,738)	(380,006)	(22,421)		
Non-current liabilities[d]	(1,033,945)	(1,710,467)	—	(1,044,896)		
Net assets	2,180,969	3,578,353	326,375	390,916		
[b] Includes cash and cash equivalents	14,094	25,397	11,073	30,496		
[c] Includes current financial liabilities (excluding trade and other payables and provisions)	2,900	1,759	367,255	—		
[d] Includes non-current financial liabilities (excluding trade and other payables and provisions)	1,027,659	1,710,467	—	1,041,993		
Group's interest in net assets of joint ventures at the beginning of the year	687,399	1,107,396	201,351	217,910	11	2,214,067
Share of total return	56,942	115,217	(13,135)	(15,128)	960	144,856
Distributions for the year	(25,607)	(29,829)	(10,797)	—	—	(66,233)
Gain/(Loss) recognised directly in Unitholders' funds	8,256	—	(14,230)	(22,308)	—	(28,282)
Additional investment during the year	—	—	—	14,984	2,189	17,173
Carrying amount of interest in joint ventures at the end of the year	726,990	1,192,784	163,189	195,458	3,160	2,281,581

Notes to the Financial Statements

9. INTERESTS IN SUBSIDIARIES

	Trust	
	2023 $'000	2022 $'000
Equity investment at cost	1,127,663	1,106,193
Loans to subsidiaries	1,473,371	1,220,491
	2,601,034	2,326,684

The loans are unsecured and interest-free. The loans to subsidiaries represent the Group's and the Trust's net investments in the subsidiaries and are not due within 12 months of the reporting date.

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	
		2023 %	2022 %
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	100
Suntec REIT UK (LP) Pte. Ltd. [1]	Singapore	100	100
Suntec REIT UK (GP) Pte. Ltd. [1]	Singapore	100	100
Held through subsidiaries			
Held by Suntec Harmony Pte. Ltd.			
Harmony Partners Investments Limited [2]	British Virgin Islands	57.8	57.8
Held by Harmony Partners Investments Limited			
Harmony Investors Group Limited [2]	British Virgin Islands	66.3	66.3

Notes to the Financial Statements

9. INTERESTS IN SUBSIDIARIES (continued)

Name of subsidiaries	Country of incorporation	Effective interests held by the Group	
		2023 %	2022 %
Held by Harmony Investors Group Limited			
Harmony Investors Holding Limited [2]	British Virgin Islands	66.3	66.3
Held by Harmony Investors Holding Limited			
Harmony Convention Holding Pte Ltd [1]	Singapore	66.3	66.3
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 [3]	Australia	100	100
Held by the Trust and Suntec REIT UK1 Pte. Ltd.			
Victoria Circle Unit Trust 1 [2]	Jersey	100	100
Victoria Circle Unit Trust 2 [2]	Jersey	100	100
Held by Suntec REIT UK (LP) Pte. Ltd. and Suntec REIT UK (GP) Pte. Ltd.			
Suntec UK Limited Partnership [2]	Singapore	100	100
Held by Suntec UK Limited Partnership			
Suntec REIT Jersey Holdings Limited [3]	Jersey	100	100
Held by Suntec REIT Jersey Holdings Limited			
Suntec REIT Jersey 1 Limited [3]	Jersey	100	100
Suntec REIT Jersey 2 Limited [3]	Jersey	100	100
Held by Suntec REIT Jersey 1 Limited and Suntec REIT Jersey 2 Limited			
3 Minster Court Unit Trust [3]	Jersey	100	100

[1] Audited by Ernst & Young LLP, Singapore (2022: KPMG LLP Singapore)
[2] Not required to be audited under the laws of the country in which it is incorporated.
[3] Audited by member firms of EY Global in the respective countries (2022: KPMG International).

Notes to the Financial Statements

9. INTERESTS IN SUBSIDIARIES (continued)

Harmony Convention Holding Pte Ltd owns Suntec Singapore, Singapore.

Suntec REIT 177 Trust owns 177–199 Pacific Highway, North Sydney.

Suntec REIT 477 Trust and Suntec REIT 477 Sub-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 "VCUTs") indirectly own 50% interest in Nova North, Nova South and The Nova Building (collectively known as "Nova Properties") through the 50% ownership interest in Nova Limited Partnership and Nova Residential Limited Partnership.

3 Minster Court Unit Trust owns The Minster Building, London.

The Trust's interests in Suntec REIT 177 Trust, Suntec REIT 55 Trust, Suntec REIT 21 Trust and the VCUTs, have been mortgaged as security for credit facilities (Note 14).

10. LONG TERM INVESTMENT

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Non-current investments				
Equity investments — at FVOCI	—	—	637	637

Equity investments designated at FVOCI

These equity investments relate to the Trust's 0.1% (2022: 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.

Notes to the Financial Statements

11. FINANCIAL DERIVATIVES

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Derivative assets				
— Interest rate swaps	35,466	82,743	6,909	24,886
— Forward exchange contracts	160	1,703	160	1,703
	35,626	84,446	7,069	26,589
Classified as:				
Current	11,239	2,804	412	2,804
Non-current	24,387	81,642	6,657	23,785
	35,626	84,446	7,069	26,589
Derivative liabilities				
— Interest rate swaps	14,630	3,173	12,926	3,173
— Forward exchange contracts	192	45	192	45
	14,822	3,218	13,118	3,218
Classified as:				
Current	192	36	192	36
Non-current	14,630	3,182	12,926	3,182
	14,822	3,218	13,118	3,218

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. Certain of the Group's interest rate swaps were designated as cash flow hedges to hedge against the Group's interest rate risk arising from variable rate loans and borrowings.

Interest rate swaps of the Group and the Trust with a total notional amount of $2,094.9 million (2022: $2,409.6 million) and $1,255.0 million (2022: $1,330.0 million) respectively, have been entered into at the reporting date to provide fixed rate funding for 3 to 6 years (2022: 3 to 6 years) at an average interest rate of 0.33% to 3.40% (2022: 0.33% to 3.40%) per annum.

Forward foreign exchange contracts

The Group manages its exposure to foreign currency movements on its net income denominated in Australian Dollar and Pound Sterling from its investment in Australia and United Kingdom by using forward exchange contracts.

Forward exchange contracts with aggregate notional amounts of $26.6 million (2022: $68.5 million), have been entered into to hedge the currency risk of Australian Dollar and Pound Sterling.

Notes to the Financial Statements

11. FINANCIAL DERIVATIVES (continued)

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 2023 and 31 December 2022, the Group's derivative financial assets and liabilities do not have any amounts that are eligible for offsetting under the enforceable master netting arrangement.

12. TRADE AND OTHER RECEIVABLES

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Current				
Trade receivables	29,052	15,505	660	2,410
Impairment losses	(1,026)	(880)	(201)	(449)
Net receivables	28,026	14,625	459	1,961
Deposits	36	26	—	—
Amounts due from subsidiaries				
— Non-trade	—	—	18,479	6,709
Amount due from joint venture				
— Non-trade	1,419	2,976	—	—
Other receivables	5,368	3,147	154	154
Prepayments	5,082	3,594	760	648
	39,931	24,368	19,852	9,472

The trade receivables in respect of Suntec City Mall and Suntec Singapore (2022: Suntec City Mall and Suntec Singapore) amounting to $25.5 million (2022: $8.6 million) are charged or assigned by way of security for credit facilities granted to the Trust and certain subsidiaries (Note 14).

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 32.

Notes to the Financial Statements

13. CASH AND CASH EQUIVALENTS

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Cash at bank and in hand	172,925	269,610	89,077	144,404
Fixed deposits	45,000	—	—	—
Cash and cash equivalents	217,925	269,610	89,077	144,404

Certain cash and cash equivalents in respect of Suntec City Mall, Suntec Singapore, 177 Pacific Highway, 55 Currie Street, 21 Harris Street, the VCUTs and a subsidiary (2022 Suntec City Mall, Suntec Singapore, 177 Pacific Highway, 55 Currie Street, 21 Harris Street, the VCUTs and a subsidiary) amounting to $87.2 million (2022: $86.0 million) are charged or assigned by way of security for credit facilities granted to the Trust and certain subsidiaries (Note 14).

The exposure of the Group and the Trust to interest rate and currency risks related to financial assets is disclosed in Note 32.

14. INTEREST-BEARING BORROWINGS

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Term loans				
— secured	1,472,144	1,988,574	537,110	893,240
— unsecured	2,788,206	2,854,905	2,571,091	2,572,368
	4,260,350	4,843,479	3,108,201	3,465,608
Classified as:				
Current	399,853	645,577	399,853	279,913
Non-current	3,860,497	4,197,902	2,708,348	3,185,695
	4,260,350	4,843,479	3,108,201	3,465,608

The exposure of the Group and the Trust to liquidity and interest rate risks related to interest-bearing borrowings is disclosed in Note 32.

Notes to the Financial Statements

14. INTEREST-BEARING BORROWINGS (continued)

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	2023 Face value $'000	2023 Carrying amount $'000	2022 Face value $'000	2022 Carrying amount $'000
Group							
Floating rate term loans	SGD	4.89% (2022: 4.05%)	2024–2029 (2022: 2023–2029)	2,986,000	2,973,276	3,066,000	3,052,690
Floating rate term loans	AUD	5.80% (2022: 4.56%)	2025–2026 (2022: 2025–2026)	404,586	403,577	407,939	406,313
Floating rate term loans	GBP	7.21% (2022: 5.30%)	2025–2026 (2022: 2025–2026)	386,796	384,378	611,288	605,894
Fixed rate term loans	SGD	2.89% (2022: 3.00%)	2025–2027 (2022: 2023–2027)	500,000	499,119	780,000	778,582
				4,277,382	4,260,350	4,865,227	4,843,479
Trust							
Floating rate term loans	SGD	4.89% (2022: 4.34%)	2024–2029 (2022: 2024–2029)	2,620,000	2,609,082	2,700,000	2,687,026
Fixed rate term loans	SGD	2.89% (2022: 3.00%)	2025–2027 (2022: 2023–2027)	500,000	499,119	780,000	778,582
				3,120,000	3,108,201	3,480,000	3,465,608

Notes to the Financial Statements

14. INTEREST-BEARING BORROWINGS (continued)

Secured loans

As at 31 December 2023, the Group has in place the following loan facilities:

- $388.0 million (2022: $406.0 million) secured term loan facility and revolving credit facility;
- $540.0 million (2022: $900.0 million) secured syndicated term loan facility;
- A$450.0 million (2022: A$450.0 million) secured term green loan facility; and
- GBP100.0 million (2022: GBP200.0 million) secured syndicated term loan facility.

As at 31 December 2023, the Group has drawn down $1,478.8 million (2022: $2,000.0 million) of the secured facilities.

The facilities are secured on the following:

— A first legal mortgage on Suntec City Mall, Suntec Singapore, 177 Pacific Highway, 55 Currie Street and 21 Harris Street (Note 6) (2022: Suntec City Mall, Suntec Singapore, 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 (Note 13) (2022: 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 (Note 13) (2022: 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 the Suntec Singapore and Suntec City Mall (Note 12) (2022: 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 (2022: Suntec Singapore and Suntec City Mall);
— A fixed and floating charge over the assets of a subsidiary in relation to Suntec Singapore (2022: 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 9) (2022: Suntec REIT 177 Trust, Suntec REIT 55 Trust and Suntec REIT 21 Trust);
— First ranking charge over units in the VCUTs, bank accounts of the VCUTs, and bank accounts of a subsidiary (Notes 9 and 13) (2022: VCUTs, and bank accounts of a subsidiary); and
— Corporate guarantees from the Trust.

Unsecured loans

Included in unsecured term loans are euro medium term notes ("EMTN") amounting to $500.0 million (2022: $780.0 million). The EMTN is issued by a wholly owned subsidiary of the Trust, and the funds are allocated for the Group's operations.

Notes to the Financial Statements

14. INTEREST-BEARING BORROWINGS (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Term loans $'000	Interest payable $'000	Total $'000
Balance at 1 January 2023	4,843,479	19,934	4,863,413
Changes from financing cash flows			
Financing costs paid	(6,259)	(164,974)	(171,233)
Proceeds from interest-bearing loans	1,146,000	—	1,146,000
Repayment of medium-term notes	(280,000)	—	(280,000)
Repayment of interest-bearing loans	(1,469,849)	—	(1,469,849)
Total changes from financing cash flows	(610,108)	(164,974)	(775,082)
Effects of changes in foreign exchange rates	15,484	—	15,484
Other changes			
Liability-related			
Financing costs	11,495	161,562	173,057
Total liability-related other changes	11,495	161,562	173,057
Balance at 31 December 2023	4,260,350	16,522	4,276,872

	Term loans $'000	Interest payable $'000	Total $'000
Balance at 1 January 2022	4,918,990	11,015	4,930,005
Changes from financing cash flows			
Financing costs paid	(5,498)	(127,564)	(133,062)
Proceeds from interest-bearing loans	900,000	—	900,000
Repayment of medium term notes	(100,000)	—	(100,000)
Repayment of interest-bearing loans	(773,104)	—	(773,104)
Total changes from financing cash flows	21,398	(127,564)	(106,166)
Effects of changes in foreign exchange rates	(104,628)	—	(104,628)
Other changes			
Liability-related			
Financing costs	7,719	136,483	144,202
Total liability-related other changes	7,719	136,483	144,202
Balance at 31 December 2022	4,843,479	19,934	4,863,413

Notes to the Financial Statements

15. TRADE AND OTHER PAYABLES

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Trade payables	4,728	2,697	1,535	932
Accrued expenses	23,626	35,299	6,109	8,619
Amount due to subsidiaries				
— Non-trade	—	—	66,843	66,782
Amounts due to related parties (trade)				
— Trustee	486	636	486	636
— Manager	15,024	13,418	15,024	13,418
— Related corporations of the Manager	2,131	1,139	—	—
Deferred income	40,142	27,988	9,970	12,693
Interest payable	16,522	19,934	13,674	16,523
Withholding tax payable	—	8,945	—	—
Other payables	17,339	19,527	6,933	7,048
	119,998	129,583	120,574	126,651

The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

The exposure of the Group and the Trust to liquidity and currency risks related to trade and other payables is disclosed in Note 32.

16. DEFERRED TAX LIABILITIES

Movements in deferred tax liabilities of the Group during the year:

	At 1 January 2022 $'000	Recognised in statement of total return (Note 27) $'000	Recognised directly in Unitholders' Funds $'000	Translation $'000	At 31 December 2022 $'000	Recognised in statement of total return (Note 27) $'000	Recognised directly in Unitholders' Funds $'000	Translation $'000	At 31 December 2023 $'000
Investment properties	74,454	(2,502)	–	(5,005)	66,947	(5,469)	–	(20)	61,458
Plant and equipment	(842)	(74)	–	–	(916)	(63)	–	–	(979)
Derivatives	–	–	2,643	–	2,643	–	(1,428)	84	1,299
Tax losses carry-forward	(6,153)	(359)	–	–	(6,512)	2,365	–	–	(4,147)
Others	(298)	109	–	–	(189)	3	–	–	(186)
	67,161	(2,826)	2,643	(5,005)	61,973	(3,164)	(1,428)	64	57,445

Notes to the Financial Statements

17. 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.

On 15 June 2021 the Trust issued $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 $348.0 million (2022: $348.0 million) presented on the Statements of Financial Position represents the $350.0 million (2022: $350.0 million) perpetual securities net of issue expenses and includes total return attributable to perpetual securities holders from the issue date.

18. NON-CONTROLLING INTERESTS

The following subsidiaries have material Non-Controlling Interests ("NCI"):

Name	Principal place of business/ Country of incorporation	Effective interests held by NCI 2023 %	2022 %
Harmony Investors Group Limited subgroup ("Harmony")	Singapore	33.7	33.7
Harmony Partners Investment Limited ("HPIL")	British Virgin Islands	42.1	42.1

Notes to the Financial Statements

18. NON-CONTROLLING INTERESTS (continued)

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
2023				
Revenue	84,814	—	—	84,814
Total return for the year	32,456	4,798	(4,800)	32,454
Total return attributable to NCI for the year	10,937	2,021	(2,021)	10,937
Non-current assets	730,433	90,730		
Current assets	85,157	—		
Current liabilities	(47,619)	(22)		
Non-current liabilities	(382,777)	(55,200)		
Net assets	385,194	35,508		
Net assets attributable to NCI	129,810	14,956	(16,699)	128,067
Cash flows from operating activities	26,201	—		
Cash flows used in investing activities	(1,137)	—		
Cash flows used in financing activities (dividends to NCI: $2,022,000)	(20,041)	—		
Net increase in cash and cash equivalents	5,023	—		
2022				
Revenue	59,903	—	—	59,903
Total return for the year	61,772	—	—	61,772
Total return attributable to NCI for the year	20,816	—	—	20,816
Non-current assets	699,805	90,730		
Current assets	61,510	—		
Current liabilities	(31,095)	(20)		
Non-current liabilities	(369,780)	(55,200)		
Net assets	360,440	35,510		
Net assets attributable to NCI	121,468	14,957	(16,699)	119,726
Cash flows from operating activities	23,826	—		
Cash flows used in investing activities	(1,092)	—		
Cash flows used in financing activities (dividends to NCI: nil)	(10,738)	—		
Net increase in cash and cash equivalents	11,996	—		

* The company did not prepare a cash flow statement. All expenses and receipts of the company are paid/received by its subsidiary.

Notes to the Financial Statements

19. UNIT IN ISSUE

	Group and Trust	
	2023 '000	2022 '000
Units in issue:		
At 1 January	2,875,948	2,853,000
Issue of Units:		
— asset management fees paid in Units	21,326	22,948
At 31 December	2,897,274	2,875,948
Units to be issued:		
— asset management fees payable in Units	12,161	10,733
Total issued and issuable Units at 31 December	2,909,435	2,886,681

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.

Notes to the Financial Statements

20. NET ASSET VALUE PER UNIT

	Note	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Net asset value per Unit is based on:					
Net assets attributable to Unitholders		6,107,793	6,116,353	5,377,352	5,188,508
		'000	'000	'000	'000
Total issued and issuable Units at 31 December	19	2,909,435	2,886,681	2,909,435	2,886,681

21. GROSS REVENUE

	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Gross rental income	462,180	426,960	256,688	240,661
Dividend income from:				
— subsidiaries	—	—	117,982	132,582
— joint ventures	—	—	33,027	29,829
Others	559	309	168	128
	462,739	427,269	407,865	403,200

Included in gross rental income of the Group and the Trust are contingent rents amounting to $9.3 million (2022: $8.2 million) and $7.9 million (2022: $7.2 million) respectively.

22. PROPERTY EXPENSES

	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Advertising and promotion expenses	6,098	8,058	3,142	3,451
Depreciation of plant and equipment	621	680	219	272
Maintenance expenses	14,385	12,690	411	371
Contributions to sinking fund	9,895	—	8,202	—
Contributions to maintenance fund	28,792	19,638	23,859	16,276
Property management fees (including reimbursables)	26,167	22,114	9,688	8,820
Property tax and rates	25,513	26,589	18,188	20,882
Utilities	9,136	6,350	364	378
Agency commission	10,349	4,397	2,641	2,957
Food and beverages related cost	5,050	2,850	—	—
Others	13,297	8,260	2,715	1,460
	149,303	111,626	69,429	54,867

Property expenses represent the direct operating expenses arising from rental of investment properties and sale of food and beverages.

Notes to the Financial Statements

23. OTHER INCOME

Other income mainly relates to the recognition of the income support in relation to 21 Harris Street, Olderfleet, 477 Collins Street, Nova Properties and The Minster Building.

24. FINANCE INCOME AND FINANCE COST

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Interest income:				
— bank deposits	3,903	422	1,748	135
— loan to joint ventures	17,213	38,782	3,663	24,320
Net foreign exchange gain	—	—	22,912	—
Finance income	21,116	39,204	28,323	24,455
Interest expense	(161,562)	(136,484)	(125,584)	(97,795)
Amortisation of transaction costs	(11,495)	(7,718)	(7,018)	(4,901)
Net foreign exchange loss	(1,637)	(7,238)	—	(119,292)
Finance cost	(174,694)	(151,440)	(132,602)	(221,988)
Recognised in the statement of total return	(153,578)	(112,236)	(104,279)	(197,533)

25. ASSET MANAGEMENT FEES

Included in the asset management fees of the Group and the Trust is $28.5 million (2022: $28.4 million) or an aggregate of 22,754,000 (2022: 19,038,000) 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.

26. TOTAL RETURN FOR THE YEAR BEFORE TAX

Included in total return for the year before tax are the following items:

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Audit fees to:				
— auditors of the Trust	668	567	544	442
— other auditors	280	220	31	10
Non-audit fees to:				
— auditors of the Trust	138	85	138	49
— other auditors	21	96	—	—

Notes to the Financial Statements

27. TAX EXPENSE

	Note	Group 2023 $'000	Group 2022 $'000	Trust 2023 $'000	Trust 2022 $'000
Current tax expense					
Current year		6,150	5,735	—	—
Under/(over) provided in prior years		868	(431)	—	2
Withholding tax		4,116	13,763	630	9,777
		11,134	19,067	630	9,779
Deferred tax (credit)/expense					
Origination and reversal of temporary differences		(3,164)	(2,826)	—	—
	16	(3,164)	(2,826)	—	—
Total tax expense		7,970	16,241	630	9,779
Reconciliation of effective tax rate					
Total return for the year before tax		204,291	513,868	384,871	336,594
Less: Share of profit of joint ventures		(36,001)	(144,856)	—	—
		168,290	369,012	384,871	336,594
Income tax using the Singapore tax rate of 17% (2022: 17%)		28,609	62,732	65,428	57,221
Effect of tax rates in foreign jurisdictions		1,560	(7,225)	—	—
Non-tax deductible items		19,556	13,571	11,057	30,741
Non-taxable income		(16,449)	(34,858)	(36,050)	(41,410)
Withholding tax		4,116	13,763	630	9,777
Tax exempt income		—	—	(10,145)	(15,241)
Tax transparency		(30,290)	(31,311)	(30,290)	(31,311)
Under/(over) provided in prior years		868	(431)	—	2
Total tax expense		7,970	16,241	630	9,779

Notes to the Financial Statements

28. EARNING PER UNIT

Basic earnings per Unit ("EPU") is based on:

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Total return for the year after tax attributable to Unitholders and perpetual securities holders	185,384	476,811	384,241	326,815
Less: Total return for the year attributable to perpetual securities holders	(13,975)	(13,975)	(13,975)	(13,975)
Total return attributable to Unitholders	171,409	462,836	370,266	312,840

	Number of Units			
	Group		Trust	
	2023 '000	2022 '000	2023 '000	2022 '000
Weighted average number of Units:				
— outstanding during the year	2,891,857	2,871,774	2,891,857	2,871,774
— to be issued as payment of asset management fees payable in Units	33	29	33	29
	2,891,890	2,871,803	2,891,890	2,871,803

In calculating diluted earnings per Unit, the weighted average number of Units in issue is as set out below:

	Number of Units			
	Group		Trust	
	2023 '000	2022 '000	2023 '000	2022 '000
Weighted average number of Units used in calculation of basic earnings per Unit	2,891,890	2,871,803	2,891,890	2,871,803
Weighted average number of Units to be issued in relation to asset management fees and assuming conversion of bonds	12,127	10,704	12,127	10,704
Weighted average number of Units used in calculation of diluted earnings per Unit	2,904,017	2,882,507	2,904,017	2,882,507

Notes to the Financial Statements

29. 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, net finance costs, trust-related income and expenses, changes in fair value of financial derivatives and share of profit of joint ventures.

Notes to the Financial Statements

29. OPERATING SEGMENTS (continued)

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

Information about reportable segments

	Singapore				Australia				United Kingdom	
	Convention	Retail		Office						
	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
2023										
Revenue	63,856	20,957	112,363	144,493	33,798	18,186	14,545	26,935	27,606	462,739
Property expenses	(49,009)	(6,451)	(33,971)	(35,214)	(6,653)	(4,515)	(5,581)	(6,294)	(1,901)	(149,589)
Reportable segment net property income	14,847	14,506	78,392	109,279	27,145	13,671	8,964	20,641	25,705	313,150
Change in fair value of investment properties	10,344	19,542	69,996	159,734	(25,354)	(15,961)	(16,058)	(27,014)	(65,370)	109,859
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	28,395	7,997	47,267	170,000	(9,116)	(9,022)	(13,264)	93	(63,230)	159,120

Notes to the Financial Statements

29. OPERATING SEGMENTS (continued)

Reconciliation of reportable segment net property income

	Group	
	2023 $'000	2022 $'000
Total return		
Reportable segment net property income	313,150	315,751
Reconciling items:		
— Other income	5,961	8,097
— Net finance costs	(153,578)	(112,236)
— Asset management fees	(61,428)	(61,171)
— Other trust expenses	(9,254)	(5,956)
— Net change in fair value of financial derivatives	(46,220)	65,407
— Net change in fair value of investment properties	109,859	159,120
— Net gain from divestment of investment properties	9,800	—
— Share of profit of joint ventures	36,001	144,856
Consolidated total return for the year before tax	204,291	513,868

Notes to the Financial Statements

30. 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.

	Note	Fair value through profit or loss $'000	Fair value — hedging instruments $'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
Group									
2023									
Financial assets measured at fair value									
Interest rate swaps	11	25,362	10,104	–	–	35,466	–	35,466	–
Forward exchange contracts	11	160	–	–	–	160	–	160	–
		25,522	10,104	–	–	35,626			
Financial assets not measured at fair value									
Loans to joint ventures	8	–	–	574,188	–	574,188	–	–	536,416
Trade and other receivables*	12	–	–	34,849	–	34,849	–	–	–
Cash and cash equivalents	13	–	–	217,925	–	217,925	–	–	–
		–	–	826,962	–	826,962			
Financial liabilities measured at fair value									
Interest rate swaps	11	(12,926)	(1,704)	–	–	(14,630)	–	(14,630)	–
Forward exchange contracts	11	(192)	–	–	–	(192)	–	(192)	–
		(13,118)	(1,704)	–	–	(14,822)			
Financial liabilities not measured at fair value									
Interest-bearing borrowings	14	–	–	–	(4,260,350)	(4,260,350)	–	–	(4,540,209)
Security deposits		–	–	–	(84,014)	(84,014)	–	–	(75,177)
Trade and other payables^	15	–	–	–	(79,856)	(79,856)	–	–	–
		–	–	–	(4,424,220)	(4,424,220)			

* Excludes prepayments.
^ Excludes deferred income and withholding tax payable.

Notes to the Financial Statements

30. ACCOUNTING CLASSIFICATIONS AND FAIR VALUES (continued)

	Note	Fair value through profit or loss $'000	Fair value — hedging instruments $'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
Group									
2022									
Financial assets measured at fair value									
Rental guarantee receivables	7	1,179	–	–	–	1,179	–	–	1,179
Interest rate swaps	11	64,324	18,419	–	–	82,743	–	82,743	–
Forward exchange contracts	11	1,703	–	–	–	1,703	–	1,703	–
		67,206	18,419	–	–	85,625			
Financial assets not measured at fair value									
Loans to joint ventures	8	–	–	1,142,495	–	1,142,495	–	–	1,115,402
Trade and other receivables*	12	–	–	20,774	–	20,774	–	–	–
Cash and cash equivalents	13	–	–	269,610	–	269,610	–	–	–
		–	–	1,432,879	–	1,432,879			
Financial liabilities measured at fair value									
Interest rate swaps	11	(3,173)	–	–	–	(3,173)	–	(3,173)	–
Forward exchange contracts	11	(45)	–	–	–	(45)	–	(45)	–
		(3,218)	–	–	–	(3,218)			
Financial liabilities not measured at fair value									
Interest-bearing borrowings	14	–	–	–	(4,843,479)	(4,843,479)	–	–	(4,841,133)
Security deposits		–	–	–	(80,729)	(80,729)	–	–	(73,128)
Trade and other payables^	15	–	–	–	(92,650)	(92,650)	–	–	–
		–	–	–	(5,016,858)	(5,016,858)			

* Excludes prepayments.
^ Excludes deferred income and withholding tax payable.

Notes to the Financial Statements

30. ACCOUNTING CLASSIFICATIONS AND FAIR VALUES (continued)

	Note	Fair value through profit or loss $'000	Fair value through other comprehensive income $'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
Trust									
2023									
Financial assets measured at fair value									
Long-term investment	10	–	637	–	–	637	–	–	637
Interest rate swaps	11	6,909	–	–	–	6,909	–	6,909	–
Forward exchange contracts	11	160	–	–	–	160	–	160	–
		7,069	637	–	–	7,706			
Financial assets not measured at fair value									
Loans to joint ventures	8	–	–	51,344	–	51,344	–	–	51,344
Loans to subsidiaries	9	–	–	1,473,371	–	1,473,371	–	–	1,378,932
Trade and other receivables*	12	–	–	19,092	–	19,092	–	–	–
Cash and cash equivalents	13	–	–	89,077	–	89,077	–	–	–
		–	–	1,632,884	–	1,632,884			
Financial liabilities measured at fair value									
Interest rate swaps	11	(12,926)	–	–	–	(12,926)	–	(12,926)	–
Forward exchange contracts	11	(192)	–	–	–	(192)	–	(192)	–
		(13,118)	–	–	–	(13,118)			
Financial liabilities not measured at fair value									
Interest-bearing borrowings	14	–	–	–	(3,108,201)	(3,108,201)	–	–	(3,388,060)
Security deposits		–	–	–	(68,229)	(68,229)	–	–	(61,726)
Trade and other payables^	15	–	–	–	(110,604)	(110,604)	–	–	–
		–	–	–	(3,287,034)	(3,287,034)			

* Excludes prepayments.
^ Excludes deferred income and withholding tax payable.

Notes to the Financial Statements

30. ACCOUNTING CLASSIFICATIONS AND FAIR VALUES (continued)

	Note	Fair value through profit or loss $'000	Fair value through other comprehensive income $'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
Trust									
2022									
Financial assets measured at fair value									
Long-term investment	10	–	637	–	–	637	–	–	637
Interest rate swaps	11	24,886	–	–	–	24,886	–	24,886	–
Forward exchange contracts	11	1,703	–	–	–	1,703	–	1,703	–
		26,589	637	–	–	27,226			
Financial assets not measured at fair value									
Loans to joint ventures	8	–	–	621,499	–	621,499	–	–	621,499
Loans to subsidiaries	9	–	–	1,220,491	–	1,220,491	–	–	1,161,844
Trade and other receivables*	12	–	–	8,824	–	8,824	–	–	–
Cash and cash equivalents	13	–	–	144,404	–	144,404	–	–	–
		–	–	1,995,218	–	1,995,218			
Financial liabilities measured at fair value									
Interest rate swaps	11	(3,173)	–	–	–	(3,173)	–	(3,173)	–
Forward exchange contracts	11	(45)	–	–	–	(45)	–	(45)	–
		(3,218)	–	–	–	(3,218)			
Financial liabilities not measured at fair value									
Interest-bearing borrowings	14	–	–	–	(3,465,608)	(3,465,608)	–	–	(3,463,262)
Security deposits		–	–	–	(63,240)	(63,240)	–	–	(58,050)
Trade and other payables^	15	–	–	–	(113,958)	(113,958)	–	–	–
		–	–	–	(3,642,806)	(3,642,806)			

* Excludes prepayments.
^ Excludes deferred income and withholding tax payable.

Notes to the Financial Statements

31. FAIR VALUE MEASUREMENT

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, mark to market statements from financial institutions that are counterparties of the transactions 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.

(a) Fair value hierarchy

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 inputs).

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. During the financial year ended 31 December 2023 and 2022, there were no transfers between Level 1 and Level 2.

(b) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Forward exchange contracts and interest rate swaps (Group and Trust)

The fair value of interest rate swaps and forward foreign currency exchange contracts are based on mark to market statements from financial institutions that are counterparties of the transactions. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

Notes to the Financial Statements

31. FAIR VALUE MEASUREMENT (continued)

(c) Level 3 fair value measurements

Information about significant unobservable inputs used in Level 3 fair value measurements

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	*Discounted cash flows:* 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.	Discount rate: nil % (2022: 5.25%)	The estimated fair value 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.

Investment properties

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 (2022: 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.

Notes to the Financial Statements

31. FAIR VALUE MEASUREMENT (continued)

(c) Level 3 fair value measurements (continued)

Information about significant unobservable inputs used in Level 3 fair value measurements (continued)

Investment properties (continued)

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.

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 6.75%–7.25% (2022: 6.50%–7.00%) Australia 6.25%–7.00% (2022: 5.75%–7.25%)	The estimated fair value would increase if the discount rate and terminal yield were lower.
	Terminal yield	Singapore 3.75%–5.75% (2022: 3.75%–6.00%) Australia 5.25%–7.25% (2022: 5.00%–7.00%)	
Capitalisation approach	Capitalisation rate	Singapore 3.50%–5.50% (2022: 3.50%–5.75%) Australia 5.13%–7.25% (2022: 4.50%–6.75%) United Kingdom 5.25% (2022: 4.66%)	The estimated fair value would increase if the capitalisation rate was lower.
Direct comparison method	Price per square foot	Singapore $1,988–$2,712 (2022: $1,907–$2,675)	The estimated fair value would increase if the price per square foot was higher.

Notes to the Financial Statements

31. FAIR VALUE MEASUREMENT (continued)

(c) Level 3 fair value measurements (continued)

Movements in Level 3 assets measured at fair value

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 Rental guarantee receivables $'000	Trust Long-term investment $'000
At 1 January 2023	1,179	637
Income guarantee earned	(1,165)	—
Effects of movement in exchange rates	(14)	—
At 31 December 2023	—	637

	Group Rental guarantee receivables $'000	Trust Long-term investment $'000
At 1 January 2022	11,331	637
Income guarantee earned	(9,309)	—
Effects of movement in exchange rates	(843)	—
At 31 December 2022	1,179	637

Sensitivity analysis

If the fair value of the rental guarantee receivables were 5.0% favourable or unfavourable with all other variables held constant, the fair value of the rental guarantee receivables would increase by $nil (2022: $59,000) and decrease by $nil (2022: $59,000) respectively.

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 increase by $32,000 (2022: $32,000) and decrease by $32,000 (2022: $32,000) respectively.

Notes to the Financial Statements

31. FAIR VALUE MEASUREMENT (continued)

(d) Assets and liabilities not measured at fair value

Group

Type	Valuation technique
Fixed rate borrowings	Discounted cash flows
Security deposits	Discounted cash flows
Loans to joint ventures and subsidiaries	Discounted cash flows

Trust

Type	Valuation technique
Fixed rate borrowings	Discounted cash flows
Security deposits	Discounted cash flows
Loans to joint ventures and subsidiaries	Discounted cash flows

The carrying amounts of fixed rate borrowings, security deposits and loans to joint ventures and subsidiaries approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

The carrying amounts of current financial assets and liabilities of the Group and the Trust approximate their fair values due to their short maturity period. The carrying amounts of non-current floating rate borrowings of the Group and the Trust do not materially differ from their fair values.

Notes to the Financial Statements

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to credit risk, liquidity risk and market risk (including interest rate risk and currency risk). 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 and Risk Committee. The Audit and Risk Committee undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

(a) 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.

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	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Rental guarantee receivables	7	—	1,179	—	—
Derivative assets					
— Interest rate swaps	11	35,466	82,743	6,909	24,886
— Forward exchange contracts	11	160	1,703	160	1,703
Trade and other receivables*	12	34,849	20,774	19,092	8,824
Cash and cash equivalents	13	217,925	269,610	89,077	144,404
		288,400	376,009	115,238	179,817

* Excludes prepayments.

Notes to the Financial Statements

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Exposure to credit risk (continued)

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

		Group		Trust	
	Note	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Office		2,880	6,261	284	845
Retail		747	1,513	175	1,116
Convention		24,399	6,851	—	—
	12	28,026	14,625	459	1,961

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.

Notes to the Financial Statements

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Impairment losses (continued)

The ageing of trade receivables at the reporting date was:

	Note	2023 $'000	2022 $'000
Group			
Not past due		25,795	11,561
Past due 31–60 days		961	745
Past due 61–90 days		279	330
More than 90 days*		2,017	2,869
		29,052	15,505
Less: Impairment loss		(1,026)	(880)
	12	28,026	14,625
Trust			
Not past due		462	2,204
Past due 31–60 days		31	48
Past due 61–90 days		10	11
More than 90 days*		157	147
		660	2,410
Less: Impairment loss		(201)	(449)
	12	459	1,961

* Included in these balances of the Group and the Trust were credit impaired balances of $1.0 million (2022: $0.9 million) and $0.2 million (2022: $0.5 million) 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	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
At 1 January	880	2,719	449	2,408
Impairment loss recognised	541	509	4	273
Reversal of impairment loss	(255)	(617)	(248)	(608)
Allowance utilised	(140)	(1,688)	(4)	(1,624)
Translation difference	—	(43)	—	—
At 31 December	1,026	880	201	449

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.

Notes to the Financial Statements

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Non-trade amounts due from subsidiaries and loans to subsidiaries

The Trust has non-trade receivables from its subsidiaries of $1,491.9 million (2022: $1,227.2 million). 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.

Loans to joint ventures

The Group and the Trust have loans to joint ventures of $574.2 million (2022: $1,142.5 million) and $51.3 million (2022: $621.5 million) 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 $nil million (2022: $1.2 million). 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 with sound credit 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 $217.9 million and $89.1 million respectively at 31 December 2023 (2022: $269.6 million and $144.4 million respectively). The cash and cash equivalents are held with bank and financial institution counterparties with sound credit 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.

Notes to the Financial Statements

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) 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 $2,657.4 million) (2022: US$2,000.0 million (approximately $2,701.1 million)) Euro Medium Term Securities Programme, of which $1,807.4 million (2022: $1,571.1 million) is unutilised as at 31 December 2023.

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					
2023					
Non-derivative financial liabilities					
Floating rate term loans	3,761,231	(4,383,511)	(584,735)	(3,595,999)	(202,777)
Fixed rate term loans	499,119	(529,281)	(14,495)	(514,786)	—
Trade and other payables*	79,856	(79,856)	(79,856)	—	—
Security deposits	84,014	(84,014)	(23,628)	(57,336)	(3,050)
	4,424,220	(5,076,662)	(702,714)	(4,168,121)	(205,827)
Derivative financial instruments					
Interest rate swaps (net-settled)	14,630	15,352	3,550	11,802	—
Forward exchange contracts	192				
— Outflow		(17,691)	(17,691)	—	—
— Inflow		17,455	17,455	—	—
	14,822	15,116	3,314	11,802	—
	4,439,042	(5,061,546)	(699,400)	(4,156,319)	(205,827)

* Excludes deferred income and withholding tax payable.

Notes to the Financial Statements

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

		Cash flows			
	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	1 to 5 years $'000	More than 5 years $'000
Group					
2022					
Non-derivative financial liabilities					
Floating rate term loans	4,064,897	(4,635,508)	(541,116)	(3,883,357)	(211,035)
Fixed rate term loans	778,582	(827,561)	(298,281)	(529,280)	—
Trade and other payables*	92,650	(92,650)	(92,650)	—	—
Security deposits	80,729	(80,729)	(24,150)	(45,830)	(10,749)
	5,016,858	(5,636,448)	(956,197)	(4,458,467)	(221,784)
Derivative financial instruments					
Interest rate swaps (net-settled)	3,173	(3,671)	(735)	(2,936)	—
Forward exchange contracts	45				
— Outflow		(25,466)	(20,933)	(4,533)	—
— Inflow		25,463	20,923	4,540	—
	3,218	(3,674)	(745)	(2,929)	—
	5,020,076	(5,640,122)	(956,942)	(4,461,396)	(221,784)
Trust					
2023					
Non-derivative financial liabilities					
Floating rate term loans	2,609,082	(3,039,886)	(515,126)	(2,321,983)	(202,777)
Fixed rate term loans	499,119	(529,281)	(14,495)	(514,786)	—
Trade and other payables*	110,604	(110,604)	(110,604)	—	—
Security deposits	68,229	(68,229)	(16,866)	(51,016)	(347)
	3,287,034	(3,748,000)	(657,091)	(2,887,785)	(203,124)
Derivative financial instruments					
Interest rate swaps (net-settled)	12,926	10,785	2,532	8,253	—
Forward exchange contracts	192				
— Outflow		(17,691)	(17,691)	—	—
— Inflow		17,455	17,455	—	—
	13,118	10,549	2,296	8,253	—
	3,300,152	(3,737,451)	(654,795)	(2,879,532)	(203,124)

* Excludes deferred income and withholding tax payable.

Notes to the Financial Statements

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

	Carrying amount $'000	Cash flows: Contractual cash flows $'000	Within 1 year $'000	1 to 5 years $'000	More than 5 years $'000
Trust					
2022					
Non-derivative financial liabilities					
Floating rate term loans	2,687,026	(3,086,812)	(117,811)	(2,757,966)	(211,035)
Fixed rate term loans	778,582	(827,561)	(298,281)	(529,280)	—
Trade and other payables*	113,958	(113,958)	(113,958)	—	—
Security deposits	63,240	(63,240)	(17,450)	(42,266)	(3,524)
	3,642,806	(4,091,571)	(547,500)	(3,329,512)	(214,559)
Derivative financial instruments					
Interest rate swaps (net-settled)	3,173	(3,671)	(735)	(2,936)	—
Forward exchange contracts	45				
— Outflow		(25,466)	(20,933)	(4,533)	—
— Inflow		25,463	20,923	4,540	—
	3,218	(3,674)	(745)	(2,929)	—
	3,646,024	(4,095,245)	(548,245)	(3,332,441)	(214,559)

* Excludes deferred income and withholding tax payable.

(c) 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.

(i) 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 targets to maintain 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.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenures, repricing dates, maturities and the notional amounts.

Notes to the Financial Statements

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Market risk (continued)

(i) Interest rate risk (continued)

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method.

In these hedge relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- changes in the critical terms of either the swaps or the loans and borrowings.

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group has exposures to the Singapore swap offer rate ("SOR") on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

In Singapore, the Steering Committee for SOR transition to SORA (SC-STS) together with the Association of Banks in Singapore (ABS) and Singapore Foreign Exchange Market Committee (SFEMC), has identified the Singapore Overnight Rate Average (SORA) as the alternative interest rate benchmark to replace SOR in Singapore. The timeline for SORA to replace SOR is by the end of June 2023. In 2022, the Group has undertaken amendments to its financial instruments with contractual terms indexed to SOR such that they incorporate the new benchmark rate (i.e. SORA) and has fully reformed all its financial instruments to the new benchmark rate in 2023.

The Group anticipates that IBOR reform will impact its risk management processes and hedge accounting. The main risks to which the Group is exposed as a result of IBOR reform are operational. For example, renegotiating borrowing contracts through bilateral negotiation with counterparties, implementing new fallback clauses with its derivative counterparties, updating contractual terms and revising operational controls related to the reform. Financial risk is predominantly limited to interest rate risk.

Notes to the Financial Statements

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Market risk (continued)

(i) Interest rate risk (continued)

Total amounts of unreformed contracts

The following table shows the total amounts of unreformed contracts. The amounts of financial liabilities are shown at their carrying amounts and derivatives are shown at their nominal amounts. As at 31 December 2023, the Group and Trust does not have any unreformed financial liabilities and derivatives.

	SOR Total amount of unreformed contracts			
	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Financial liabilities				
Secured bank loans	—	365,664	—	—
Derivatives				
Interest rate swaps	—	621,000	—	255,000

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	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Fixed rate instruments				
Interest-bearing borrowings	(500,000)	(780,000)	(500,000)	(780,000)
Interest rate swaps	(2,094,910)	(2,409,584)	(1,255,000)	(1,330,000)
	(2,594,910)	(3,189,584)	(1,755,000)	(2,110,000)
Variable rate instruments				
Interest-bearing borrowings	(3,777,382)	(4,085,227)	(2,620,000)	(2,700,000)
Interest rate swaps	2,094,910	2,409,584	1,255,000	1,330,000
	(1,682,472)	(1,675,643)	(1,365,000)	(1,370,000)

Notes to the Financial Statements

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Market risk (continued)

(i) Interest rate risk (continued)

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") (2022: 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		
2023		
Interest-bearing borrowings	(18,887)	18,887
Interest rate swaps	21,643	(22,056)
Cash flow sensitivity (net)	2,756	(3,169)
2022		
Interest-bearing borrowings	(20,426)	20,426
Interest rate swaps	25,727	(26,240)
Cash flow sensitivity (net)	5,301	(5,814)
Trust		
2023		
Interest-bearing borrowings	(13,100)	13,100
Interest rate swaps	15,782	(16,098)
Cash flow sensitivity (net)	2,682	(2,998)
2022		
Interest-bearing borrowings	(13,500)	13,500
Interest rate swaps	18,221	(18,631)
Cash flow sensitivity (net)	4,721	(5,131)

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 total return.

Notes to the Financial Statements

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Market risk (continued)

(ii) Currency risk

The Group is exposed to currency risk on distributions from its Australia and United Kingdom operations. In 2023, the Trust entered into forward currency contracts with a total notional amount of $26.6 million (2022: $68.5 million) whereby the Trust agreed with counterparties to exchange Australian Dollar and Pound Sterling at specified rates, on specified dates.

At the reporting date, the exposure to currency risk is as follows:

	AUD $'000	GBP $'000	Total $'000
Group			
2023			
Cash and cash equivalents	22,325	12,886	35,211
Trade and other receivables	18,408	1	18,409
Trade and other payables	—	(400)	(400)
Net statement of financial position exposure	40,733	12,487	53,220
Forward exchange contracts	(22,558)	(4,060)	(26,618)
Net exposure	18,175	8,427	26,602
2022			
Cash and cash equivalents	31,467	29,499	60,966
Trade and other receivables	6,515	126	6,641
Trade and other payables	—	(355)	(355)
Net statement of financial position exposure	37,982	29,270	67,252
Forward exchange contracts	(48,743)	(19,753)	(68,496)
Net exposure	(10,761)	9,517	(1,244)
Trust			
2023			
Cash and cash equivalents	21,919	12,886	34,805
Trade and other receivables	18,408	1	18,409
Trade and other payables	—	(400)	(400)
Net statement of financial position exposure	40,327	12,487	52,814
Forward exchange contracts	(22,557)	(4,060)	(26,617)
Net exposure	17,770	8,427	26,197
2022			
Cash and cash equivalents	31,221	29,499	60,720
Trade and other receivables	6,515	126	6,641
Trade and other payables	—	(355)	(355)
Net statement of financial position exposure	37,736	29,270	67,006
Forward exchange contracts	(48,743)	(19,753)	(68,496)
Net exposure	(11,007)	9,517	(1,490)

Notes to the Financial Statements

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Market risk (continued)

(ii) Currency risk (continued)

Sensitivity analysis

The following table indicates the approximate increase/(decrease) in the statement of total return (before any tax effects) of the Group in response to a 10% strengthening of the functional currencies of the respective entities as compared with the exchange rates of the foreign currencies to which the Group has significant exposure at the reporting dates.

	Statement of total return	
	2023 **$'000**	**2022** **$'000**
Group		
AUD[1]	1,817	(1,076)
GBP[1]	843	952
Trust		
AUD[1]	1,777	(1,101)
GBP[1]	843	952

[1] As compared to the functional currency of Singapore Dollar.

A 10% weakening of the functional currencies of the respective entities as compared with the exchange rates of the foreign currencies to which the Group has significant exposure at the reporting dates would have had the equal but opposite effect on the above currencies to the amounts shown above. The analysis assumed that all other variables remain constant and does not take into account the translation related risk, associated tax effects and share of non-controlling interests.

Notes to the Financial Statements

33. RELATED PARTY TRANSACTIONS

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

	2023 $'000	2022 $'000
Group		
Divestment fees paid/payable to the Manager	(218)	—
Asset management fees paid/payable to a related corporation of the Manager	(3,537)	(3,357)
Investment management fees paid/payable to a related corporation of the Manager	(87)	(89)
Agency commission paid/payable to a related corporation of the Manager	(11,258)	(4,293)
Development management fees paid/payable to a related corporation of the Manager	(65)	(86)
Rental income received/receivable from an associate of the Manager	3,840	2,428
Rental income received/receivable from related corporations of the Manager	708	510
Rental income received/receivable from a close member of a key management personnel of the Manager	335	317
Property management fees paid/payable (including reimbursable) to related corporations of the Manager	(26,473)	(22,418)
Professional services fees paid/payable to related corporations of the Manager	(1,829)	(2,601)
Trust		
Divestment fees paid/payable to the Manager	(218)	—
Agency commission paid/payable to a related corporation of the Manager	(2,505)	(2,957)
Rental income received/receivable from an associate of the Manager	3,840	2,428
Rental income received/receivable from a close member of a key management personnel of the Manager	335	317
Property management fees paid/payable (including reimbursable) to a related corporation of the Manager	(9,688)	(8,820)
Professional services fees paid/payable to related corporations of the Manager	(425)	(1,110)

Notes to the Financial Statements

34. COMMITMENTS

	Group		Trust	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
(a) Capital commitments				
Capital expenditure commitments:				
— contracted but not provided for	6,735	—	609	—
Loan facilities to joint ventures	345,657	545,501	345,657	545,501

(b) Investment properties comprise commercial properties that are leased to external customers. The Group has classified these leases as operating leases, because they do not transfer substantially all the risk and rewards incidental to the ownership of the assets.

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	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Less than one year	346,357	331,752	232,063	223,690
One to two years	280,566	239,401	173,589	149,236
Two to three years	202,756	163,188	105,137	83,754
Three to four years	127,507	112,092	36,156	38,092
Four to five years	94,047	81,752	16,090	14,944
More than five years	209,843	240,448	544	5,868
Total	1,261,076	1,168,633	563,579	515,584

35. 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.

Notes to the Financial Statements

36. FINANCIAL RATIOS

	Group		Trust	
	2023 %	2022 %	2023 %	2022 %
Expenses to weighted average net assets[1]				
— including performance component of asset management fees	1.10	1.05	1.15	1.12
— excluding performance component of asset management fees	0.78	0.73	0.78	0.75
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.

37. 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 42.3% (2022: 42.4%) as at 31 December 2023.

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 45.0% (2022: 45.0%) of the fund's deposited property. In 2023, the Aggregate Leverage may exceed 45.0% (up to 45.0%) of the fund's deposited property only if the property fund has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings. 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.

38. COMPARATIVE FIGURES

The financial statements for the financial year ended 31 December 2022 were audited by another firm of Chartered Public Accountants.

Notes to the Financial Statements

39. SUBSEQUENT EVENTS

There were the following significant events subsequent to the reporting date:

- The Manager declared distribution of 1.866 cents per Unit in respect of the period from 1 October 2023 to 31 December 2023;

- 12,160,593 Units, amounting to $14.8 million, were issued as satisfaction of the base management fee for the period from 1 October 2023 to 31 December 2023 and performance management fee for the period from 1 January 2023 to 31 December 2023;

- On 2 February 2024, the Trust entered into a $950.0 million Sustainability-Linked Loan Facility with various banks to refinance part of its outstanding borrowings and/or for general working capital purpose. As at the date of financial statements, the Trust has drawn down the loan to refinance its existing borrowings; and

- As at the date of financial statements, the Trust had completed the divestment of another three strata units in Suntec City Office to unrelated third parties. These strata units had been reclassified to Investment properties held of sale as at 31 December 2023 (Note 6).

40. AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Trust and its subsidiaries (the "Group"), Statements of Financial Position, and Statements of Movements in Unitholders' Funds of the Trust and the Group for the year ended 31 December 2023 were authorised for issue on 25 March 2024.

Statistics of Unitholders

As at 1 March 2024

DISTRIBUTION UNITHOLDINGS

Size of Unitholders	No. of Unitholders	%	No. of Units	%
1–99	36	0.14	714	0.00
100–1,000	4,323	17.23	3,914,037	0.14
1,001–10,000	14,641	58.33	74,548,768	2.56
10,001–1,000,000	6,062	24.15	276,737,440	9.51
1,000,001 AND ABOVE	37	0.15	2,554,233,990	87.79
TOTAL	25,099	100.00	2,909,434,949	100.00

There were 2,909,434,949 Unit (voting rights: one vote per Unit) outstanding as 1 March 2024.

There is only one class of Units.

TWENTY LARGEST UNITHOLDERS

No.	Name	No. of Units	%
1	Citibank Nominees Singapore Pte Ltd	929,623,566	31.95
2	DBS Nominees (Private) Limited	463,438,869	15.93
3	ARA Real Estate Investors 22 Pte Ltd	299,712,548	10.30
4	OCBC Securities Private Limited	184,645,228	6.35
5	HSBC (Singapore) Nominees Pte Ltd	162,468,702	5.58
6	Raffles Nominees (Pte.) Limited	160,067,574	5.50
7	DBSN Services Pte. Ltd.	98,964,150	3.40
8	DBS Vickers Securities (Singapore) Pte Ltd	79,111,339	2.72
9	Phillip Securities Pte Ltd	28,504,785	0.98
10	DB Nominees (Singapore) Pte Ltd	21,536,463	0.74
11	United Overseas Bank Nominees (Private) Limited	16,133,641	0.55
12	Sword Investments Private Ltd	11,914,000	0.41
13	UOB Kay Hian Private Limited	11,289,000	0.39
14	OCBC Nominees Singapore Private Limited	10,425,503	0.36
15	Moomoo Financial Singapore Pte. Ltd.	8,515,927	0.29
16	Morgan Stanley Asia (Singapore) Securities Pte Ltd	7,903,279	0.27
17	ABN Amro Clearing Bank N.V.	7,708,509	0.26
18	IFAST Financial Pte. Ltd.	7,303,395	0.25
19	BPSS Nominees Singapore (Pte.) Ltd.	6,137,699	0.21
20	Maybank Securities Pte. Ltd.	4,274,569	0.15
	TOTAL	2,519,678,746	86.59

Statistics of Unitholders

SUBSTANTIAL UNITHOLDERS

As at 1 March 2024
As shown in the Register of Substantial Unitholders

Name of Substantial Unitholders	Number of Units Direct Interest	Number of Units Deemed Interest
ESR Group Limited [1]	0	299,712,548
ARA Asset Management Limited [2]	0	299,712,548
ARA RE Investment Group (Singapore) Pte. Ltd. [3]	0	299,712,548
ARA Real Estate Investors 22 Pte. Ltd.	299,712,548	0
Tang Yigang @ Gordon Tang [4]	231,500,427	0
Celine Huaidan @ Celine Tang [4]	231,412,894	0
Yang Chanzhen @ Janet Yeo [5]	209,686,100	0
Tang Jialin [6]	261,603,400	0

Notes:

1. ESR Group Limited ("ESR") holds 100% interest in ARA Asset Management Limited ("ARA"). Accordingly, ESR is deemed to have an interest in the Units that ARA has a deemed interest in.
2. 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.
3. ARA Real Estate Investors 22 Pte Ltd ("ARA 22") is a wholly owned subsidiary of ARA RIGS. Accordingly, ARA RIGS is deemed to have an interest in the Units held by ARA 22.
4. Mr Tang Yigang @ Gordon Tang is the spouse of Madam Chen Huaidan @ Celine Tang. Mr Gordon Tang together with his spouse, Madam Celine Tang holds 34,615,200 Units in their joint account.
5. Madam Yang Chanzhen @ Janet Yeo holds 204,508,300 Units in the joint accounts with Mr Tang Jialin, and solely holds 5,177,800 Units.
6. Mr Tang Jialin holds 204,508,300 Units in the joint accounts with Madam Yang Chanzhen, and solely holds 57,095,100 Units.

MANAGER'S DIRECTORS' UNITHOLDINGS

As at 21 January 2024
As shown in the Register of Directors' Unitholdings

Name	Number of Units Direct Interest	Number of Units Deemed Interest
Ms. Chew Gek Khim	0	0
Mr. Lim Hwee Chiang, John	3,000,000	1,000,000[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. Shen Jinchu, Jeffrey	0	0
Mr. Chong Kee Hiong	0	0

Note 1:
Mr. Lim Hwee Chiang, John is deemed to have an 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 1 March 2024, approximately 65.7% 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")	56,969	–
HSBC Institutional Trust Services (Singapore) Limited	Suntec REIT Trustee (the "Trustee")	1,887	–
APM Property Management Pte Ltd ("APM")	Associate of controlling shareholder of the Manager	25,251	–
ARA Managers (Harmony) Pte Ltd	Associate of controlling shareholder of the Manager	3,537	–
APM Innovate Pte Ltd	Associate of controlling shareholder of the Manager	1,829	–
Suntec Singapore International Convention & Exhibition Services Pte Ltd	Associate of controlling shareholder of the Manager	13,262	–
APM Australia Pty Ltd	Associate of controlling shareholder of the Manager	2,751	–
ESR Asset Management (Australia) Pty Limited	Associate of controlling shareholder of the Manager	614	–
ARA Dunedin Asset Management LLP	Associate of controlling shareholder of the Manager	1,185	–
LOGOS SE Asia Pte Ltd	Associate of controlling shareholder of the Manager	3,922	–
HSBC Bank (Singapore) Limited	Associate of the Trustee	225	–

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.

Additional Information

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 which was last revised on 23 May 2023 (the "CIS Code"), crystallisation of the Performance Fee should be no more frequent than once a year. Therefore, with effect from FY 2016, 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.

Additional Information

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 are as follows:

For Period	Issue Date	Units	Issue Price[1] ($)	Total Value ($'000)
Base Management Fees				
1 January 2023 to 31 March 2023	26 April 2023	3,158,035	1.4234	4,495
1 April 2023 to 30 June 2023	26 July 2023	3,544,727	1.2967	4,596
1 July 2023 to 30 September 2023	23 October 2023	3,890,934	1.1855	4,613
1 October 2023 to 31 December 2023	24 January 2024	3,809,964	1.2154	4,631
Performance Management Fees				
1 January 2023 to 31 December 2023	24 January 2024	8,350,629	1.2154	10,149
				28,484

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.

SUBSCRIPTION OF UNITS

As at 31 December 2023, an aggregate of 2,897,274,356 Units were in issue. On 24 January 2024, Suntec REIT issued 3,809,964 and 8,350,629 Units to the Manager as base fees for the period from 1 October 2023 to 31 December 2023 and performance fees for the period from 1 January 2023 to 31 December 2023 respectively.

NON-DEAL ROADSHOW EXPENSES

Non-deal roadshow expenses of $41,900 were incurred during the year ended 31 December 2023.

PERCENTAGE OF TOTAL OPERATING EXPENSES TO NET ASSETS

Group	2023 ($'000)
Total Operating Expenses, including all fees, charges and reimbursables paid to the Manager and interested parties[1,2]	272,830
Net Assets	6,583,900
Percentage of total operating expenses to net assets attributable to Unitholders	4.1%

Notes:

1 Excludes finance costs, amortisation of intangible asset, net grant (income)/expense and exceptional item(s).

2 Includes one-third interest in One Raffles Quay Pte. Ltd, one-third interest in BFC Development LLP, 66.3% interest in Harmony Convention Holding Pte Ltd, 50.0% interest in Southgate Trust and 50.0% interest in Nova Limited Partnership and Nova Residential Limited Partnership.

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
10 Marina Boulevard #45-01
Marina Bay Financial Centre Tower 2
Singapore 018983
Telephone: +65 6658 6667

MANAGER

Registered Address
ARA Trust Management (Suntec) Limited
5 Temasek Boulevard #12-01
Suntec Tower Five
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Telephone: +65 6835 9232
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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

Shen Jinchu, Jeffrey
Non-Executive Director

Chong Kee Hiong
Chief Executive Officer and Executive Director

AUDIT AND RISK COMMITTEE

Yap Chee Meng
Chairman

Chan Pee Teck, Peter
Member

Yu-Foo Yee Shoon
Member

Lock Wai Han
Member

NOMINATING & REMUNERATION COMMITTEE

Chan Pee Teck, Peter
Chairman

Chew Gek Khim
Member

Lock Wai Han
Member

Yap Chee Meng
Member

Shen Jinchu, Jeffrey
Member

COMPANY SECRETARIES OF THE MANAGER

Low Mei Mei, Maureen
Chiang Wai Ming

LEGAL ADVISER

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AUDITOR OF THE TRUST

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(Partner-in-charge: Low Yen Mei)
(Appointed with effect from the financial year ended 31 December 2023)

STOCK EXCHANGE QUOTATION

BBG: SUN SP Equity
RIC: SUNT.SI

WEBSITES

www.suntecreit.com
www.esr.com

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