

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

Interim Financial Information
Six-month period ended 30 June 2022

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Introduction

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

Suntec REIT owns Suntec City Mall which comprises approximately 815,000 sq ft of net lettable area and certain office units in Suntec Towers One, Two and Three and the whole of Suntec Towers Four and Five, which form part of the integrated commercial development known as “Suntec City”. The property portfolio also comprises 66.3 per cent effective interest in Suntec Singapore Convention & Exhibition Centre and approximately 143,000 sq ft of net lettable area of Suntec City Mall (“Suntec Singapore”), a one-third interest in One Raffles Quay (“ORQ”) and a one-third interest in Marina Bay Financial Centre Towers 1 and 2, and the Marina Bay Link Mall (collectively known as “MBFC Properties”). Suntec REIT also holds a 100 per cent interest in the commercial building located at 177 Pacific Highway, Sydney, Australia (“177 Pacific Highway”), a 100 per cent interest in the commercial building located at 21 Harris Street, Pyrmont, Sydney, Australia (“21 Harris Street”), a 50.0 per cent interest in Southgate Complex, Melbourne, Australia (“Southgate Complex”), a 50.0 per cent interest in a commercial building, Olderfleet, at 477 Collins Street, Melbourne, Australia (“Olderfleet, 477 Collins Street”), a 100 per cent interest in a freehold office building at 55 Currie Street, Adelaide, Australia (“55 Currie Street”) and a 50.0 per cent interest in two grade A office buildings with ancillary retail in Victoria, West End, London, United Kingdom (“Nova Properties”) and a 100 per cent interest in a Grade A office building with ancillary retail located at 3 Minster Court, City of London, United Kingdom (“The Minster Building”).

Summary of Results

	Group		
	Six-month period ended 30/6/2022 \$'000	Six-month period ended 30/6/2021 \$'000	Change %
Gross revenue	203,542	166,764	22.1
Net property income	152,902	112,617	35.8
Income from joint ventures	120,737	60,359	100.0
- <i>loans to joint ventures</i>	16,621	16,205	2.6
- <i>share of profits</i> ^(a)	104,116	44,154	135.8
Distribution income	138,137	118,190	16.9
- <i>from operations</i>	126,637	118,190	7.1
- <i>from capital</i>	11,500	–	n.m.
Number of issued and issuable units at the end of the period entitled to distribution ('000) ^(a)	2,873,045	2,847,903	0.9
Distribution per Unit (“DPU”) (cents) ^{(b), (c)}	4.810	4.154	15.8
- <i>1 January to 31 March</i> ^(d)	2.391	2.045	16.9
- <i>1 April to 30 June</i>	2.419	2.109	14.7

n.m. – not meaningful

Footnotes:

- (a) *Included in the share of profits is a gain on fair value adjustments of \$59,396,000 for the half year ended 30 June 2022 (“1H FY22”) and \$2,246,000 for the half year ended 30 June 2021 (“1H FY21”).*
- (b) *The computation of Distribution per Unit for the period from 1 April 2022 to 30 June 2022 is based on the number of units entitled to distribution:*
- (i) *The number of units in issue as at 30 June 2022 of 2,870,263,868; and*
 - (ii) *The units issuable to the Manager by 30 July 2022 as partial satisfaction of asset management base fees incurred for the period from 1 April 2022 to 30 June 2022 of 2,780,927.*
- (c) *Please refer to Page 7 for the distribution per unit computation.*
- (d) *Distribution of 2.391 cents per unit for the period 1 January 2022 to 31 March 2022 was paid on 30 May 2022.*

Statements of Financial Position
As at 30 June 2022

	Note	Group		Trust	
		30/6/2022 \$'000	31/12/2021 \$'000	30/6/2022 \$'000	31/12/2021 \$'000
Non-current assets					
Plant and equipment		1,066	1,346	527	597
Investment properties	3	7,899,429	7,913,100	5,058,000	4,997,000
Rental guarantee receivables		472	7,098	–	–
Interests in joint ventures	4	3,436,742	3,444,820	1,471,741	1,471,741
Interests in subsidiaries		–	–	2,373,827	2,434,365
Long term investment		–	–	637	637
Derivative assets		63,498	19,268	12,294	1,651
		<u>11,401,207</u>	<u>11,385,632</u>	<u>8,917,026</u>	<u>8,905,991</u>
Current assets					
Derivative assets		2,737	538	2,737	538
Rental guarantee receivables		7,543	4,233	–	–
Trade and other receivables		46,827	29,964	32,724	22,067
Cash and cash equivalents		246,066	268,311	126,083	141,477
		<u>303,173</u>	<u>303,046</u>	<u>161,544</u>	<u>164,082</u>
Total assets		<u>11,704,380</u>	<u>11,688,678</u>	<u>9,078,570</u>	<u>9,070,073</u>
Current liabilities					
Interest-bearing borrowings	5	552,624	499,754	552,623	499,754
Trade and other payables		111,724	105,096	112,999	109,539
Derivative liabilities		–	828	–	828
Security deposits		20,548	29,830	13,970	16,891
Current tax liabilities		6,153	4,210	–	–
		<u>691,049</u>	<u>639,718</u>	<u>679,592</u>	<u>627,012</u>

Statements of Financial Position (cont'd)
As at 30 June 2022

	Note	Group		Trust	
		30/6/2022 \$'000	31/12/2021 \$'000	30/6/2022 \$'000	31/12/2021 \$'000
Non-current liabilities					
Interest-bearing borrowings	5	4,313,954	4,419,236	2,885,979	2,939,561
Security deposits		54,634	51,298	44,039	40,445
Derivative liabilities		–	12,503	–	4,313
Deferred tax liabilities		69,393	67,161	–	–
		<u>4,437,981</u>	<u>4,550,198</u>	<u>2,930,018</u>	<u>2,984,319</u>
Total liabilities		<u>5,129,030</u>	<u>5,189,916</u>	<u>3,609,610</u>	<u>3,611,331</u>
Net assets		<u>6,575,350</u>	<u>6,498,762</u>	<u>5,468,960</u>	<u>5,458,742</u>
Represented by:					
Unitholders' funds		6,124,420	6,051,805	5,120,958	5,110,695
Perpetual securities holders	6	348,002	348,047	348,002	348,047
Non-controlling interests		102,928	98,910	–	–
		<u>6,575,350</u>	<u>6,498,762</u>	<u>5,468,960</u>	<u>5,458,742</u>
Units in issue ('000)	7	<u>2,870,264</u>	<u>2,852,999</u>	<u>2,870,264</u>	<u>2,852,999</u>
Net asset value per Unit (S\$)	8	<u>2.132</u>	<u>2.110</u>	<u>1.782</u>	<u>1.782</u>

Statement of Total Return
Six-month period ended 30 June 2022

	Group			
	Six-month period ended 30/6/2022 \$'000	Six-month period ended 30/6/2021 \$'000	Change %	
Gross revenue	203,542	166,764	22.1	
Property expenses	(50,640)	(54,147)	6.5	
Net property income	152,902	112,617	35.8	
Other income	4,103	8,203	(50.0)	
Share of profit of joint ventures	104,116	44,154	135.8	
Finance income	16,724	16,327	2.4	
Finance costs	(64,500)	(59,479)	(8.4)	
Net finance costs	(47,776)	(43,152)	(10.7)	
Asset management fees				
- base fee	(20,261)	(19,459)	(4.1)	
- performance fee	(10,004)	(8,645)	(15.7)	
Trust expenses	(3,268)	(2,791)	(17.1)	
Net income	179,812	90,927	97.8	
Net change in fair value of financial derivatives	54,314	23,734	128.8	
Net change in fair value of investment properties	54,157	–	n.m.	
Net gain from divestment of joint venture	–	13,822	n.m.	
Total return for the period before tax	288,283	128,483	124.4	
Income tax expense	(8,720)	(2,512)	(247.1)	
Total return for the period after tax	279,563	125,971	121.9	
Attributable to:				
Unitholders of the Trust and perpetual securities holders	275,545	126,389	118.0	
Non-controlling interests	4,018	(418)	n.m.	
	279,563	125,971	121.9	
Earnings per unit (cents)				
Basic	10	9.363	4.308	117.3
Diluted	10	9.344	4.257	119.5

Distribution Statement
Six-month period ended 30 June 2022

	Group	
	Six-month period ended 30/6/2022 \$'000	Six-month period ended 30/6/2021 \$'000
Amount available for distribution to Unitholders at the beginning of the period	65,207	64,026
Total return attributable to Unitholders and perpetual securities holders before distribution	275,545	126,389
Less: Total return attributable to perpetual securities holders	(6,930)	(4,048)
Net tax adjustments (Note A)	(236,135)	(81,868)
Taxable income	32,480	40,473
Add:		
- Dividend income (Note B)	94,157	77,717
- Others (Note C)	11,500	–
Amount available for distribution to Unitholders	203,344	182,216
<i>Distribution to Unitholders</i>		
Distribution of 2.261 cents per Unit for period from 1/10/2020 to 31/12/2020	–	(64,160)
Distribution of 2.045 cents per Unit for period from 1/1/2021 to 31/3/2021	–	(58,121)
Distribution of 2.280 cents per Unit for period from 1/10/2021 to 31/12/2021	(65,382)	–
Distribution of 2.391 cents per Unit for period from 1/1/2022 to 31/3/2022	(68,628)	–
Distribution to Unitholders	(134,010)	(122,281)
Income available for distribution to Unitholders at end of the period	69,334	59,935
Distribution per Unit (cents) from 1 January to 30 June (Note D)	4.810	4.154

Distribution Statement (cont'd)
Six-month period ended 30 June 2022

	Group	
	Six-month period ended 30/6/2022 \$'000	Six-month period ended 30/6/2021 \$'000
Note A		
Net tax adjustments comprise:		
- Asset management fee paid/payable in Units	14,064	20,865
- Amortisation of transaction costs	2,405	3,317
- Net profit from subsidiaries and joint ventures	(146,955)	(82,909)
- Net foreign currency exchange differences	2,654	1,449
- Net change in fair value of financial derivatives	(53,564)	(26,071)
- Net change in fair value of investment properties	(54,157)	–
- Net gain from divestment of joint venture	–	(13,822)
- Sinking fund contribution	–	8,025
- Trustee's fees	996	985
- Other items ⁽¹⁾	(1,578)	6,293
Net tax adjustments	(236,135)	(81,868)

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

Note B

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

	Group	
	Six-month period ended 30/6/2022 \$'000	Six-month period ended 30/6/2021 \$'000
Wholly-owned subsidiaries		
Comina Investment Limited	14,126	12,861
Suntec REIT Capital Pte. Ltd.	10,000	13,000
Suntec REIT (PM) Pte Ltd	–	1,747
Suntec REIT (Australia) Trust	31,545	30,441
Suntec REIT UK 1 Pte. Ltd.	10,913	–
Victoria Circle Unit Trust 1	7	–
Victoria Circle Unit Trust 2	7	–
Suntec REIT UK (LP) Pte. Ltd.	9,249	–
	75,847	58,049
Joint venture		
BFC Development LLP	18,310	19,668
	94,157	77,717

Note C

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

Note D

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

Statements of Movements in Unitholders' Funds
Six-month period ended 30 June 2022

	Group		Trust	
	Six-month period ended 30/6/2022 \$'000	Six-month period ended 30/6/2021 \$'000	Six-month period ended 30/6/2022 \$'000	Six-month period ended 30/6/2021 \$'000
Unitholders' funds at the beginning of the period	6,051,805	5,829,657	5,110,695	5,064,542
Total return attributable to Unitholders and perpetual securities holders	275,545	126,389	142,142	99,807
Less: Total return attributable to perpetual securities holders	(6,930)	(4,048)	(6,930)	(4,048)
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges ⁽¹⁾	10,693	2,805	–	–
Foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(81,744)	23,526	–	–
Net (loss) / gain recognised directly in Unitholders' funds	(71,051)	26,331	–	–
Unitholders' transactions				
Creation of Units				
- asset management fees payable in Units ⁽²⁾	4,526	6,954	4,526	6,954
Units to be issued				
- asset management fees payable in Units ⁽²⁾	4,535	6,995	4,535	6,995
- divestment fees payable in Units ⁽³⁾	–	1,478	–	1,478
Distributions to Unitholders	(134,010)	(122,281)	(134,010)	(122,281)
Net decrease in Unitholders' funds resulting from Unitholders' transactions	(124,949)	(106,854)	(124,949)	(106,854)
Unitholders' funds at end of the period	6,124,420	5,871,475	5,120,958	5,053,447

Notes:

- (1) This represents the Group's share of fair value change of the cash flow hedges as a result of interest rate swaps entered into by subsidiaries and a joint venture.*
- (2) This represents the value of units issued and to be issued the Manager as partial satisfaction of asset management fees incurred for the financial period from 1 January to 30 June. The asset management base fee units for the quarter ended 30 June 2022 are to be issued within 30 days from quarter end.*
- (3) This represents the value of units issuable to the Manager as satisfaction of divestment fees in relation to the divestment of Park Mall Investment Limited during the six-month period ended 30 June 2021.*

Statements of Movements in Unitholders' Funds (cont'd)
Six-month period ended 30 June 2022

	Group		Trust	
	Six-month period ended 30/6/2022 \$'000	Six-month period ended 30/6/2021 \$'000	Six-month period ended 30/6/2022 \$'000	Six-month period ended 30/6/2021 \$'000
Perpetual securities holders at the beginning of the period	348,047	198,675	348,047	198,675
Total return attributable to perpetual securities holders	6,930	4,048	6,930	4,048
Transactions with perpetual securities holders				
Issue of perpetual securities	–	150,000	–	150,000
Issue expenses	(7)	(920)	(7)	(920)
Distribution to perpetual securities holders	(6,968)	(3,790)	(6,968)	(3,790)
Net (decrease) / increase resulting from transactions with perpetual securities holders	(6,975)	145,290	(6,975)	145,290
Perpetual securities holders at the end of the period	348,002	348,013	348,002	348,013
Non-controlling interests at the beginning of the period	98,910	84,838	–	–
Total return attributable to non-controlling interests	4,018	(418)	–	–
Non-controlling interests at the end of the period	102,928	84,420	–	–

Portfolio Statements
As at 30 June 2022

Group

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed Occupancy Rate as at 30/6/2022 %	Committed Occupancy Rate as at 31/12/2021 %	Carrying Value as at 30/6/2022 \$'000	Carrying Value as at 31/12/2021 \$'000	Percentage of Total Unitholders' funds as at 30/6/2022 %	Percentage of Total Unitholders' funds as at 31/12/2021 %
<i>Investment properties in Singapore</i>											
Suntec City Mall	Leasehold	99 years	66 years	3 Temasek Boulevard	Commercial	96.1	94.7	2,022,000	2,022,000	33.0	33.4
Suntec City Office Towers	Leasehold	99 years	66 years	5 - 9 Temasek Boulevard	Commercial	99.4	97.2	3,036,000	2,975,000	49.6	49.2
Suntec Singapore [^]	Leasehold	99 years	66 years	1 Raffles Boulevard	Commercial	n/m	n/m	662,000	662,000	10.8	10.9
<i>Investment properties in Australia</i>											
177 Pacific Highway	Freehold	–	–	177 – 199 Pacific Highway, North Sydney	Commercial	93.8	93.8	691,546	707,904	11.3	11.7
21 Harris Street	Freehold	–	–	21 Harris Street, Pyrmont, New South Wales	Commercial	92.7	91.0	294,067	296,181	4.8	4.9
55 Currie Street	Freehold	–	–	55 Currie Street, Adelaide	Commercial	99.5	95.7	141,190	149,643	2.3	2.5
Olderfleet, 477 Collins Street	Freehold	–	–	477 Collins Street, Melbourne	Commercial	98.7	98.3	459,109	466,528	7.5	7.7
<i>Investment property in United Kingdom</i>											
The Minster Building	Leasehold	999 years	967 years	21 Mincing Lane, EC3, London	Commercial	96.7	96.7	593,517 ⁽¹⁾	633,844 ⁽¹⁾	9.7	10.5
Investment properties								7,899,429	7,913,100	129.0	130.8
Interests in joint ventures								3,436,742	3,444,820	56.1	56.9
Other assets and liabilities (net)								11,336,171	11,357,920	185.1	187.7
Net assets								(4,760,821)	(4,859,158)	(77.7)	(80.3)
Perpetual securities holders								6,575,350	6,498,762	107.4	107.4
Non-controlling interests								(348,002)	(348,047)	(5.7)	(5.8)
Unitholders' funds								(102,928)	(98,910)	(1.7)	(1.6)
								6,124,420	6,051,805	100.0	100.0

[^] denotes Suntec Singapore Convention and Exhibition Centre.

(1) The valuation reflects the price that would be received from the sale of the investment property where the Purchaser's cost (including stamp duty) is assumed to be 6.8%, in line with accounting standards. The valuation based on the price that would be received for the sale of the special purpose vehicle holding the investment property where the Purchaser's cost (excluding stamp duty) is assumed to be 1.8% is \$622.6 million (2021: \$665.0 million).

Portfolio Statements (cont'd)
As at 30 June 2022

Trust

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed	Committed	Carrying	Carrying	Percentage	Percentage
						Occupancy Rate as at 30/6/2022 %	Occupancy Rate as at 31/12/2021 %	Value as at 30/6/2022 \$'000	Value as at 31/12/2021 \$'000	of Total Unitholders' funds as at 30/6/2022 %	of Total Unitholders' funds as at 31/12/2021 %
<i>Investment properties in Singapore</i>											
Suntec City Mall	Leasehold	99 years	67 years	3 Temasek Boulevard	Commercial	96.1	94.7	2,022,000	2,022,000	39.5	39.6
Suntec City Office Towers	Leasehold	99 years	67 years	5 - 9 Temasek Boulevard	Commercial	99.4	97.2	3,036,000	2,975,000	59.3	58.2
Investment properties								5,058,000	4,997,000	98.8	97.8
Interests in joint ventures								1,471,741	1,471,741	28.7	28.8
Interests in subsidiaries								2,373,827	2,434,365	46.4	47.6
Other assets and liabilities (net)								8,903,568	8,903,106	173.9	174.2
Net assets								(3,434,608)	(3,444,364)	(67.1)	(67.4)
Perpetual securities holders								5,468,960	5,458,742	106.8	106.8
Unitholders' funds								(348,002)	(348,047)	(6.8)	(6.8)
								5,120,958	5,110,695	100.0	100.0

**Portfolio Statements (cont'd)
As at 30 June 2022**

Note:

Suntec City Office Towers comprise 12 strata lots in Suntec City Office Tower One, 3 strata lots in Suntec City Office Tower Two, 76 strata lots in Suntec City Office Tower Three and all the strata lots in Suntec City Office Towers Four and Five.

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

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

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

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

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

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

The carrying amounts of the investment properties as at 30 June 2022 were based on independent full or desktop valuations undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Cushman & Wakefield (Valuations) Pty Ltd, CIVAS (VIC) Pty Limited, Jones Lang LaSalle Limited and Savills (UK) Limited.

As at 31 December 2021, full independent valuations were undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Cushman & Wakefield (Valuations) Pty Ltd, CIVAS (VIC) Pty Limited and Jones Lang LaSalle Limited.

The independent valuers have appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuations were based on a combination of the discounted cash flow method, capitalisation approach and direct comparison method.

Statement of Cash Flows
Six-month period ended 30 June 2022

	Group	
	Six-month period ended 30/6/2022 \$'000	Six-month period ended 30/6/2021 \$'000
Cash flows from operating activities		
Total return for the period before tax	288,283	128,483
Adjustments for:		
Reversal of allowance for doubtful trade receivables	(657)	(1,584)
Asset management fees paid/payable in Units	14,064	20,865
Depreciation of plant and equipment	348	384
Loss on disposal of plant and equipment	–	1
Net change in fair value of financial derivatives	(54,314)	(23,734)
Net change in fair value of investment properties	(54,157)	–
Net finance costs	47,776	43,152
Net gain on divestment of joint venture	–	(13,822)
Share of profit of joint ventures	(104,116)	(44,154)
	137,227	109,591
Changes in:		
- Trade and other receivables	(3,419)	(16,044)
- Trade and other payables	(12,118)	(16,154)
Cash generated from operating activities	121,690	77,393
Tax paid	(2,845)	–
Net cash from operating activities	118,845	77,393
Cash flows from investing activities		
Capital expenditure on investment properties	(855)	(2,395)
Change in investment in joint ventures	–	(2,230)
Deposit paid for acquisition of a subsidiary	–	(32,863)
Dividend received from joint ventures	23,130	27,293
Interest received from loan to joint ventures	19,332	16,307
Purchase of plant and equipment	(69)	(152)
Net proceeds from divestment of joint venture	–	89,920
Loan repayment by joint venture	20,001	1,800
Net cash from investing activities	61,539	97,680

Statement of Cash Flows (cont'd)
Six-month period ended 30 June 2022

	Group	
	Six-month period ended 30/6/2022	Six-month period ended 30/6/2021
	\$'000	\$'000
Cash flows from financing activities		
Distributions to Unitholders	(134,010)	(120,050)
Distributions to perpetual securities holders	(6,968)	(3,790)
Financing cost paid	(58,370)	(54,244)
Repayment of medium term notes	(100,000)	–
Proceeds from issuance of perpetual securities	–	150,000
Payment of transaction costs on issue of perpetual securities	(7)	(920)
Proceeds from interest-bearing loans	500,000	501,497
Repayment of interest-bearing loans	(400,000)	(482,750)
Net cash used in financing activities	(199,355)	(10,257)
Net (decrease) / increase in cash and cash equivalents	(18,971)	164,816
Cash and cash equivalents at beginning of the period	268,311	227,474
Effects on exchange rate fluctuations on cash held	(3,274)	738
Cash and cash equivalents at end of the period	246,066	393,028

Significant non-cash transactions

There were the following non-cash transactions:

Six-month period ended 30 June 2022

The Group had issued a total of 17,264,394 Units to the Manager, amounting to approximately S\$26.3 million at unit prices ranging from S\$1.4883 to S\$1.7267 as satisfaction of the asset management fees payable in Units.

Six-month period ended 30 June 2021

The Group had issued a total of 16,816,646 Units to the Manager, amounting to approximately S\$25.7 million at unit prices ranging from S\$1.5115 to S\$1.5668 as satisfaction of the asset management fees payable in Units.

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

Notes to the Interim Financial Statements

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

1 General

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

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

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

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

2 Basis of preparation

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

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

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

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

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

2 Basis of preparation (cont'd)

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

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

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

3 Investment properties

	Group		Trust	
	30/6/2022	31/12/2021	30/6/2022	31/12/2021
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the period	7,913,100	7,262,856	4,997,000	5,088,000
Acquisition of a subsidiary	–	645,838	–	–
Capital expenditure capitalised/(Reversal of accruals for capital expenditure)	9,734	37,997	(1,252)	891
Divestments	–	(180,920)	–	(180,920)
	7,922,834	7,765,771	4,995,748	4,907,971
Net change in fair value of investment properties	54,157	223,973	62,252	89,029
Effects of movements in exchange rates	(77,562)	(76,644)	–	–
Balance at end of the period	7,899,429	7,913,100	5,058,000	4,997,000

The carrying amounts of the investment properties as at 30 June 2022 were based on independent full or desktop valuations undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Cushman & Wakefield (Valuations) Pty Ltd, CIVAS (VIC) Pty Limited, Jones Lang LaSalle Limited and Savills (UK) Limited.

As at 31 December 2021, full independent valuations were undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Cushman & Wakefield (Valuations) Pty Ltd, CIVAS (VIC) Pty Limited and Jones Lang LaSalle Limited.

As at 31 December 2021, the valuation reports obtained from certain external valuers had included market uncertainty clauses, highlighting that less certainty and a higher degree of caution should be attached to their valuations than would normally be the case. Due to the unknown future impact that COVID-19 pandemic might have on the real estate market, the external valuers had recommended to keep the valuation of these properties under frequent review.

3 Investment properties (cont'd)

Measurement of fair value

The fair values of investment properties were determined by external independent valuers having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued. Independent valuations of the investment properties are carried out at least once a year.

The valuers have considered valuation techniques including the discounted cash flow method, capitalisation approach and/or direct comparison method. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates.

The direct comparison method involves the analysis of comparable sales of similar properties, with adjustments made to differentiate the comparable in terms of location, area, quality and other relevant factors.

The valuation technique(s) considered by valuers for each property is in line with market practices generally adopted in the jurisdiction in which the property is located.

4 Interests in joint ventures

	Group		Trust	
	30/6/2022 \$'000	31/12/2021 \$'000	30/6/2022 \$'000	31/12/2021 \$'000
Investment in joint ventures	2,264,774	2,214,067	850,574	850,574
Loans to joint ventures	1,171,968	1,230,753	621,167	621,167
	3,436,742	3,444,820	1,471,741	1,471,741

Included in the Group's loans to joint ventures as at 30 June 2022 are amounts of \$910,884,000 (2021: \$938,267,000) which bear interest ranging from 2.64% to 5.00% (2021: 2.40% to 5.00%) per annum. The remaining balances are interest-free.

The Trust's loans to joint ventures bear interest between 2.64% to 3.45% (2021: 2.40% to 2.88%) per annum.

The loans to joint ventures have no fixed terms of repayment. The loans to joint ventures represent the Group's and the Trust's net investments in the joint ventures and the settlement of these loans is neither planned nor likely to occur in the foreseeable future. Accordingly, the loans are classified as non-current.

4 Interests in joint ventures (cont'd)

Details of the material joint ventures are as follows:

Name of joint ventures	Principal place of business	Effective equity interest held by the Group	
		30/6/2022 %	31/12/2021 %
One Raffles Quay Pte. Ltd. ("ORQPL")	Singapore	33.33	33.33
BFC Development LLP ("BFCDLLP")	Singapore	33.33	33.33
Southgate Trust ("SGT")	Australia	50.0	50.0
Nova Limited Partnership	United Kingdom	50.0	50.0
Nova Residential Limited Partnership	United Kingdom	50.0	50.0

One Raffles Quay Pte. Ltd. owns One Raffles Quay, Singapore.

BFC Development LLP owns Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall, Singapore.

Suntec REIT (Australia) Trust owns 50% interest in Southgate Trust which in turn, owns 100% in Southgate Complex, Melbourne, Australia.

Nova Limited Partnership owns the properties, Nova North, Nova South, and commercial units in The Nova Building, United Kingdom.

Nova Residential Limited Partnership holds the residential ground lease in The Nova Building, United Kingdom.

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

On 16 June 2021, the Group completed the sale of its 30.0% interest in PMIL Group to a related party, Haiyi Holdings Pte. Ltd., for an aggregate consideration of \$90.0 million, based on the adjusted net asset value of PMIL Group. The consideration takes into account the agreed value of the Property – 9 Penang Road (on a 100% basis) of \$985.0 million. A net gain from divestment of the joint venture amounting to \$13.8 million was recognised to the Statement of Total Return.

5 Interest-bearing borrowings

	Group		Trust	
	30/06/2022	31/12/2021	30/06/2022	31/12/2021
	\$'000	\$'000	\$'000	\$'000
Term loans				
- secured	2,025,439	2,056,549	892,333	891,354
- unsecured	2,841,139	2,862,441	2,546,269	2,547,961
	4,866,578	4,918,990	3,438,602	3,439,315
<i>Classified as:</i>				
Current	552,624	499,754	552,623	499,754
Non-current	4,313,954	4,419,236	2,885,979	2,939,561
	4,866,578	4,918,990	3,438,602	3,439,315

Secured loans

As at 30 June 2022, the Group has in place the following loan facilities:

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

As at 30 June 2022, the Group has drawn down S\$2,039 million (2021: S\$2,072 million) of the secured facilities.

The facilities are secured on the following:

- A first legal mortgage on Suntec Singapore, Suntec City Mall, 177 Pacific Highway, 55 Currie Street and 21 Harris Street (2021: Suntec Singapore, Suntec City Mall, 177 Pacific Highway, 55 Currie Street and 21 Harris Street);
- A first fixed charge over the central rental collection account in relation to the Suntec Singapore and Suntec City Mall (2021: Suntec Singapore and Suntec City Mall);
- A first registered general security over the rental collection accounts in relation to the 177 Pacific Highway, 55 Currie Street and 21 Harris Street, supported by account bank deeds from the account banks (2021: 177 Pacific Highway, 55 Currie Street and 21 Harris Street);
- An assignment of the rights, title and interest in the key documents and the proceeds in connection with Suntec Singapore and Suntec City Mall (2021: Suntec Singapore and Suntec City Mall);
- An assignment of the rights, title and interest in the insurance policies in relation to Suntec Singapore and Suntec City Mall (2021: Suntec Singapore and Suntec City Mall);
- A fixed and floating charge over the assets of a subsidiary in relation to Suntec Singapore (2021: Suntec Singapore), agreements, collateral, as required by the financial institutions granting the facility;
- A first registered specific security deed in respect of all units and shares in, and any shareholder loans to Suntec REIT 177 Trust, Suntec REIT 55 Trust and Suntec REIT 21 Trust (2021: Suntec REIT 177 Trust, Suntec REIT 55 Trust and Suntec REIT 21 Trust);
- First ranking charge over units in the JPUTs, bank accounts of the JPUTs, and bank accounts of a subsidiary (2021: First ranking charge over units in the JPUTs, bank accounts of the JPUTs, and bank accounts of a subsidiary); and
- Corporate guarantees from the Trust.

5 Interest-bearing borrowings (cont'd)

Unsecured loans

Included in unsecured term loans are medium term notes (“EMTN”) amounting to S\$780.0 million (2021: S\$880.0 million).

6 Perpetual securities holders

On 15 October 2020, the Trust updated its EMTN Programme (“Programme”) to increase the Programme limit from US\$1,500.0 million to US\$2,000.0 million and to issue perpetual securities under the Programme. The Programme was renamed as the US\$2,000.0 million Euro Medium Term Securities Programme.

On 27 October 2020, the Trust issued S\$200.0 million of fixed rate subordinated perpetual securities with an initial distribution rate of 3.80% per annum. The first distribution rate reset falls on 27 October 2025 with subsequent resets occurring every five years thereafter.

On 15 June 2021 the Trust issued S\$150.0 million of fixed rate subordinated perpetual securities with an initial distribution rate of 4.25% per annum. The first distribution rate reset falls on 15 June 2026 with subsequent resets occurring every five years thereafter.

The perpetual securities have no fixed redemption date and redemption is at the option of the Trust in accordance with the terms of issue of the securities. The distribution will be payable semi-annually at the discretion of the Trust and will be non-cumulative.

In terms of distribution payments or in the event of winding-up of the Trust:

- These perpetual securities rank *pari passu* with the holders of preferred Units (if any) and rank ahead of the Unitholders of the Trust, but junior to the claims of all other present and future creditors of the Trust.
- The Trust shall not declare or pay any distributions to the Unitholders, or make redemptions, unless the Trust declares or pays any distributions to the holders of the perpetual securities.

These perpetual securities are classified as equity instruments and recorded within the Statements of Movements in Unitholders’ Funds. The S\$348,002,000 (2021: S\$348,047,000) presented on the Statements of Financial Position represents the S\$350,000,000 (2021: S\$350,000,000) perpetual securities net of issue costs and distributions made to perpetual securities holders and includes total return attributable to perpetual securities holders from the issue date.

7 Units in issue

	Group and Trust	
	30/6/2022	31/12/2021
	'000	'000
Units in issue:		
At the beginning of the period	2,852,999	2,825,294
Issue of units:		
- asset management fees paid in Units	17,264	26,706
- divestment fees paid in Units	–	999
Issued units at the end of the period	2,870,263	2,852,999
Units to be issued:		
- asset management fees payable in Units	2,782	14,643
Total issued and issuable Units at the end of the period	2,873,045	2,867,642

8 Net asset value per Unit

	Note	Group		Trust	
		30/6/2022	31/12/2021	30/6/2022	31/12/2021
		\$'000	\$'000	\$'000	\$'000
Net asset value per Unit is based on:					
Net assets attributable to Unitholders		6,124,420	6,051,805	5,120,958	5,110,695
		'000	'000	'000	'000
Total issued and issuable Units at the end of the period	7	2,873,045	2,867,642	2,873,045	2,867,642

9 Total return for the period before tax

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

	Group	
	Six-month period ended 30/6/2022	Six-month period ended 30/6/2021
	\$'000	\$'000
Interest income	16,724	16,327
Finance income	16,724	16,327
Interest expense	(57,085)	(53,776)
Amortisation of transaction costs	(3,857)	(4,350)
Net foreign exchange loss	(3,558)	(1,353)
Finance costs	(64,500)	(59,479)

9 Total return for the period before tax (cont'd)

	Group	
	Six-month period ended 30/6/2022 \$'000	Six-month period ended 30/6/2021 \$'000
Depreciation of plant and equipment	(348)	(384)
Reversal of allowance for doubtful trade receivables	657	1,584
Loss on disposal of plant and equipment	–	(1)
	<u>–</u>	<u>(1)</u>

10 Earnings per Unit

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

	Group	
	Six-month period ended 30/6/2022 \$'000	Six-month period ended 30/6/2021 \$'000
Total return for the period after tax attributable to Unitholders and perpetual securities holders	275,545	126,389
Less: Total return for the period attributable to perpetual securities holders	(6,930)	(4,048)
Total return attributable to Unitholders	<u>268,615</u>	<u>122,341</u>

	Number of Units	
	Group	
	Six-month period ended 30/6/2022 '000	Six-month period ended 30/6/2021 '000
Weighted average number of Units:		
- outstanding during the period	2,868,975	2,839,929
- to be issued as payment of divestment fees payable in Units	–	83
- to be issued as payment of asset management fees payable in Units	15	26
	<u>2,868,990</u>	<u>2,840,038</u>

10 Earnings per Unit (cont'd)

In calculating diluted earnings per Unit, the total return for the period after tax and weighted average number of Units in issue are adjusted to take into account the effect of all dilutive potential units, as set out below:

	Group	
	Six-month period ended 30/6/2022 '000	Six-month period ended 30/6/2021 '000
Total return for the period after tax attributable to Unitholders	275,545	126,389
Less: Total return for the period attributable to perpetual securities holders	(6,930)	(4,048)
Total return attributable to Unitholders	268,615	122,341
Profit impact of conversion of the bonds	–	654
Adjusted total return for the period after tax	268,615	122,995
	Number of Units	
	Group	
	Six-month period ended 30/6/2022 '000	Six-month period ended 30/6/2021 '000
Weighted average number of Units used in calculation of basic earnings per Unit	2,868,990	2,840,038
Weighted average number of Units to be issued in relation to asset management fees and assuming conversion of bonds	5,833	48,871
Weighted average number of Units used in calculation of diluted earnings per Unit	2,874,823	2,888,909

As at 30 June 2021, the Group and the Trust had convertible bonds which were convertible into approximately 44,132,653 Units.

11 Financial ratios

	Group		Trust	
	Six-month period ended 30/6/2022 %	Six-month period ended 30/6/2021 %	Six-month period ended 30/6/2022 %	Six-month period ended 30/6/2021 %
Expenses to weighted average net assets ¹				
- including performance component of asset management fees	1.05	1.02	1.13	1.65
- excluding performance component of asset management fees	0.74	0.74	0.76	1.32
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.

Other Information Required by Listing Rule Appendix 7.2

Explanatory Notes

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

- i. Rental guarantee receivables*
This represents the rental guarantee receivables under rental guarantee arrangements with the sellers of 21 Harris Street and Nova Properties.
- ii. Long term investment*
This relates to the Trust's 0.1% direct interest in Victoria Circle Unit Trust 1 and Victoria Circle Unit Trust 2 (collectively, the "JPUTs") which indirectly holds 50.0% interest in Nova Properties. The remaining 99.9% interest in the JPUTs is held by SRUK1, a wholly-owned subsidiary of the Trust.
- iii. Derivative assets & liabilities*
This relates to foreign currency exchange contracts and interest rate swaps. The increase in net derivative assets was mainly due to higher interest rates during the period.
- iv. Trade and other receivables*
The increase for the Trust was mainly due to dividend receivable from joint ventures.

The increase for the Group was mainly due to dividend receivable from joint ventures, partially offset by interest received on loans to joint ventures.
- v. Cash and cash equivalents*
The decrease in cash and cash equivalents for the Trust and the Group was mainly due to payment of distribution during the period, partially offset by cash generated from operations.
- vi. Interest-bearing borrowings*
The interest-bearing borrowings are stated at amortised cost. The current portion of the interest-bearing borrowings as at 30 June 2022 relates to a S\$400.0 million loan facility and S\$180.0 million notes due in the next 12 months. The increase in current borrowings is mainly due to reclassification of borrowings due in the next 12 months from non-current to current, partially offset by loan repayments during the year.
- vii. Trade and other payables*
The increase in trade and other payables at the Group was mainly due to higher accrued income received for corporate events, conferences and long-term licences bookings at Suntec Singapore.

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

i. Gross revenue

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

	Group		
	1/6/22 to 30/6/22	1/6/21 to 30/6/21	Change
	S\$'000	S\$'000	%
Gross Revenue			
Suntec City	117,317	107,235	9.4%
Suntec Singapore	21,376	11,250	90.0%
177 Pacific Highway	19,212	20,471	(6.2%)
21 Harris Street	9,632	7,272	32.5%
55 Currie Street	8,011	8,070	(0.7%)
Olderfleet, 477 Collins Street	14,223	12,466	14.1%
The Minster Building	13,771	-	n.m.
	203,542	166,764	22.1%

n.m. – not meaningful

For 1H FY22, the gross revenue was S\$203.5 million, S\$36.8 million or 22.1% higher year-on-year. The increase was mainly due to contribution from The Minster Building that was newly acquired in July 2021, higher revenue from Suntec City, Suntec Singapore, 21 Harris Street and Olderfleet, 477 Collins Street. This was partially offset by lower revenue from 177 Pacific Highway due to lower occupancy and impact of weaker Australian Dollar.

Suntec City revenue increased by S\$10.1 million or 9.4% year-on-year, mainly due to higher retail revenue of \$8.7 million arising from higher occupancy, higher fixed and gross turnover rent, and higher marcoms revenue. Revenue from Suntec City Office increased by \$1.4 million due to higher occupancy and rent. Excluding the impact of the portfolio of Suntec City Office units divested in September 2021, the revenue from Suntec City Office increased \$5.1 million or 8.3% year-on-year. As at 30 June 2022, committed occupancy of Suntec City Mall was 96.1%, an improvement of 2.2 percentage points year-on-year while the committed occupancy of Suntec City Office was 99.4%, an increase of 6.0 percentage points year-on-year.

Suntec Singapore's revenue contribution of S\$21.4 million in 1H FY22 comprises S\$12.4 million from convention and S\$9.0 million from retail as compared to S\$3.9 million from convention and S\$7.4 million from retail in 1H FY21. The convention revenue increased \$8.5 million as a result of higher revenue from more corporate events, conferences and long-term licences. Suntec Singapore's retail revenue improved as compared to 1H FY21 mainly due to higher occupancy and rent.

177 Pacific Highway's gross revenue of S\$19.2 million was 6.2% lower year-on-year due to lower occupancy and weaker Australian dollar. Gross revenue from 21 Harris Street and Olderfleet, 477 Collins Street was higher by 32.5% and 14.1% respectively compared to 1H FY21 due to higher occupancy and rent, partially offset by the impact of weaker Australian dollar. As at 30 June 2022, the committed occupancy for 177 Pacific Highway was 93.8% while the committed occupancies for 21 Harris Street, 55 Currie Street and Olderfleet, 477 Collins Street were 92.7%, 99.5% and 98.7% respectively. There are rent guarantees for the vacant spaces at 21 Harris Street, 55 Currie Street and Olderfleet, 477 Collins Street.

The committed occupancy for The Minster Building stood at 96.7% as at 30 June 2022, with income guarantee over the vacant spaces, retail leases and co-working lease.

ii. *Net property income*

	Group		
	1/6/22 to 30/6/22	1/6/21 to 30/6/21	Change
	S\$'000	S\$'000	%
Net Property Income			
Suntec City	90,092	74,500	20.9%
Suntec Singapore	9,781	(456)	2245.0%
177 Pacific Highway	15,957	17,298	(7.8%)
21 Harris Street	7,533	5,834	29.1%
55 Currie Street	5,417	5,835	(7.2%)
Olderfleet, 477 Collins Street	11,346	9,606	18.1%
The Minster Building	12,776	-	n.m.
	152,902	112,617	35.8%

n.m. – not meaningful

The net property income for 1H FY22 was S\$152.9 million, S\$40.3 million or 35.8% higher year-on-year, mainly attributable to contribution from the newly acquired The Minster Building, higher revenue from Suntec City, Suntec Singapore, 21 Harris Street and Olderfleet, 477 Collins Street, absence of contribution to sinking fund for Suntec City and Suntec Singapore, partially offset by the loss of net property income from the portfolio of Suntec City Office units divested in September 2021.

iii. *Other income*

This relates to the income support in relation to 21 Harris Street, Olderfleet, 477 Collins Street, Nova Properties, and The Minster Building. Other income for 1H FY22 was lower year-on-year mainly due to lower income support required for 21 Harris Street and Olderfleet, 477 Collins Street as a result of higher occupancy at the properties and lower income support required for Nova Properties due to higher retail rent collection. The decrease is partially offset by income support from the newly acquired The Minster Building.

iv. *Share of profit of joint ventures*

	Group		
	1/6/22 to 30/6/22	1/6/21 to 30/6/21	Change
	S\$'000	S\$'000	%
Share of profit of joint ventures ⁽¹⁾			
One-third interest in ORQ	36,752	12,826	186.5%
One-third interest in MBFC Properties	52,623	20,598	155.5%
30% interest in PMIL ⁽²⁾	-	(3,252)	100.0%
50% interest in Southgate Complex	6,471	10,949	(40.9%)
50% interest in Nova Properties	8,270	3,033	172.7%
	104,116	44,154	135.8%

⁽¹⁾ Includes share of profits relating to gain on fair value adjustments of \$59,396,000 for 1H FY22 and \$2,246,000 for 1H FY21.

⁽²⁾ This relates to the period from 1 January 2021 to 15 June 2021. PMIL was divested on 16 June 2021.

The increase for 1H FY22 was mainly due to higher share of revaluation gain from investment properties held by joint ventures.

The committed occupancy for ORQ was 93.8%, 2.9 percentage points lower-on-year. The committed occupancy at MBFC Towers 1 & 2 remained stable at 97.5% while the committed occupancy at Marina Bay Link Mall declined 6.5 percentage points year-on-year to 85.4%. Southgate Complex's committed occupancy declined 2.2 percentage points to 91.5%. Nova Properties maintained 100% committed occupancy as at 30 June 2022.

v. *Finance costs*

	Group		
	1/6/22 to 30/6/22	1/6/21 to 30/6/21	Change
	S\$'000	S\$'000	%
Finance expense			
Interest expense			
- bank loans, notes and convertible bonds	(50,959)	(41,728)	(22.1%)
- interest rate swaps	(6,125)	(12,049)	49.2%
Amortisation and transaction costs	(3,857)	(4,350)	11.3%
Net foreign exchange differences	(3,559)	(1,352)	(163.2%)
	(64,500)	(59,479)	(8.4%)

Interest expense, comprising of interest on bank loans, notes and interest rate swaps for 1H FY22 was higher compared to the corresponding period mainly due to increase in bank loans to fund acquisitions and higher interest rates.

The all-in financing cost for the Group was 2.51% per annum for 1H FY22, 10 basis points higher than 1H FY21 interest rate of 2.41% per annum. The aggregate leverage ratio ("ALR") as at 30 June 2022 was 43.1% which was the same as the period ended 30 June 2021.

As at 30 June 2022, the interest coverage ratio was 3.0 times (30 June 2021: 2.8 times) and adjusted interest coverage ratio was 2.7 times (30 June 2021: 2.7 times).

vi. Asset management fees

Asset management fees – base fees for 1H FY22 was higher year-on-year mainly due to the acquisition of The Minster Building in July 2021 and higher valuation of the Group's investment properties compared to 1H FY21.

Asset management fees - performance fees for 1H FY22 was higher year-on-year mainly due to better operating performance.

vii. Trust expenses

Trust expenses for 1H FY22 was higher compared to the corresponding period mainly due to additional trust expenses from the newly acquired The Minster Building and higher professional fees relating to the valuation of investments properties conducted in 1H FY22.

viii. Net change in fair value of financial derivatives

This relates to the net gain / (loss) arising from fair value remeasurement of the foreign currency exchange contracts and interest rate swaps. These have no significant impact on distributable income.

ix. Net change in fair value of investment properties

This relates to the net revaluation gain on investment properties. The gain in 1H FY22 mainly relates due to revaluation gain on the Group's properties in Singapore, partially offset by revaluation loss on the Group's properties in Australia and United Kingdom. These have no impact on distributable income.

x. Net gain from divestment of joint venture

Net gain from divestment of joint venture in 1H FY21 relates to the divestment of the Group's 30.0% interest in PMIL Group on 16 June 2021.

xi. Income tax expense

This relates to income tax on operating profits and non-tax transparent income received, withholding tax as well as deferred tax provision. The income tax was higher year-on-year mainly due to higher income tax on operating profits on the properties in United Kingdom as well as Suntec Singapore.

C. Distribution Statement *(Please refer to Pages 7 - 8)*

The distribution income, comprising distribution income from operations and distribution income from capital for 1H FY22 was \$138.1 million, 16.9% higher compared to the corresponding period. The distributable income from operations for 1H FY22 was S\$126.6 million, 7.1% higher year-on-year.

The DPU for 1H FY22 was 4.810 cents per unit, 15.8% higher year-on-year mainly due to the higher distributable income from operations and capital distribution of \$11.5 million.

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

Distribution of 2.419 cents per unit, or approximately S\$69.5 million for the period from 1 April 2022 to 30 June 2022 will be paid by end of August 2022.

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

The interim financial statements as set out on pages 4 to 25 have been reviewed by KPMG LLP in Singapore in accordance with the Singapore Standard on Review Engagement 2410 – *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

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

Please see attached review report.

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

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

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

Based on the report released by the Ministry of Trade and Industry (“MTI”) on 25 May 2022, the Singapore economy grew 3.7% on a year-on-year basis in the first quarter of 2022. According to MTI estimates issued on 25 May 2022, Singapore economy is expected to grow between 3% to 5% in 2022.

Singapore Office

Market sentiments have improved with the easing of workplace restrictions in the second quarter of 2022. Core CBD occupancy decreased slightly by 0.2 percentage points to 93.6%¹ against the previous quarter due to the turnover of secondary office space, which is expected to be backfilled in the upcoming quarters. However, rental growth for Core CBD remained healthy at 3.8% quarter-on-quarter. Leasing activity continues to be supported by strong demand from Technology and non-bank Financial Services sectors. Singapore office market is expected to improve further amidst a recovery in the economy and limited new supply pipeline.

Revenue from Suntec REIT’s Singapore office portfolio is expected to remain stable, supported by the positive rent reversions achieved from the past 16 quarters. Occupancy is expected to remain robust with healthy positive rent reversion.

Singapore Retail

The Singapore Retail market showed strong signs of recovery with the easing of border restrictions and social distancing measures from 1 April 2022. Retail sales for April and May 2022 grew by 2.0% and 4.7% month-on-month respectively, surpassing pre-pandemic levels¹. However, retailers remain cautious in light of the headwinds from operating challenges such as manpower shortages and rising operating costs.

Shopper traffic for Suntec City Mall is expected to improve with the return of office, convention and tourist crowds, as well as the resumption of more atrium events. However, increase in tenant sales is likely to be moderated due to weaker consumer sentiments in view of the inflationary pressures. Mall occupancy is expected to improve further by end of the year. The healthy occupancy, higher rent and marcoms revenue expected will underpin the recovery of revenue for Suntec City Mall.

Singapore Convention

Suntec Convention is on the road to recovery led by domestic market business recovery in the short term. This is supported by the return of international Meetings, Incentives, Conventions and Exhibitions (“MICE”), albeit on a smaller scale as travel restrictions ease. Income from Suntec Convention remains impacted for the whole of 2022.

¹ CBRE, Singapore Figures Report 2Q 2022

Australia Office and Retail

According to the Australian Bureau of Statistics, the Australian economy grew by 3.3% on a year-on-year basis in the first quarter of 2022.

The national office CBD occupancy stood at 86.5% in the first quarter of 2022, a marginal increase of 0.2 percentage points. Prime office occupancy rate in Adelaide increased 1.2 percentage points to 89.2% while remaining unchanged at 84.7% in Melbourne. The prime office occupancy rate in Sydney decreased slightly by 0.2 percentage points to 88.4%².

With net absorption turning positive, slight improvement in occupancy levels are expected although short term leasing demand is subdued. Suntec REIT Australia office portfolio is expected to remain resilient with minimal lease expires in 2022, underpinned by strong occupancy, annual rent escalations and long weighted average lease expires (“WALE”). Vacant spaces at 21 Harris Street and Olderfleet, 477 Collins Street are further protected by rent guarantees.

The CBD retail market in Melbourne continues to be weak as tourism restrictions and flexible remote work arrangements have led to declines in shopper traffic and retail sales. Retail rents in the CBD are expected to remain weak despite further easing of restrictions as the return to office is slow.

United Kingdom Office and Retail

According to the Office for National Statistics, the United Kingdom GDP increased by 8.7% on a year-on-year basis in the first quarter of 2022. The economic outlook is expected to be dampened by inflationary pressures which is expected to remain elevated through 2022³. Gradual pick up in leasing activity was observed in the first quarter of 2022 and were driven mainly by Professional Services, Banking & Finance, and Technology sectors. Occupancy in the Central London Office market improved by 0.2 percentage points quarter-on-quarter, to 92.2%³ due to a decrease in new build supply as occupiers focused more on better quality space. High quality office buildings located near London’s key transport hubs remain well sought after.

Suntec REIT’s office revenue from the United Kingdom will remain resilient underpinned by full occupancy and long WALE with no lease expiry until 2027. Retail income continues to be protected by rent guarantees.

² JLL, Australia Office Overview and Outlook, Sydney CBD Office, North Shore Office and Melbourne CBD Office Market Reports 1Q 2022

³ JLL, Central London Office Market Report 1Q 2022

H. Distribution Information

a) Current Financial Period Reported on

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

Name of distribution: Distribution for the period 1 January 2022 to 30 June 2022

Distribution rate:	Distribution Type	Distribution Rate Per Unit (cents)
	Taxable income	3.242
	Tax-exempt income	1.168
	Capital distribution	0.400
	Total	4.810

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

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

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

Remark Taxable income comprised 1.635 cents per unit for the period 1 January 2022 to 31 March 2022 and 1.607 cents per unit for the period 1 April 2022 to 30 June 2022.

Tax exempt income comprised 0.556 cents per unit for the period 1 January 2022 to 31 March 2022, and 0.612 cents per unit for the period 1 April 2022 to 30 June 2022.

Capital distribution comprised 0.200 cents per unit for the period 1 January 2022 to 31 March 2022, and 0.200 cents per unit for the period 1 April 2022 to 30 June 2022.

A distribution of 2.391 cents per unit for the period 1 January 2022 to 31 March 2022 was paid on 30 May 2022.

Corresponding Period of the Immediate Preceding Financial Year

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

Name of distribution: Distribution for the period 1 January 2021 to 30 June 2021

Distribution rate:	Distribution Type	Distribution Rate Per Unit (cents)
	Taxable income	3.124
	Tax-exempt income	1.030
	Total	4.154

Tax Rate

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

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

Remark

Taxable income comprised 1.698 cents per unit for the period 1 January 2021 to 31 March 2021 and 1.426 cents per unit for the period 1 April 2021 to 30 June 2021.

Tax exempt income comprised 0.347 cents per unit for the period 1 January 2021 to 31 March 2021, and 0.683 cents per unit for the period 1 April 2021 to 30 June 2021.

A distribution of 2.045 cents per unit for the period 1 January 2021 to 31 March 2021 was paid on 28 May 2021.

b) Date Payable

A distribution of 2.419 cents per unit for the period 1 April 2022 to 30 June 2022 will be paid on/about 29 August 2022.

c) Books Closure Date

Date on which Registrable Transfers received by the Trust will be registered before entitlements to the distributions are determined: 4 August 2022, 5.00pm.

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

Not applicable

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

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

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

On behalf of the Board of Directors of ARA Trust Management (Suntec) Limited (“the Manager”), we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Manager of Suntec REIT which may render the interim financial information of the Group and Trust to be false or misleading in any material aspect.

On behalf of the Board of the Manager
ARA TRUST MANAGEMENT (SUNTEC) LIMITED

Lim Hwee Chiang, John
Director

Chong Kee Hiong
Director and Chief Executive Officer

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

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

M. Certificate pursuant to Paragraph 7.3 of the Property Funds Appendix

The Manager hereby certifies that in relation to the distribution to the Unitholders of Suntec REIT for the quarter ended 30 June 2022:

- a. Suntec REIT will declare a distribution which is classified as capital distribution from a tax perspective, being derived from a portion of the sales proceeds from the sale of Park Mall in December 2015, in addition to the income available for distribution for the quarter ended 30 June 2022.
- b. The Manager is satisfied on reasonable grounds that, immediately after making the distributions, Suntec REIT will be able to fulfil, from its deposited properties, its liabilities as they fall due.

The distribution is computed based on the accounts of Suntec REIT for the quarter ended 30 June 2022 and is verified by our external tax consultant.

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

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

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

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

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

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

Chong Kee Hiong
Director
27 July 2022