

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

Interim Financial Information  
Six-month period and year ended 31 December 2021

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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 816,000 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”), 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”).

On 16 June 2021, Suntec REIT completed the sale of its 30.0 per cent interest in Park Mall Investment Limited (“PMIL”), which holds the property located at 9 Penang Road, Singapore to an interested 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 (on a 100% basis) of \$985.0 million.

On 29 June 2021, Suntec REIT announced the proposed divestment of a portfolio of Suntec City Office strata units for \$197.0 million (the “Divestment”) and the proposed acquisition of 100 per cent interest in The Minster Building, London for an agreed value of £353.0 million (the “Acquisition”). The Acquisition and Divestment was completed on 28 July 2021 and 21 September 2021 respectively.

**Summary of Results**

	Group					
	1/7/21 to 31/12/21 \$'000	1/7/20 to 31/12/20 \$'000	Change %	1/1/21 to 31/12/21 \$'000	1/1/20 to 31/12/20 \$'000	Change %
<b>Gross revenue</b>	<b>191,305</b>	<b>165,942</b>	<b>15.3</b>	<b>358,069</b>	<b>315,390</b>	<b>13.5</b>
<b>Net property income</b>	<b>142,014</b>	<b>108,972</b>	<b>30.3</b>	<b>254,631</b>	<b>199,877</b>	<b>27.4</b>
<b>Income from joint ventures</b>	<b>75,371</b>	<b>28,226</b>	<b>167.0</b>	<b>135,730</b>	<b>74,049</b>	<b>83.3</b>
- loans to joint ventures	16,617	7,524	120.9	32,822	17,657	85.9
- share of profits <sup>(a)</sup>	58,754	20,702	183.8	102,908	56,392	82.5
<b>Distribution income from operations</b>	<b>129,013</b>	<b>106,080</b>	<b>21.6</b>	<b>247,203</b>	<b>209,210</b>	<b>18.2</b>
<b>Amount available for distribution <sup>(b)</sup></b>	<b>129,013</b>	<b>116,393</b>	<b>10.8</b>	<b>247,203</b>	<b>209,210</b>	<b>18.2</b>
<b>Number of issued and issuable units at the end of the period entitled to distribution ('000) <sup>(c)</sup></b>	<b>2,867,642</b>	<b>2,837,673</b>	<b>1.1</b>	<b>2,867,642</b>	<b>2,837,673</b>	<b>1.1</b>
<b>Distribution per Unit ("DPU") (cents) <sup>(c), (d)</sup></b>	<b>4.512</b>	<b>4.109</b>	<b>9.8</b>	<b>8.666</b>	<b>7.402</b>	<b>17.1</b>
- 1 Jan to 31 Mar <sup>(e)</sup>	—	—	—	2.045	1.760	16.2
- 1 Apr to 30 Jun <sup>(f)</sup>	—	—	—	2.109	1.533	37.6
- 1 Jul to 30 Sep <sup>(g)</sup>	2.232	1.848	20.8	2.232	1.848	20.8
- 1 Oct to 31 Dec <sup>(c)</sup>	2.280	2.261	0.8	2.280	2.261	0.8

n.a. – not applicable

**Footnotes:**

- (a) Includes share of profits relating to gain/(loss) on fair value adjustments of \$18,487,000 for the half year ended 31 December 2021 ("2H FY21"), \$20,732,000 for financial year ended 31 December 2021 ("FY21"), (\$23,843,000) for the half year ended 31 December 2020 ("2H FY20"), and (\$21,946,000) for the financial year ended 31 December 2020 ("FY20").
- (b) In 2H FY20, the Manager had released the 10.0% of distributable income for the half year ended 30 June 2020 ("1H FY20") which was withheld in 1H FY 20 in view of the COVID-19 outbreak. The amount retained of \$10.3 million was fully paid out on 26 February 2021.
- (c) The computation of Distribution per Unit for the period from 1 October 2021 to 31 December 2021 is based on the number of units entitled to distribution:
- (i) The number of units in issue as at 31 December 2021 of 2,852,999,474;
- (ii) The units issuable to the Manager by 30 January 2022 as partial satisfaction of asset management base fees incurred for the period from 1 October 2021 to 31 December 2021 of 4,953,789 and asset management performance fees incurred for the period from 1 January 2021 to 31 December 2021 of 9,689,030.
- (d) Please refer to Page 7-9 for the distribution per unit computation.
- (e) Distribution of 2.045 cents per unit for the period 1 January 2021 to 31 March 2021 was paid on 28 May 2021.
- (f) Distribution of 2.109 cents per unit for the period 1 April 2021 to 30 June 2021 was paid on 27 August 2021.
- (g) Distribution of 2.232 cents per unit for the period 1 July 2021 to 30 September 2021 was paid on 29 November 2021.

**Statements of Financial Position**  
**As at 31 December 2021**

	Note	Group		Trust	
		31/12/2021 \$'000	31/12/2020 \$'000	31/12/2021 \$'000	31/12/2020 \$'000
<b>Non-current assets</b>					
Plant and equipment		1,346	1,616	597	510
Investment properties	3	7,913,100	7,262,856	4,997,000	5,088,000
Rental guarantee receivables		7,098	16,858	–	–
Interests in joint ventures	4	3,444,820	3,686,493	1,471,741	1,469,511
Interests in subsidiaries		–	–	2,434,365	2,356,093
Long term investment		–	–	637	631
Derivative assets		19,268	–	1,651	–
		<u>11,385,632</u>	<u>10,967,823</u>	<u>8,905,991</u>	<u>8,914,745</u>
<b>Current assets</b>					
Rental guarantee receivables		4,233	6,827	–	–
Trade and other receivables		29,964	31,949	22,067	31,430
Cash and cash equivalents		268,311	227,474	141,477	123,357
Derivative assets		538	–	538	–
		<u>303,046</u>	<u>266,250</u>	<u>164,082</u>	<u>154,787</u>
<b>Total assets</b>		<u>11,688,678</u>	<u>11,234,073</u>	<u>9,070,073</u>	<u>9,069,532</u>
<b>Current liabilities</b>					
Interest-bearing borrowings	5	499,754	678,203	499,754	678,203
Trade and other payables		105,096	119,537	109,539	66,256
Derivative liabilities		828	9,559	828	9,559
Security deposits		38,060	36,843	16,771	24,365
Provision for taxation		4,210	–	–	–
		<u>647,948</u>	<u>844,142</u>	<u>626,892</u>	<u>778,383</u>
<b>Non-current liabilities</b>					
Interest-bearing borrowings	5	4,419,236	4,148,258	2,939,561	2,973,144
Security deposits		43,068	39,031	40,565	37,411
Derivative liabilities		12,503	39,054	4,313	17,377
Deferred tax liabilities		67,161	50,418	–	–
		<u>4,541,968</u>	<u>4,276,761</u>	<u>2,984,439</u>	<u>3,027,932</u>
<b>Total liabilities</b>		<u>5,189,916</u>	<u>5,120,903</u>	<u>3,611,331</u>	<u>3,806,315</u>
<b>Net assets</b>		<u>6,498,762</u>	<u>6,113,170</u>	<u>5,458,742</u>	<u>5,263,217</u>

**Statements of Financial Position (cont'd)**  
**As at 31 December 2021**

	Note	Group		Trust	
		31/12/2021 \$'000	31/12/2020 \$'000	31/12/2021 \$'000	31/12/2020 \$'000
Represented by:					
<b>Unitholders' funds</b>		6,051,805	5,829,657	5,110,695	5,064,542
<b>Perpetual securities holders</b>	6	348,047	198,675	348,047	198,675
<b>Non-controlling interests</b>		98,910	84,838	–	–
		<u>6,498,762</u>	<u>6,113,170</u>	<u>5,458,742</u>	<u>5,263,217</u>
<b>Units in issue ('000)</b>	7	<u>2,852,999</u>	<u>2,825,294</u>	<u>2,852,999</u>	<u>2,825,294</u>
<b>Net asset value per Unit (\$)</b>	8	<u>2.110</u>	<u>2.055</u>	<u>1.782</u>	<u>1.785</u>

**Statement of Total Return**  
**Six-month period and year ended 31 December 2021**

	Group			Group			
	Six-month period ended 31/12/2021 \$'000	Six-month period ended 31/12/2020 \$'000	Change %	Year ended 31/12/2021 \$'000	Year ended 31/12/2020 \$'000	Change %	
<b>Gross revenue</b>	191,305	165,942	15.3	358,069	315,390	13.5	
Property expenses	(49,291)	(56,970)	13.5	(103,438)	(115,513)	10.5	
<b>Net property income</b>	142,014	108,972	30.3	254,631	199,877	27.4	
Other income	6,657	5,655	17.7	14,860	7,536	97.2	
Share of profit of joint ventures	58,754	20,702	183.8	102,908	56,392	82.5	
Finance income	16,780	14,782	13.5	33,107	26,011	27.3	
Finance costs	(68,012)	(69,921)	2.7	(127,491)	(118,853)	(7.3)	
Net finance costs	(51,232)	(55,139)	7.1	(94,384)	(92,842)	(1.7)	
Asset management fees							
- base fee	(20,389)	(19,144)	(6.5)	(39,848)	(36,920)	(7.9)	
- performance fee	(9,380)	(7,663)	(22.4)	(18,025)	(14,508)	(24.2)	
Trust expenses	(3,413)	(2,299)	(48.5)	(6,204)	(4,455)	(39.3)	
<b>Net income</b>	123,011	51,084	140.8	213,938	115,080	85.9	
Net change in fair value of financial derivatives	26,080	17,578	48.4	49,814	(15,595)	419.4	
Net change in fair value of investment properties	223,973	(148,207)	251.1	223,973	(214,803)	204.3	
Net gain from divestment of investment properties	13,891	–	n.m.	13,891	–	n.m.	
Net gain from divestment of joint venture	103	–	n.m.	13,925	–	n.m.	
<b>Total return before tax</b>	387,058	(79,545)	586.6	515,541	(115,318)	547.1	
Income tax expense	(22,518)	571	n.m.	(25,030)	(341)	n.m.	
<b>Total return after tax</b>	364,540	(78,974)	561.6	490,511	(115,659)	524.1	
<b>Attributable to:</b>							
Unitholders of the Trust and perpetual securities holders	350,050	(69,760)	601.8	476,439	(71,364)	767.6	
Non-controlling interests	14,490	(9,214)	257.3	14,072	(44,295)	131.8	
	364,540	(78,974)	561.6	490,511	(115,659)	524.1	
<b>Earnings per Unit (cents)</b>							
Basic	11	12.033	(2.520)	601.8	16.355	(2.581)	757.5
Diluted	11	11.922	(2.520)	573.1	16.142	(2.581)	725.4

*n.m. denotes not meaningful.*

**Distribution Statement**  
**Six-month period and year ended 31 December 2021**

	Group		Group	
	Six-month period ended 31/12/2021 \$'000	Six-month period ended 31/12/2020 \$'000	Year ended 31/12/2021 \$'000	Year ended 31/12/2020 \$'000
Amount available for distribution to Unitholders at the beginning of the period / year	59,935	53,401	64,026	65,816
Total return attributable to Unitholders and perpetual securities holders before distribution	350,050	(69,760)	476,439	(71,364)
Less: Total return attributable to perpetual securities holders	(7,045)	(1,375)	(11,093)	(1,375)
Net tax adjustments (Note A)	(300,228)	105,189	(382,096)	151,969
Taxable income	42,777	34,054	83,250	79,230
Add: Dividend income (Note B)	86,236	72,026	163,953	129,980
Amount available for distribution to Unitholders	188,948	159,481	311,229	275,026
<i>Distribution to Unitholders</i>				
Distribution of 2.347 cents per Unit for period from 1/10/2019 to 31/12/2019	–	–	–	(65,978)
Distribution of 1.760 cents per Unit for period from 1/1/2020 to 31/3/2020	–	–	–	(49,567)
Distribution of 1.533 cents per Unit for period from 1/4/2020 to 30/6/2020	–	(43,243)	–	(43,243)
Distribution of 1.848 cents per Unit for period from 1/7/2020 to 30/9/2020	–	(52,212)	–	(52,212)
Distribution of 2.261 cents per Unit for period from 1/10/2020 to 31/12/2020	–	–	(64,160)	–
Distribution of 2.045 cents per Unit for period from 1/1/2021 to 31/3/2021	–	–	(58,121)	–
Distribution of 2.109 cents per Unit for period from 1/4/2021 to 30/6/2021	(60,062)	–	(60,062)	–
Distribution of 2.232 cents per Unit for period from 1/7/2021 to 30/9/2021	(63,679)	–	(63,679)	–
Distribution to Unitholders	(123,741)	(95,455)	(246,022)	(211,000)
Income available for distribution to Unitholders at end of the period / year	65,207	64,026	65,207	64,026
Distribution per Unit (cents) (Note C)	4.512	4.109	8.666	7.402



**Distribution Statement (cont'd)**  
**Six-month period and year ended 31 December 2021**

	Group		Group	
	Six-month period ended 31/12/2021 \$'000	Six-month period ended 31/12/2020 \$'000	Year ended 31/12/2021 \$'000	Year ended 31/12/2020 \$'000
<b>Note A</b>				
Net tax adjustments comprise:				
- Asset management fee paid/payable in Units	22,121	19,869	42,986	38,182
- Amortisation of transaction costs	2,696	21,298	6,013	25,635
- Net profit from subsidiaries and joint ventures	(92,535)	(62,944)	(175,444)	(151,451)
- Net foreign currency exchange differences	8,665	(7,762)	10,114	(8,639)
- Net change in fair value of investment properties	(223,973)	148,207	(223,973)	214,803
- Net change in fair value of financial derivatives	(25,090)	(17,744)	(51,161)	15,595
- Net gain from divestment of joint venture	(103)	–	(13,925)	–
- Net gain on disposal of investment properties	(13,891)	–	(13,891)	–
- Sinking fund contribution	–	9,630	8,025	19,260
- Deferred tax	16,857	(2,518)	16,857	(2,518)
- Trustee's fees	980	939	1,965	1,832
- Other items <sup>(1)</sup>	4,045	(3,786)	10,338	(730)
<b>Net tax adjustments</b>	<b>(300,228)</b>	<b>105,189</b>	<b>(382,096)</b>	<b>151,969</b>

**Note:**

(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 received from Comina Investment Limited, Suntec Harmony Pte. Ltd., Suntec REIT Capital Pte. Ltd., Suntec REIT (PM) Pte. Ltd., Suntec REIT UK 1 Pte. Ltd., Victoria Circle Unit Trust 1, Victoria Circle Unit Trust 2 and Suntec REIT UK (LP) Pte. Ltd. and distributions of profits from Suntec REIT (Australia) Trust and BFC Development LLP ("BFCDD LLP").

**Distribution Statement (cont'd)**  
**Six-month period and year ended 31 December 2021**

**Note B (cont'd)**

	<b>Group</b>		<b>Group</b>	
	<b>Six-month period ended 31/12/2021 \$'000</b>	<b>Six-month period ended 31/12/2020 \$'000</b>	<b>Year ended 31/12/2021 \$'000</b>	<b>Year ended 31/12/2020 \$'000</b>
<b>Wholly-owned subsidiaries</b>				
Comina Investment Limited	11,718	14,680	24,579	26,282
Suntec REIT Capital Pte. Ltd.	12,100	12,570	25,100	24,170
Suntec REIT (PM) Pte. Ltd.	–	–	1,747	–
Suntec REIT (Australia) Trust	30,376	26,078	60,817	43,841
Suntec REIT UK 1 Pte. Ltd.	12,288	–	12,288	–
Victoria Circle Unit Trust 1	11	–	11	–
Victoria Circle Unit Trust 2	11	–	11	–
Suntec REIT UK (LP) Pte. Ltd.	1,817	–	1,817	–
	<u>68,321</u>	<u>53,328</u>	<u>126,370</u>	<u>94,293</u>
<b>Joint Venture</b>				
BFC Development LLP	17,915	18,698	37,583	35,687
	<u>86,236</u>	<u>72,026</u>	<u>163,953</u>	<u>129,980</u>

**Note C**

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

**Statements of Movements in Unitholders' Funds**  
**Six-month period and year ended 31 December 2021**

	<b>Group</b>		<b>Trust</b>	
	<b>Six-month period ended 31/12/2021 \$'000</b>	<b>Six-month period ended 31/12/2020 \$'000</b>	<b>Six-month period ended 31/12/2021 \$'000</b>	<b>Six-month period ended 31/12/2020 \$'000</b>
<b>Unitholders' funds at the beginning of the period</b>	5,871,475	5,891,794	5,053,447	5,129,365
Total return attributable to Unitholders and perpetual securities holders	350,050	(69,760)	158,997	6,663
Less: Total return attributable to perpetual securities holders	(7,045)	(1,375)	(7,045)	(1,375)
<b>Hedging reserve</b>				
Effective portion of changes in fair value of cash flow hedges <sup>(1)</sup>	6,670	(780)	–	–
<b>Foreign currency translation reserve</b>				
Translation differences from financial statements of foreign operations	(74,641)	79,889	–	–
Net (loss) / gain recognised directly in Unitholders' funds	(67,971)	79,109	–	–
<b>Unitholders' transactions</b>				
Creation of Units				
- asset management fees payable in Units <sup>(2)</sup>	7,244	6,634	7,244	6,634
Units to be issued				
- asset management fees payable in Units <sup>(2)</sup>	21,793	18,710	21,793	18,710
Distributions to Unitholders	(123,741)	(95,455)	(123,741)	(95,455)
Net decrease in Unitholders' funds resulting from Unitholders' transactions	(94,704)	(70,111)	(94,704)	(70,111)
<b>Unitholders' funds at end of the period</b>	<b>6,051,805</b>	<b>5,829,657</b>	<b>5,110,695</b>	<b>5,064,542</b>

*Notes:*

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

*(2) This represents the value of units issued and to be issued to the Manager as partial satisfaction of asset management fees incurred. The asset management base fee units for the quarter ended 31 December 2021 and asset management performance fee units for the financial year ended 31 December 2021 are to be issued within 30 days from quarter end.*

**Statements of Movements in Unitholders' Funds (cont'd)**  
**Six-month period and year ended 31 December 2021**

	<b>Group</b>		<b>Trust</b>	
	<b>Six-month period ended 31/12/2021 \$'000</b>	<b>Six-month period ended 31/12/2020 \$'000</b>	<b>Six-month period ended 31/12/2021 \$'000</b>	<b>Six-month period ended 31/12/2020 \$'000</b>
<b>Perpetual securities holders at the beginning of the period</b>	348,013	–	348,013	–
Total return attributable to perpetual securities holders	7,045	1,375	7,045	1,375
<b>Transactions with perpetual securities holders</b>				
Issue of perpetual securities	–	200,000	–	200,000
Issue expenses	(5)	(2,700)	(5)	(2,700)
Distribution to perpetual securities holders	(7,006)	–	(7,006)	–
Net (decrease) / increase resulting from transactions with perpetual securities holders	(7,011)	197,300	(7,011)	197,300
<b>Perpetual securities holders at the end of the period</b>	<b>348,047</b>	<b>198,675</b>	<b>348,047</b>	<b>198,675</b>
<b>Non-controlling interests at the beginning of the period</b>	84,420	94,005	–	–
Total return attributable to non-controlling interests	14,490	(9,214)	–	–
<b>Transactions with non-controlling interests</b>				
Change in ownership of subsidiary with no change in control	–	47	–	–
Net increase resulting from transaction with non-controlling interests	–	47	–	–
<b>Non-controlling interests at the end of the period</b>	<b>98,910</b>	<b>84,838</b>	<b>–</b>	<b>–</b>

**Statements of Movements in Unitholders' Funds (cont'd)**  
**Six-month period and year ended 31 December 2021**

	<b>Group</b>		<b>Trust</b>	
	<b>Year ended</b>	<b>Year ended</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Unitholders' funds at the beginning of the period</b>	5,829,657	5,977,058	5,064,542	5,174,058
Total return attributable to Unitholders and perpetual securities holders	476,439	(71,364)	258,804	64,677
Less: Total return attributable to perpetual securities holders	(11,093)	(1,375)	(11,093)	(1,375)
<b>Hedging reserve</b>				
Effective portion of changes in fair value of cash flow hedges <sup>(1)</sup>	9,475	(5,404)	–	–
<b>Foreign currency translation reserve</b>				
Translation differences from financial statements of foreign operations	(51,115)	103,560	–	–
Net (loss) / gain recognised directly in Unitholders' funds	(41,640)	98,156	–	–
<b>Unitholders' transactions</b>				
Creation of Units				
- asset management fees payable in Units <sup>(2)</sup>	21,193	19,472	21,193	19,472
- divestment fees payable in Units <sup>(3)</sup>	1,478	–	1,478	–
Units to be issued				
- asset management fees payable in Units <sup>(2)</sup>	21,793	18,710	21,793	18,710
Distributions to Unitholders	(246,022)	(211,000)	(246,022)	(211,000)
Net decrease in Unitholders' funds resulting from Unitholders' transactions	(201,558)	(172,818)	(201,558)	(172,818)
<b>Unitholders' funds at end of the period</b>	<b>6,051,805</b>	<b>5,829,657</b>	<b>5,110,695</b>	<b>5,064,542</b>

*Notes:*

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

*(2) This represents the value of units issued and to be issued to the Manager as partial satisfaction of asset management fees incurred. The asset management base fee units for the quarter ended 31 December 2021 and asset management performance fee units for the financial year ended 31 December 2021 are to be issued within 30 days from quarter end.*

*(3) This represents the value of units issued to the Manager as satisfaction of divestment fees in relation to the divestment of Park Mall Investment Limited.*

**Statements of Movements in Unitholders' Funds (cont'd)**  
**Six-month period and year ended 31 December 2021**

	<b>Group</b>		<b>Trust</b>	
	<b>Year ended 31/12/2021</b>	<b>Year ended 31/12/2020</b>	<b>Year ended 31/12/2021</b>	<b>Year ended 31/12/2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Perpetual securities holders at the beginning of the period</b>	198,675	–	198,675	–
Total return attributable to perpetual securities holders	11,093	1,375	11,093	1,375
<b>Transactions with perpetual securities holders</b>				
Issue of perpetual securities	150,000	200,000	150,000	200,000
Issue expenses	(925)	(2,700)	(925)	(2,700)
Distribution to perpetual securities holders	(10,796)	–	(10,796)	–
Net (decrease) / increase resulting from transactions with perpetual securities holders	138,279	197,300	138,279	197,300
<b>Perpetual securities holders at the end of the period</b>	<b>348,047</b>	<b>198,675</b>	<b>348,047</b>	<b>198,675</b>
<b>Non-controlling interests at the beginning of the period</b>	84,838	129,086	–	–
Total return attributable to non-controlling interests	14,072	(44,295)	–	–
<b>Transactions with non-controlling interests</b>				
Change in ownership of subsidiary with no change in control	–	47	–	–
Net increase resulting from transaction with non-controlling interests	–	47	–	–
<b>Non-controlling interests at the end of the period</b>	<b>98,910</b>	<b>84,838</b>	<b>–</b>	<b>–</b>

**Portfolio Statements**  
**As at 31 December 2021**

**Group**

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed Occupancy Rate as at 31/12/2021 %	Committed Occupancy Rate as at 31/12/2020 %	Carrying Value as at 31/12/2021 \$'000	Carrying Value as at 31/12/2020 \$'000	Percentage of Total Unitholders' funds as at 31/12/2021 %	Percentage of Total Unitholders' funds as at 31/12/2020 %
<i>Investment properties in Singapore</i>											
Suntec City Mall	Leasehold	99 years	67 years	3 Temasek Boulevard	Commercial	94.7	90.1	2,022,000	1,990,000	33.4	34.1
Suntec City Office Towers	Leasehold	99 years	67 years	5 - 9 Temasek Boulevard	Commercial	97.2	95.6	2,975,000	3,098,000	49.2	53.1
Suntec Singapore <sup>^</sup>	Leasehold	99 years	67 years	1 Raffles Boulevard	Commercial	n/m	n/m	662,000	625,000	10.9	10.7
<i>Investment properties in Australia</i>											
177 Pacific Highway	Freehold	–	–	177 – 199 Pacific Highway, North Sydney	Commercial	93.8	100.0	707,904	655,707	11.7	11.3
21 Harris Street	Freehold	–	–	21 Harris Street, Pyrmont, New South Wales	Commercial	91.0	68.7	296,181	289,272	4.9	5.0
55 Currie Street	Freehold	–	–	55 Currie Street, Adelaide	Commercial	95.7	91.7	149,643	152,490	2.5	2.6
Olderfleet, 477 Collins Street	Freehold	–	–	477 Collins Street, Melbourne	Commercial	98.3	97.2	466,528	452,387	7.7	7.8
<i>Investment property in United Kingdom</i>											
The Minster Building	Leasehold	999 years	968 years	21 Mincing Lane, EC3, London	Commercial	96.7	–	633,844 <sup>(1)</sup>	–	10.5	–
<b>Investment properties</b>								7,913,100	7,262,856	130.8	124.6
<b>Interests in joint ventures</b>								3,444,820	3,686,493	56.9	63.2
<b>Other assets and liabilities (net)</b>								11,357,920	10,949,349	187.7	187.8
<b>Net assets</b>								(4,859,158)	(4,836,179)	(80.3)	(83.0)
<b>Perpetual securities holders</b>								6,498,762	6,113,170	107.4	104.8
<b>Non-controlling interests</b>								(348,047)	(198,675)	(5.8)	(3.4)
<b>Unitholders' funds</b>								(98,910)	(84,838)	(1.6)	(1.4)
								6,051,805	5,829,657	100.0	100.0

<sup>^</sup> 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 \$665.0 million.

**Portfolio Statements (cont'd)**  
**As at 31 December 2021**

**Trust**

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed	Committed	Carrying	Carrying	Percentage of	Percentage of
						Occupancy Rate as at 31/12/2021 %	Occupancy Rate as at 31/12/2020 %	Value as at 31/12/2021 \$'000	Value as at 31/12/2020 \$'000	Total Unitholders' funds as at 31/12/2021 %	Total Unitholders' funds as at 31/12/2020 %
<i>Investment properties in Singapore</i>											
Suntec City Mall	Leasehold	99 years	67 years	3 Temasek Boulevard	Commercial	94.7	90.1	2,022,000	1,990,000	39.6	39.3
Suntec City Office Towers	Leasehold	99 years	67 years	5 - 9 Temasek Boulevard	Commercial	97.2	95.6	2,975,000	3,098,000	58.2	61.2
<b>Investment properties</b>								4,997,000	5,088,000	97.8	100.5
<b>Interests in joint ventures</b>								1,471,741	1,469,511	28.8	29.0
<b>Interests in subsidiaries</b>								2,434,365	2,356,093	47.6	46.5
<b>Other assets and liabilities (net)</b>								8,903,106	8,913,604	174.2	176.0
<b>Net assets</b>								(3,444,364)	(3,650,387)	(67.4)	(72.1)
<b>Perpetual securities holders</b>								5,458,742	5,263,217	106.8	103.9
<b>Unitholders' funds</b>								(348,047)	(198,675)	(6.8)	(3.9)
								5,110,695	5,064,542	100.0	100.0



**Portfolio Statements (cont'd)**  
**As at 31 December 2021**

**Note:**

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

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

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

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

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

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

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

The carrying amounts of the investment properties as at 31 December 2021 were based on independent valuations undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Cushman & Wakefield (Valuations) Pty Ltd, CIVAS (VIC) Pty Limited and Jones Lang LaSalle Limited (2020: Savills Valuation and Professional Services (S) Pte Ltd, Savills Valuations Pty Ltd, CIVAS (VIC) Pty Limited, Knight Frank Valuation & Advisory South Australia and Jones Lang LaSalle Advisory Services Pty Ltd).

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**  
**Year ended 31 December 2021**

	<b>Group</b>	
	<b>Year ended 31/12/2021</b>	<b>Year ended 31/12/2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Total return before tax	515,541	(115,318)
Adjustments for:		
(Reversal of allowance) / Allowance for doubtful trade receivables	(2,381)	4,180
Asset management fees paid/payable in Units	42,986	38,182
Depreciation of plant and equipment	786	777
Loss on disposal of plant and equipment	–	3
Net change in fair value of financial derivatives	(49,814)	15,595
Net change in fair value of investment properties	(223,973)	214,803
Net finance costs	94,384	92,842
Net gain on disposal of investment properties	(13,891)	–
Net gain on divestment of joint venture	(13,925)	–
Share of profit of joint ventures	(102,908)	(56,392)
	246,805	194,672
Changes in:		
- Trade and other receivables	(4,757)	6,929
- Trade and other payables	5,569	10,479
<b>Cash generated from operating activities</b>	247,617	212,080
Tax paid	(3,890)	–
<b>Net cash from operating activities</b>	243,727	212,080
<b>Cash flows from investing activities</b>		
Capital expenditure on investment properties	(7,792)	(9,615)
Acquisition of investment properties	–	(267,417)
Progress payments on construction	–	(229,538)
Additional investments in joint ventures	(3,056)	(5,709)
Proceeds from capital reduction of joint ventures	194,849	53,580
Dividend income received	80,589	72,316
Acquisition of joint ventures	–	(779,021)
Acquisition of subsidiary	(651,570)	–
Interest received	24,691	18,167
Purchase of plant and equipment	(515)	(748)
Net proceeds from divestment of joint venture	89,851	–
Net proceeds from divestment of investment properties	192,505	–
Loan to joint ventures	(2,230)	(792)
<b>Net cash used in investing activities</b>	(82,678)	(1,148,777)

**Statement of Cash Flows (cont'd)**  
**Year ended 31 December 2021**

	<b>Group</b>	
	<b>Year ended 31/12/2021</b>	<b>Year ended 31/12/2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from financing activities</b>		
Distributions to Unitholders	(246,022)	(211,000)
Distributions to perpetual securities holders	(10,796)	–
Financing cost paid	(116,212)	(125,886)
Redemption of convertible bonds	(89,250)	(297,250)
Proceeds from medium term notes	–	400,000
Repayment of medium term notes	(150,000)	(310,000)
Proceeds from issuance of perpetual securities	150,000	200,000
Payment of transaction costs on issue of perpetual securities	(925)	(2,520)
Proceeds from settlement of derivatives	–	42
Proceeds from interest-bearing loans	1,580,984	1,499,368
Repayment of interest-bearing loans	(1,234,722)	(161,314)
<b>Net cash (used in) / from financing activities</b>	<b>(116,943)</b>	<b>991,440</b>
<b>Net increase in cash and cash equivalents</b>	<b>44,106</b>	<b>54,743</b>
Cash and cash equivalents at beginning of the period	227,474	157,206
Effects on exchange rate fluctuations on cash held	(3,269)	15,525
<b>Cash and cash equivalents at end of the period</b>	<b>268,311</b>	<b>227,474</b>

*Significant non-cash transactions*

There were the following non-cash transactions:

**Year ended 31 December 2021**

The Group had issued or will be issuing a total of 28,970,940 Units to the Manager, amounting to approximately \$42.9 million at unit prices ranging from \$1.4213 to \$1.5668 as satisfaction of the asset management fees payable in Units in respect of the year ended 31 December 2021.

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

**Year ended 31 December 2020**

The Group had issued a total of 26,529,800 Units to the Manager, amounting to approximately \$38.2 million at unit prices ranging from \$1.2147 and \$1.5115 as satisfaction of the asset management fees payable in Units in respect of the year ended 31 December 2020.

## **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 2020. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards (“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, rental guarantee receivables 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.

## 2 Basis of preparation (cont'd)

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.

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 2020.

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 2020, except for the new and revised standards that are effective for annual periods beginning on 1 January 2021. 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 2021 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

	<b>Group</b>		<b>Trust</b>	
	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at beginning of the period</b>	7,262,856	6,879,695	5,088,000	5,206,000
Acquisitions	645,838	267,417	–	–
Capital expenditure capitalised	38,963	214,522	891	2,124
Divestments	(180,920)	–	(180,920)	–
Reversal of accruals no longer required	(967)	(5,054)	–	(5,054)
Changes in fair value	223,973	(214,803)	89,029	(115,070)
Effects of movements in exchange rates	(76,643)	121,079	–	–
<b>Balance at end of the period</b>	<b>7,913,100</b>	<b>7,262,856</b>	<b>4,997,000</b>	<b>5,088,000</b>

During the year ended 31 December 2020, accrued renovation cost for Suntec City Mall no longer required amounting to \$5,054,000 was reversed.

On 21 September 2021, Suntec REIT completed the divestment of a portfolio of Suntec City Office strata units for an aggregate sale consideration of \$197.0 million.

The carrying amounts of the investment properties as at 31 December 2021 were based on independent valuations undertaken by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Cushman & Wakefield (Valuations) Pty Ltd, CIVAS (VIC) Pty Limited and Jones Lang LaSalle Limited (2020: Savills Valuation and Professional Services (S) Pte Ltd, Savills Valuations Pty Ltd, CIVAS (VIC) Pty Limited, Knight Frank Valuation & Advisory South Australia and Jones Lang LaSalle Advisory Services Pty Ltd).

### 3 Investment properties (cont'd)

As at 31 December 2021, the valuation reports of the Group's Australian properties (2020: all properties) included a 'market volatility clause' due to the disruption to the market at that date caused by the COVID-19 outbreak. The external valuers have stated in their valuation reports that given the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to the valuations than would normally be the case. Due to the unknown future impact that COVID-19 might have on the real estate market, the external valuers have also recommended to keep the valuation of the properties under frequent review.

#### 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 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.

#### Security

The investment properties, Suntec City Mall, Suntec Singapore, 177 Pacific Highway, 55 Currie Street and 21 Harris Street (2020: Suntec City Mall, Suntec Singapore, 177 Pacific Highway, 55 Currie Street and 21 Harris Street), with a total carrying value of \$3,837,728,000 (2020: \$3,712,469,000), have been mortgaged as security for credit facilities (Note 5).

### 4 Interests in joint ventures

	<b>Group</b>		<b>Trust</b>	
	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Investment in joint ventures	2,214,067	2,456,585	850,574	850,574
Loans to joint ventures	1,230,753	1,229,908	621,167	618,937
	<u>3,444,820</u>	<u>3,686,493</u>	<u>1,471,741</u>	<u>1,469,511</u>

#### 4 Interests in joint ventures (cont'd)

Included in the Group's loans to joint ventures as at 31 December 2021 are amounts of \$938,267,000 (2020: \$996,049,000) which bear interest ranging from 2.40% to 5.00% (2020: 2.37% to 5.00%) per annum. The remaining balances are interest-free.

The Trust's loans to joint ventures bear interest between 2.40% to 2.88% (2020: 2.37% to 3.99%) per annum.

The loans to joint ventures are not due within 12 months of the reporting date and represents the Group's and the Trust's net investments in the joint ventures. Accordingly, the loans are classified as non-current.

Details of the material joint ventures are as follows:

Name of joint ventures	Principal place of business	Effective equity interest held by the Group	
		31/12/2021	31/12/2020
		%	%
One Raffles Quay Pte. Ltd. ("ORQPL")	Singapore	33.33	33.33
BFC Development LLP ("BFCDLLP")	Singapore	33.33	33.33
Park Mall Investment Limited ("PMIL")	British Virgin Islands	–	30.0
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

*Held by joint ventures*

***Held by PMIL***

Park Mall Holdings Limited	British Virgin Islands	–	30.0
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***Held by Park Mall Holdings Limited***

Park Mall Pte. Ltd.	Singapore	–	30.0
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One Raffles Quay Pte. Ltd. owns One Raffles Quay, Singapore.

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

Park Mall Pte. Ltd. owns a commercial property located at 9 Penang Road, Singapore.

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

#### 4 Interests in joint ventures (cont'd)

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 \$13.9 million was recognised to the Statement of Total Return.

#### 5 Interest-bearing borrowings

	<b>Group</b>		<b>Trust</b>	
	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Term loans</b>				
- secured	2,056,549	1,414,550	891,354	239,436
- unsecured	2,862,441	3,253,574	2,547,961	3,253,574
	<u>4,918,990</u>	<u>4,668,124</u>	<u>3,439,315</u>	<u>3,493,010</u>
<b>Revolving credit facility</b>				
- unsecured	–	70,000	–	70,000
<b>Convertible bonds</b>				
- unsecured	–	88,337	–	88,337
	<u>4,918,990</u>	<u>4,826,461</u>	<u>3,439,315</u>	<u>3,651,347</u>
<i>Classified as:</i>				
Current	499,754	678,203	499,754	678,203
Non-current	4,419,236	4,148,258	2,939,561	2,973,144
	<u>4,918,990</u>	<u>4,826,461</u>	<u>3,439,315</u>	<u>3,651,347</u>

##### *Secured loans*

As at 31 December 2021, the Group has in place the following loan facilities:

- \$406 million (2020: \$406 million) secured term loan facility and revolving credit facility;
- \$900 million (2020: \$900 million) secured syndicated term loan facility;
- A\$450 million (2020: A\$450 million) secured term green loan facility; and
- GBP200 million (2020: GBP200 million) secured syndicated term loan facility.

As at 31 December 2021, the Group has drawn down \$2,072 million (2020: \$1,434 million) of the secured facilities.



## 5 Interest-bearing borrowings (cont'd)

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 (2020: 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 (2020: 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 (2020: 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 (2020: 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 (2020: Suntec Singapore and Suntec City Mall);
- A fixed and floating charge over the assets of a subsidiary in relation to Suntec Singapore (2020: 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 (2020: 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 (2020: First ranking charge over units in the JPUTs, bank accounts of the JPUTs, and bank accounts of a subsidiary); and
- Corporate guarantees from the Trust.

### *Unsecured loans*

Included in unsecured term loans are medium term notes (“EMTN”) amounting to \$880.0 million (2020: \$1,030.0 million).

### *Convertible Bonds due 2021 (“CB 2021”)*

The remaining outstanding \$86,500,000 in principal amount of CB 2021 matured on 5 September 2021. Accordingly, there are no outstanding CB 2021 as at 31 December 2021.

### *Convertible Bonds due 2024 (“CB 2024”)*

On 2 January 2021, the Trust redeemed the remaining outstanding \$2,750,000 in principal amount of CB 2024. Accordingly, there are no outstanding CB 2024 as at 31 December 2021.

## 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 \$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 \$348,047,000 (2020: \$198,675,000) presented on the Statements of Financial Position represents the \$350,000,000 (2020: \$200,000,000) perpetual securities net of issue costs and distributions made to perpetual securities holders and includes the total return attributable to perpetual securities holders from the issue date.

## 7 Units in issue

	<b>Group and Trust</b>	
	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>'000</b>	<b>'000</b>
<b>Units in issue:</b>		
At the beginning of the year	2,825,294	2,801,016
Issue of units:		
- asset management fees paid in Units	26,706	24,278
- divestment fees paid in Units	999	–
<b>Issued Units at the end of the year</b>	<b>2,852,999</b>	<b>2,825,294</b>
<b>Units to be issued:</b>		
- asset management fees payable in Units	14,643	12,379
<b>Total issued and issuable Units at the end of the year</b>	<b>2,867,642</b>	<b>2,837,673</b>

## 8 Net asset value per Unit

	Note	Group		Trust	
		31/12/2021 \$'000	31/12/2020 \$'000	31/12/2021 \$'000	31/12/2020 \$'000
Net asset value per Unit is based on:					
Net assets attributable to Unitholders		6,051,805	5,829,657	5,110,695	5,064,542
		'000	'000	'000	'000
Total issued and issuable Units at the end of the year	7	2,867,642	2,837,673	2,867,642	2,837,673

## 9 Segment and revenue information

As at 31 December 2021, Suntec REIT's portfolio comprises office and retail properties in Suntec City, 66.3% interest in Suntec Singapore, comprising the convention centre and approximately 143,000 sq ft of net lettable area of Suntec City Mall, 100% interest in 177 Pacific Highway, 100% interest in 21 Harris Street, 50.0% interest in Olderfleet, 477 Collins Street, 100% interest in 55 Currie Street and 100% interest in The Minster Building. Suntec REIT also holds 1/3 interest in ORQ and MBFC Properties, 50.0% interest in Southgate Complex and 50.0% interest in the Nova Properties through joint ventures. Joint ventures are equity accounted for, therefore not included in the segment analysis table.

## 9 Segment and revenue information (cont'd)

### *Information about reportable segments*

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

	-----Singapore-----		-----Australia-----					United -Kingdom-		Total \$'000
	Convention	Retail	Suntec City	Suntec City	177 Pacific Highway	21 Harris Street	55 Currie Street	Olderfleet, 477 Collins Street	The Minster Building	
	Suntec Singapore \$'000	Suntec Singapore \$'000	Suntec City \$'000	Suntec City \$'000	177 Pacific Highway \$'000	21 Harris Street \$'000	55 Currie Street \$'000	Olderfleet, 477 Collins Street \$'000	The Minster Building \$'000	Total \$'000
<b>Year ended 31/12/2021</b>										
Revenue	11,390	15,002	85,864	130,675	42,752	16,519	16,599	26,721	12,547	358,069
Property expenses	(16,741)	(4,326)	(29,862)	(31,130)	(6,261)	(3,415)	(5,039)	(5,601)	(1,063)	(103,438)
<b>Reportable segment net property income</b>	<b>(5,351)</b>	<b>10,676</b>	<b>56,002</b>	<b>99,545</b>	<b>36,491</b>	<b>13,104</b>	<b>11,560</b>	<b>21,120</b>	<b>11,484</b>	<b>254,631</b>
<b>Year ended 31/12/2020</b>										
Revenue	16,081	14,763	78,418	133,718	38,479	8,154	15,901	9,876	–	315,390
Property expenses	(22,138)	(5,088)	(38,851)	(36,670)	(5,177)	(1,613)	(4,083)	(1,893)	–	(115,513)
<b>Reportable segment net property income</b>	<b>(6,057)</b>	<b>9,675</b>	<b>39,567</b>	<b>97,048</b>	<b>33,302</b>	<b>6,541</b>	<b>11,818</b>	<b>7,983</b>	<b>–</b>	<b>199,877</b>

## 9 Segment and revenue information (cont'd)

### *Reconciliation of reportable segment net property income*

	<b>Group</b>	
	<b>Year ended 31/12/2021 \$'000</b>	<b>Year ended 31/12/2020 \$'000</b>
<b>Total return</b>		
Reportable segment net property income	254,631	199,877
Unallocated amounts:		
- Other income	14,860	7,536
- Share of profit of joint ventures	102,908	56,392
- Net finance costs	(94,384)	(92,842)
- Asset management fees	(57,873)	(51,428)
- Other trust expenses	(6,204)	(4,455)
- Net change in fair value of financial derivatives	49,814	(15,595)
- Net change in fair value of investment properties	223,973	(214,803)
- Net gain from divestment of investment properties	13,891	-
- Net gain from divestment of joint venture	13,925	-
<b>Consolidated total return for the year, before tax</b>	<b>515,541</b>	<b>(115,318)</b>

### *Breakdown of sales*

	<b>Group</b>		<b>Change %</b>
	<b>Year ended 31/12/2021 \$'000</b>	<b>Year ended 31/12/2020 \$'000</b>	
Gross revenue reported for the six-month period ended 30 June	166,764	149,448	11.6
Total return after tax reported for the six-month period ended 30 June	125,971	(36,685)	n.m.
Gross revenue reported for the six-month period ended 31 December	191,305	165,942	15.3
Total return after tax reported for the six-month period ended 31 December	364,540	(78,974)	561.6

## 10 Total return for the period before tax

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

	Group		Group	
	Six-month period ended 31/12/2021 \$'000	Six-month period ended 31/12/2020 \$'000	Year ended 31/12/2021 \$'000	Year ended 31/12/2020 \$'000
Interest income	16,780	7,774	33,107	18,201
Net foreign exchange gain	–	7,008	–	7,810
<b>Finance income</b>	<u>16,780</u>	<u>14,782</u>	<u>33,107</u>	<u>26,011</u>
Interest expense	(55,403)	(48,030)	(108,980)	(92,264)
Amortisation of transaction costs	(3,923)	(21,891)	(8,472)	(26,589)
Net foreign exchange loss	(8,686)	–	(10,039)	–
<b>Finance costs</b>	<u>(68,012)</u>	<u>(69,921)</u>	<u>(127,491)</u>	<u>(118,853)</u>
Depreciation of plant and equipment	(402)	(393)	(786)	(777)
Reversal of allowance / (Allowance) for doubtful trade receivables	797	(4,128)	2,381	(4,253)
Gain / (Loss) on disposal of plant and equipment	<u>1</u>	<u>(1)</u>	<u>–</u>	<u>(3)</u>

## 11 Earnings per unit

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

	Group		Group	
	Six-month period ended 31/12/2021 \$'000	Six-month period ended 31/12/2020 \$'000	Year ended 31/12/2021 \$'000	Year ended 31/12/2020 \$'000
Total return for the period after tax attributable to Unitholders and perpetual securities holders	350,050	(69,760)	476,439	(71,364)
Less: Total return for the period attributable to perpetual securities holders	<u>(7,045)</u>	<u>(1,375)</u>	<u>(11,093)</u>	<u>(1,375)</u>
Total return attributable to Unitholders	<u>343,005</u>	<u>(71,135)</u>	<u>465,346</u>	<u>(72,739)</u>

## 11 Earnings per unit (cont'd)

	Number of Units Group		Number of Units Group	
	Six-month period ended 31/12/2021 '000	Six-month period ended 31/12/2020 '000	Year ended 31/12/2021 '000	Year ended 31/12/2020 '000
Weighted average number of Units:				
- outstanding during the period	2,850,479	2,823,083	2,845,301	2,818,460
- to be issued as payment of asset management fees payable in Units	79	67	40	34
	<u>2,850,558</u>	<u>2,823,150</u>	<u>2,845,341</u>	<u>2,818,494</u>

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		Group	
	Six-month period ended 31/12/2021 \$'000	Six-month period ended 31/12/2020 \$'000	Year ended 31/12/2021 \$'000	Year ended 31/12/2020 \$'000
Total return for the period after tax attributable to Unitholders	350,050	(69,760)	476,439	(71,364)
Less: Total return for the period attributable to perpetual securities holders	(7,045)	(1,375)	(11,093)	(1,375)
Total return attributable to Unitholders	343,005	(71,135)	465,346	(72,739)
Profit impact of conversion of the bonds	503	–	1,156	–
Adjusted total return for the period after tax	<u>343,508</u>	<u>(71,135)</u>	<u>466,502</u>	<u>(72,739)</u>

## 11 Earnings per unit (cont'd)

	Number of Units Group		Number of Units Group	
	Six-month period ended 31/12/2021 '000	Six-month period ended 31/12/2020 '000	Year ended 31/12/2021 '000	Year ended 31/12/2020 '000
Weighted average number of Units used in calculation of basic earnings per Unit	2,850,558	2,823,150	2,845,341	2,818,494
Weighted average number of Units to be issued in relation to asset management fees and assuming conversion of bonds	30,633	–	44,589	–
Weighted average number of Units used in calculation of diluted earnings per Unit	2,881,191	2,823,150	2,889,930	2,818,494

For the six-month period and year ended 31 December 2020, the diluted EPU is the same as the basic EPU for the Group as the Units to be issued for asset management fees and convertible bonds were anti-dilutive. As at 31 December 2020, the Group and the Trust had convertible bonds which are convertible into approximately 44,990,185 Units.

## 12 Financial ratios

	Group		Trust	
	Year ended 31/12/2021 %	Year ended 31/12/2020 %	Year ended 31/12/2021 %	Year ended 31/12/2020 %
Expenses to weighted average net assets <sup>1</sup>				
- including performance component of asset management fees	1.04	0.94	1.58	0.99
- excluding performance component of asset management fees	0.75	0.70	1.24	0.71
Portfolio turnover rate <sup>2</sup>	3.20	–	3.70	–

<sup>1</sup> 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.

<sup>2</sup> The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group and the Trust expressed as a percentage of daily average net asset value.



## **Other Information Required by Listing Rule Appendix 7.2**

### **Explanatory Notes**

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

*i. Investment properties*

The increase in investment properties for the Group was mainly due to the acquisition of the Minster Building on 28 July 2021 and higher valuation of the properties in Singapore and Australia, partially offset by the divestment of a portfolio of Suntec City Office strata units (the “Divestment”) on 21 September 2021.

The decrease in investment properties for the Trust was mainly due to the impact of the Divestment, partially offset by higher valuation of Suntec City.

*ii. Rental guarantee receivables*

This represents the rental guarantee receivables under rental guarantee arrangements with the sellers of 21 Harris Street and Nova Properties.

*iii. Long term investment*

This relates to the Trust’s 0.1% direct interest in Victoria Circle Unit Trust 1 and Victoria Circle Unit Trust 2 (collectively, the “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.

*iv. Derivative assets & liabilities*

This relates to the foreign currency exchange contracts and interest rate swaps. The increase in net derivative assets was mainly due to the maturity of convertible bonds, favourable movement in interest rates and settlement of foreign currency exchange contracts during the year.

*v. Trade and other receivables*

The decrease for the Trust was mainly due to collection of trade receivables.

*vi. Cash and cash equivalents*

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

*vii. Interest-bearing borrowings*

The interest-bearing borrowings are stated at amortised cost. The current portion of the interest-bearing borrowings as at 31 December 2021 relates to \$100.0 million notes and \$600.0 million loan facilities due in the next 12 months, of which, \$200.0 million borrowings has been refinanced in November 2021. The decrease in current borrowings is mainly due to repayments during the year.

The increase in non-current borrowings of the Group was mainly due to funding for acquisition of The Minster Building.

*viii. Trade and other payables*

The decrease in trade and other payables at the Group was due to property tax rebates paid, rental relief utilised by tenants at Suntec City and settlement of incentives payable at 21 Harris Street, 55 Currie Street and Nova properties, partially offset by additional trade and other payables from the newly acquired Minster Building.

The increase in trade and other payables at the Trust was mainly due to net proceeds on divestment received on behalf of Suntec REIT (PM) Pte Ltd, partially offset by property tax rebates paid and rental relief utilised by tenants at Suntec City.

**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.

	<b>Group</b>					
	<b>1/7/21 to 31/12/21</b>	<b>1/7/20 to 31/12/20</b>	<b>Change</b>	<b>1/1/21 to 31/12/21</b>	<b>1/1/20 to 31/12/20</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Gross Revenue</b>						
Suntec City	109,304	107,249	1.9%	216,539	212,135	2.1%
Suntec Singapore	15,142	14,660	3.3%	26,392	30,845	(14.4%)
177 Pacific Highway	22,281	20,047	11.1%	42,752	38,479	11.1%
21 Harris Street	9,247	5,878	57.3%	16,519	8,154	102.6%
55 Currie Street	8,529	8,232	3.6%	16,599	15,901	4.4%
Olderfleet, 477 Collins Street	14,255	9,876	44.3%	26,721	9,876	170.6%
The Minster Building	12,547	-	n.m.	12,547	-	n.m.
	<b>191,305</b>	<b>165,942</b>	<b>15.3%</b>	<b>358,069</b>	<b>315,390</b>	<b>13.5%</b>

*n.m. – not meaningful*

For 2H FY21, the gross revenue was \$191.3 million, \$25.4 million or 15.3% higher year-on-year. The increase was due to the contribution from The Minster Building which was acquired on 28 July 2021, contribution from the completed Olderfleet, 477 Collins Street from 1 August 2020, higher revenue from 21 Harris Street, 177 Pacific Highway and Suntec City.

Suntec City revenue increased by \$2.0 million year-on-year, mainly due to higher retail revenue of \$4.9 million arising from lower rent assistance granted to retail tenants of approximately 0.4 months in 2H FY21 and higher occupancy. Revenue from Suntec City Office declined by \$2.9 million year-on-year, mainly due to the divestment of the portfolio of Suntec City Office strata units. Excluding the divested units, the revenue from Suntec City Office would be \$64.0 million, a slight decline of 1.5% due to lower occupancy. As at 31 December 2021, committed occupancy of Suntec City Mall was 94.7%, an increase of 4.6 percentage points year-on-year while the committed occupancy of Suntec City Office was 97.2%, an increase of 1.6 percentage points year-on-year.

Suntec Singapore's revenue contribution of \$15.1 million comprises \$7.5 million from convention and \$7.6 million from retail as compared to \$7.2 million from convention and \$7.5 million respectively in 2H FY20. The convention revenue increased 4.2% as a result of higher revenue from conferences offset by lower revenue from corporate events and long-term licences. Suntec Singapore's retail revenue improved marginally as compared to 2H FY20 mainly due to lower rent assistance of approximately 0.4 month granted to retail tenants in 2H FY21.

177 Pacific Highway gross revenue of \$22.3 million was 11.1% higher year-on-year due to a one-off surrender fee received. 55 Currie Street revenue of \$8.5 million for 2H FY21 was 3.6% higher as the second quarter rent for a tenant was recognised in 3Q upon signing of the tenancy agreement offset by rent free incentives given for a renewal lease. Olderfleet, 477 Collins Street gross revenue of S\$14.3 million was 44.3% higher year-on-year due to the additional month of rent contribution in 2H FY21 and higher occupancy. As at 31 December 2021, the committed occupancy for 177 Pacific Highway was 93.8%, a decrease of 6.2 percentage points year-on-year. The committed occupancies for 21 Harris Street, 55 Currie Street and Olderfleet, 477 Collins Street improved 22.3, 4.0 and 1.1 percentage points to 91.0%, 95.7% and 98.3% respectively. There are rent guarantees for the vacant spaces at 21 Harris Street and Olderfleet, 477 Collins Street.

The committed occupancy for The Minster Building stood at 96.7% as at 31 December 2021 and there is income guarantee for the vacant spaces, retail leases and co-working lease.

For FY21, the gross revenue was \$358.1 million, \$42.7 million or 13.5% higher year-on-year. This was similarly due to the contributions from The Minster Building and Olderfleet, 477 Collins Street as well as higher revenue from 21 Harris Street, 177 Pacific Highway and Suntec City. This was partially offset by lower revenue from Suntec Singapore.

Suntec City revenue increased \$4.4 million year-on-year, mainly due to the increase in retail revenue arising from less rent assistance of approximately 0.7 months granted to retail tenants, higher retail occupancy, higher gross turnover rent and higher marcom revenue. This was partially mitigated by lower office revenue due to the divestment of the portfolio of strata units and lower office occupancy.

Suntec Singapore's revenue contribution for the period of \$26.4 million comprises \$11.4 million from convention and \$15.0 million from retail as compared to \$16.1 million and \$14.8 million respectively in FY20. The convention revenue declined 29.2% mainly due to lower revenue from corporate events and long-term licences.

ii. *Net property income*

	<b>Group</b>					
	<b>1/7/21 to 31/12/21</b>	<b>1/7/20 to 31/12/20</b>	<b>Change</b>	<b>1/1/21 to 31/12/21</b>	<b>1/1/20 to 31/12/20</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Net Property Income</b>						
Suntec City	81,047	69,895	16.0%	155,547	136,613	13.9%
Suntec Singapore	5,781	2,875	101.1%	5,325	3,619	47.1%
177 Pacific Highway	19,193	17,396	10.3%	36,491	33,302	9.6%
21 Harris Street	7,270	4,713	54.3%	13,104	6,541	100.3%
55 Currie Street	5,725	6,110	(6.3%)	11,560	11,819	(2.2%)
Olderfleet, 477 Collins Street	11,514	7,983	44.2%	21,120	7,983	164.6%
The Minster Building	11,484	-	n.m.	11,484	-	n.m.
	<b>142,014</b>	<b>108,972</b>	<b>30.3%</b>	<b>254,631</b>	<b>199,877</b>	<b>27.4%</b>

*n.m. – not meaningful*

The net property income for 2H FY21 was \$142.0 million, 30.3% higher year-on-year, mainly attributable to higher revenue from The Minster Building, Olderfleet, 477 Collins Street, 21 Harris Street and 177 Pacific Highway as well as higher net property income at Suntec City and Suntec Singapore which was mainly due to the absence of sinking fund contribution and lower provision and recovery of doubtful debts in 2H FY21.

For FY21, the net property income was \$254.6 million, 27.4% higher year-on-year, similarly attributable to higher revenue from The Minster Building, Olderfleet, 477 Collins Street, 21 Harris Street and 177 Pacific Highway as well as higher net property income at Suntec City and Suntec Singapore which was mainly due to the lower sinking fund contribution and lower provision and recovery of doubtful debts in FY21.

iii. *Other income*

This relates to the income support in relation to 21 Harris Street, Olderfleet, 477 Collins Street, Nova Properties and The Minster Building. Other income for 2H FY21 and FY21 was higher mainly due to additional contribution from Olderfleet, 477 Collins Street, Nova Properties and The Minster Building.

iv. *Share of profit of joint ventures*

	Group					
	1/7/21 to 31/12/21	1/7/20 to 31/12/20	Change	1/1/21 to 31/12/21	1/1/20 to 31/12/20	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Share of profit of joint ventures <sup>(1)</sup></b>						
One-third interest in ORQ	(3,309)	11,082	(129.9%)	9,517	22,660	(58.0%)
One-third interest in MBFC Properties	19,269	7,034	173.9%	39,867	23,994	66.2%
30% interest in PMIL	49 <sup>(2)</sup>	1,938	(97.5%)	(3,203) <sup>(3)</sup>	(620)	(416.6%)
50% interest in Southgate Complex	13,063	(9,966)	231.1%	24,012	(256)	9,479.7%
50% interest in Nova Properties	29,682	10,614	179.6%	32,715	10,614	208.2%
	<b>58,754</b>	<b>20,702</b>	<b>183.8%</b>	<b>102,908</b>	<b>56,392</b>	<b>82.5%</b>

<sup>(1)</sup> Includes share of profits relating to gain/(loss) on fair value adjustments of \$18,487,000 for 2H FY21, \$20,732,000 for FY21, (\$23,843,000) for 2H FY20 and (\$21,946,000) for FY20.

<sup>(2)</sup> This relates to the period from 1 January 2021 to 15 June 2021.

<sup>(3)</sup> This relates to post-completion adjustment.

Compared to 2H FY20, the increase for 2H FY21 was mainly due to share of revaluation gain from investment properties held by joint ventures and additional contribution from Nova Properties acquired on 18 December 2020. The increase was partially offset by the divestment of 9 Penang Road on 16 June 2021 and lower contribution from ORQ and MBFC Properties due to lower occupancies at these two properties.

On a year-on-year basis, FY21 was higher due to share of revaluation gain from investment properties held by joint ventures, additional contribution from Nova Properties, and higher contribution from Southgate Complex due to receipt of land tax relief from the government. The increase was partially offset by performance fee paid to the fund manager by a joint venture and the divestment of 9 Penang Road on 16 June 2021.

The committed occupancy for ORQ was 98.5%, 1.2 percentage points higher year-on-year. The committed occupancy at MBFC Towers 1 & 2 declined by 0.9 percentage points

to 97.3% while the committed occupancy at Marina Bay Link Mall increased 0.4 percentage points year-on-year to 92.2%. Nova Properties maintained 100% committed occupancy as at 31 December 2021.

v. *Finance income*

	<b>Group</b>					
	<b>1/7/21 to 31/12/21</b>	<b>1/7/20 to 31/12/20</b>	<b>Change</b>	<b>1/1/21 to 31/12/21</b>	<b>1/1/20 to 31/12/20</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Finance income</b>						
Interest income						
- fixed deposits and current account	163	250	(34.8%)	285	510	(44.1%)
- loans to joint ventures	16,617	7,524	120.9%	32,822	17,657	85.9%
- interest rate swaps	-	-	n.m.	-	34	(100.0%)
Net foreign exchange differences	-	7,008	(100.0%)	-	7,810	(100.0%)
	<b>16,780</b>	<b>14,782</b>	<b>13.5%</b>	<b>33,107</b>	<b>26,011</b>	<b>27.3%</b>

Finance income was higher for 2H FY21 and FY21 mainly due to interest on shareholder loan to Nova Limited Partnership, which was acquired on 18 December 2020.

vi. *Finance costs*

	<b>Group</b>					
	<b>1/7/21 to 31/12/21</b>	<b>1/7/20 to 31/12/20</b>	<b>Change</b>	<b>1/1/21 to 31/12/21</b>	<b>1/1/20 to 31/12/20</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Finance expense</b>						
Interest expense						
- bank loans, notes and convertible bonds	(44,094)	(35,838)	(23.0%)	(85,822)	(74,734)	(14.8%)
- interest rate swaps	(11,110)	(12,192)	8.9%	(23,159)	(17,530)	(32.1%)
Amortisation and transaction costs <sup>(1)</sup>	(4,122)	(21,891)	81.2%	(8,472)	(26,589)	68.1%
Net foreign exchange differences	(8,686)	-	n.m.	(10,038)	-	n.m.
	<b>(68,012)</b>	<b>(69,921)</b>	<b>2.7%</b>	<b>(127,491)</b>	<b>(118,853)</b>	<b>(7.3%)</b>

<sup>(1)</sup> Amortisation and transaction costs for 2H FY20 and FY20 was higher due to one-time write off of unamortised transaction costs in relating to redemption of convertible bonds.

Interest expense for FY21 was higher compared to the corresponding period mainly due to increase in bank loans.

The all-in financing cost for the Group was 2.33% per annum for 2H FY21 (2H FY20: 2.45%), and 2.35% per annum for FY21 (FY20: 2.53%). The aggregate leverage ratio ("ALR") was 43.7% as at 31 December 2021, 0.6 percentage points lower than the ALR as at 31 December 2020 of 44.3% due to higher valuation of the Group's properties as at 31 December 2021.

vii. *Asset management fees*

Asset management fees – base fees for 2H FY21 and FY21 was higher year-on-year mainly due to the acquisition of Nova Properties in December 2020 and acquisition of The Minster Building in July 2021, partially offset by the divestment of 9 Penang Road on 16 June 2021 and the divestment of a portfolio of Suntec City Office strata units on 21 September 2021.

Asset management fees - performance fees for 2H FY21 and FY21 was higher year-on-year mainly due to higher net property income.

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

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

The distributable income from operations for 2H FY21 was \$129.0 million, 21.6% higher year-on-year. The DPU for 2H FY21 was 4.512 cents per unit, 9.8% higher year-on-year mainly due to higher distributable income from operations.

The distributable income from operations for FY21 was \$247.2 million, 18.2% higher year-on-year. The DPU for FY21 was 8.666 cents per unit, 17.1% higher year-on-year mainly due to higher distributable income from operations.

Distribution of 2.045 cents per unit, or approximately \$58.1 million for the period from 1 January 2021 to 31 March 2021 was paid on 28 May 2021.

Distribution of 2.109 cents per unit, or approximately \$60.1 million for the period from 1 April 2021 to 30 June 2021 was paid on 27 August 2021.

Distribution of 2.232 cents per unit, or approximately \$63.7 million for the period from 1 July 2021 to 30 September 2021 was paid on 29 November 2021.

Distribution of 2.280 cents per unit, or approximately \$65.4 million for the period from 1 October 2021 to 31 December 2021 will be paid by end February 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 31 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 FY2020 Financial Results Announcement under item 10. The Trust has not disclosed any financial forecast to the market.

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

Based on the report released by the Ministry of Trade and Industry ("MTI") on 3 January 2022, the Singapore economy improved by 5.9% on a year-on-year basis in the fourth quarter of 2021. For the whole of 2021, the Singapore economy grew by 7.2%.

Singapore Office

The Singapore office market continued its trajectory of recovery in the fourth quarter of 2021 as market sentiments improved in tandem with economic outlook. Core CBD occupancy increased by 1.2 percentage points to 93.3% with demand continued to be driven by Technology and Financial Services sectors. The Singapore office market is expected to improve further amidst economic recovery and limited new supply.<sup>1</sup>

The Singapore office portfolio income contribution is expected to be higher in 2022 underpinned by the positive rent reversions achieved from the past 14 quarters and the full impact of revenue from leases committed in 2021.

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<sup>1</sup> CBRE, Singapore Figures 4Q 2021

### Singapore Retail

The Singapore retail market showed encouraging signs of recovery in the fourth quarter of 2021 with increased spending reflecting an improvement in consumer confidence. Higher vaccination rates and the gradual easing of restrictions had also resulted in a pick-up of leasing activity and increased occupancy rates across all submarkets.<sup>2</sup>

Footfall and tenant sales at Suntec City mall are expected to continue their recovery in 2022 barring any further tightening of safe management measures. While occupancy is expected to remain stable, rent reversion is likely to remain weak as retailers remain cautious due to the uncertain operating environment. Revenue recovery will be supported by higher occupancy and higher GTO rents.

### Singapore Convention

Recovery of the Meetings, Incentives, Conventions and Exhibitions (“MICE”) industry continues to remain slow due to weak international business and leisure travel. More Vaccinated Travel Lanes to and from key markets in Asia will be required to boost recovery of the MICE industry. The domestic market is expected to be the key driver for business recovery in 2022. This will however be highly dependent on further easing of restrictions on large-scale consumer and corporate events. Income from Suntec Convention remains significantly impacted for 2022.

### Australia Office and Retail

According to the Australian Bureau of Statistics, the Australian economy grew by 3.9% on a year-on-year basis in the third quarter of 2021.

The national office CBD occupancy stood at 85.9% in the third quarter of 2021, a marginal decline of 0.1 percentage points. Prime office occupancy rates in Sydney, Melbourne and Adelaide CBD markets increased 1.0 percentage points, 1.1 percentage points, 2.4 percentage points to 87.4%, 83.9% and 87.6% respectively. With net absorption turning positive, slight improvement in occupancy levels are expected although short term leasing demand is subdued.<sup>3</sup>

Suntec REIT Australia office portfolio is expected to remain resilient with minimal lease expiries in 2022 and 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 a result of travel restrictions and the slow return of workforce. As such, retail rents in the CBD are expected to remain weak although impact on Suntec REIT is low since retail contributes less than 5% to the Australia portfolio’s gross income.

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<sup>2</sup> JLL, Singapore Retail Market Report 4Q 2021

<sup>3</sup> JLL, Australia Office Overview and Outlook, Sydney CBD Office, North Shore Office and Melbourne CBD Office Market Reports 3Q 2021



United Kingdom Office and Retail

According to the Office for National Statistics, in the third quarter of 2021, the United Kingdom economy improved 6.8% year-on-year, the second quarter of positive growth. Leasing activity continued to improve and were driven mainly by Technology, Professional Services and Banking & Finance sectors. Occupancy in the Central London Office market increased by a marginal 0.1 percentage points to 92.0% and is expected to improve further due to limited supply. High quality office buildings located near London’s key transport hubs remain well sought after.<sup>4</sup>

Suntec REIT’s office revenue from the United Kingdom remains resilient underpinned by high occupancy and long WALE. Lease expiry is minimal until 2027, while the retail income continues to be protected by income support.

**H. Distribution Information**

a) Current Financial Period Reported on

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

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

Distribution rate:

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

Tax Rate

**Taxable income**

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

**Tax-exempt income**

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

Remark

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

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

A distribution of 2.232 cents per unit for the period 1 July 2021 to 30 September 2021 was paid on 29 November 2021.

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<sup>4</sup> JLL, Central London Office Market Report 3Q 2021

b) Corresponding Period of the Immediate Preceding Financial Year

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

Name of distribution: Distribution for the period 1 July 2020 to 31 December 2020

Distribution rate:

Distribution Type	Distribution Rate Per Unit (cents)
Taxable income	3.071
Tax-exempt income	1.038
<b>Total</b>	<b>4.109</b>

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 1.457 cents per unit for the period 1 July 2020 to 30 September 2020 and 1.614 cents per unit for the period 1 October 2020 to 31 December 2020.

Tax exempt income comprised 0.391 cents per unit for the period 1 July 2020 to 30 September 2020, and 0.647 cents per unit for the period 1 October 2020 to 31 December 2020.

c) Date Payable

A distribution of 2.280 cents per unit for the period 1 October 2021 to 31 December 2021 will be paid on/about 28 February 2022.

d) Books Closure Date

Date on which Registrable Transfers received by the Trust will be registered before entitlements to the distributions are determined: 7 February 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**

Not applicable.

**L. Breakdown of the total distribution**

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

	<b>2021</b>	<b>2020</b>
	<b>S\$'000</b>	<b>S\$'000</b>
1 July 2021 to 30 September 2021	63,679	-
1 April 2021 to 30 June 2021	60,062	-
1 January 2021 to 31 March 2021	58,121	-
1 October 2020 to 31 December 2020	64,160	-
1 July 2020 to 30 September 2020	-	52,212
1 April 2020 to 30 June 2020	-	43,243
1 January 2020 to 31 March 2020	-	49,567
1 October 2019 to 31 December 2019	-	65,978
	<b>246,022</b>	<b>211,000</b>

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

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

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

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

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

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

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

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

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

Chong Kee Hiong  
Director  
26 January 2022