

Suntec Real Estate Investment Trust and its Subsidiaries

Interim Financial Information
For the six months period and financial year ended 31 December 2023

Suntec Real Estate Investment Trust and its Subsidiaries

Index

	Page
Introduction	1
Summary of results	2
Statements of financial position	3
Statement of total return	5
Distribution statement	6
Statements of movements in unitholders' funds	9
Portfolio statements	13
Statement of cash flows	16
Notes to interim financial statements	18
Other information required under appendix 7.2 of the listing manual	30

Suntec Real Estate Investment Trust and its Subsidiaries

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 820,000 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 144,000 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”).

Suntec Real Estate Investment Trust and its Subsidiaries

Summary of results

For the six months period and financial year ended 31 December 2023

	Group					
	1.7.2023 to 31.12.2023	1.7.2022 to 31.12.2022	Change	1.1.2023 to 31.12.2023	1.1.2022 to 31.12.2022	Change
	\$'000	\$'000	%	\$'000	\$'000	%
Gross revenue	238,439	223,727	6.6	462,739	427,269	8.3
Net property income	159,846	162,849	(1.8)	313,150	315,751	(0.8)
Income from joint ventures	47,823	57,445	(16.7)	93,982	118,786	(20.9)
- loans to joint ventures	8,347	22,161	(62.3)	17,213	38,782	(55.6)
- share of profits ^(a)	39,476	35,284	11.9	76,769	80,004	(4.0)
Distribution income	106,287	117,370	(9.4)	206,789	255,507	(19.1)
- from operations	94,787	105,870	(10.5)	183,789	232,507	(21.0)
- from capital	11,500	11,500	–	23,000	23,000	–
Number of issued and issuable units at the end of the period entitled to distribution ('000) ^(b)	2,909,435	2,886,681	0.8	2,909,435	2,886,681	0.8
Distribution per Unit ("DPU") (cents) ^(b)	3.659	4.074	(10.2)	7.135	8.884	(19.7)
- 1 Jan to 31 Mar ^(c)	–	–	–	1.737	2.391	(27.4)
- 1 Apr to 30 Jun ^(d)	–	–	–	1.739	2.419	(28.1)
- 1 Jul to 30 Sep ^(e)	1.793	2.084	(14.0)	1.793	2.084	(14.0)
- 1 Oct to 31 Dec ^(f)	1.866	1.990	(6.2)	1.866	1.990	(6.2)

n.m. – not meaningful

Footnotes:

(a) Excludes share of (loss)/ gain arising from fair value adjustments of (\$40,768,000) for the period from 1 July 2023 to 31 December 2023 ("2H FY23") and for the financial year ended 31 December 2023 ("FY23"), \$5,456,000 for the period from 1 July 2022 to 31 December 2022 ("2H FY22"), \$64,852,000 for financial year ended 31 December 2022 ("FY22").

(b) Please refer to Page 6-8 for the distribution per unit computation.

(c) Distribution of 1.737 cents per unit for the period 1 January 2023 to 31 March 2023 was paid on 30 May 2023.

(d) Distribution of 1.739 cents per unit for the period 1 April 2023 to 30 June 2023 was paid on 29 August 2023.

(e) Distribution of 1.793 cents per unit for the period 1 July 2023 to 30 September 2023 was paid on 29 November 2023.

(f) The computation of Distribution per Unit for the period from 1 October 2023 to 31 December 2023 is based on the number of units entitled to distribution:

(i) The number of units in issue as at 31 December 2023 of 2,897,274,356; and

(ii) The units issuable to the Manager by 30 January 2024 as partial satisfaction of asset management base fees incurred for the period from 1 October 2023 to 31 December 2023 of 3,809,964 and asset management performance fees incurred for the period from 1 January 2023 to 31 December 2023 of 8,350,629.

Suntec Real Estate Investment Trust and its Subsidiaries

Statements of financial position As at 31 December 2023

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

Suntec Real Estate Investment Trust and its Subsidiaries

**Statements of financial position (cont'd)
As at 31 December 2023**

	Note	Group		Trust	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Unitholders' funds		6,107,793	6,116,353	5,377,352	5,188,508
Perpetual securities holders	6	348,040	348,040	348,040	348,040
Non-controlling interests		128,067	119,726	–	–
		<u>6,583,900</u>	<u>6,584,119</u>	<u>5,725,392</u>	<u>5,536,548</u>
Units in issue ('000)	7	<u>2,897,274</u>	<u>2,875,948</u>	<u>2,897,274</u>	<u>2,875,948</u>
Net asset value per Unit (S\$)	8	<u>2.099</u>	<u>2.119</u>	<u>1.848</u>	<u>1.797</u>

Suntec Real Estate Investment Trust and its Subsidiaries

Statement of total return

For the six months period and financial year ended 31 December 2023

	Note	Group					Change
		Six- months period ended	Six- months period ended	Change	Year ended	Year ended	
		31.12.2023 \$'000	31.12.2022 \$'000		%	31.12.2023 \$'000	
Gross revenue		238,439	223,727	6.6	462,739	427,269	8.3
Property expenses		(78,593)	(60,878)	(29.1)	(149,589)	(111,518)	(34.1)
Net property income		159,846	162,849	(1.8)	313,150	315,751	(0.8)
Other income		3,582	3,994	(10.3)	5,961	8,097	(26.4)
Share of profit of joint ventures		(1,292)	40,740	(103.2)	36,001	144,856	(75.1)
Finance income		9,649	22,480	(57.1)	21,116	39,204	(46.1)
Finance costs		(89,764)	(86,940)	(3.2)	(174,694)	(151,440)	(15.4)
Net finance costs		(80,115)	(64,460)	(24.3)	(153,578)	(112,236)	(36.8)
Asset management fees							
- base fee		(20,742)	(20,604)	(0.7)	(41,129)	(40,865)	(0.6)
- performance fee		(10,333)	(10,302)	(0.3)	(20,299)	(20,306)	–
Trust expenses		(5,643)	(2,688)	(109.9)	(9,254)	(5,956)	(55.4)
Net income		45,303	109,529	(58.6)	130,852	289,341	(54.8)
Net change in fair value of financial derivatives		(38,930)	11,093	(450.9)	(46,220)	65,407	(170.7)
Net change in fair value of investment properties		109,281	104,963	4.1	109,859	159,120	(31.0)
Net gain from divestment of investment properties		9,800	–	n.m.	9,800	–	n.m.
Total return before tax	10	125,454	225,585	(44.4)	204,291	513,868	(60.2)
Tax expense		(437)	(7,521)	94.2	(7,970)	(16,241)	50.9
Total return after tax		125,017	218,064	(42.7)	196,321	497,627	(60.5)
Attributable to:							
Unitholders of the Trust and perpetual securities holders		113,266	201,266	(43.7)	185,384	476,811	(61.1)
Non-controlling interests		11,751	16,798	(30.0)	10,937	20,816	(47.5)
		125,017	218,064	(42.7)	196,321	497,627	(60.5)
Earnings per Unit (cents)							
Basic	11	3.669	6.757	(45.7)	5.927	16.117	(63.2)
Diluted	11	3.653	6.732	(45.7)	5.902	16.057	(63.2)

n.m. denotes not meaningful

Suntec Real Estate Investment Trust and its Subsidiaries

Distribution statement

For the six months period and financial year ended 31 December 2023

	Group			
	Six-months period ended 31.12.2023 \$'000	Six-months period ended 31.12.2022 \$'000	Year ended 31.12.2023 \$'000	Year ended 31.12.2022 \$'000
Amount available for distribution to Unitholders at the beginning of the period/year	50,130	69,334	57,270	65,207
Total return attributable to Unitholders and perpetual securities holders before distribution	113,266	201,266	185,384	476,811
Less: Total return attributable to perpetual securities holders	(7,045)	(7,045)	(13,975)	(13,975)
Net tax adjustments (Note A)	(85,535)	(156,605)	(138,629)	(392,740)
Taxable income	20,686	37,616	32,780	70,096
Add:				
Dividend income (Note B)	74,101	68,254	151,009	162,411
Others (Note C)	11,500	11,500	23,000	23,000
	156,417	186,704	264,059	320,714
Distribution to Unitholders				
Distribution of 2.280 cents per Unit for period from 1/10/2021 to 31/12/2021	–	–	–	(65,382)
Distribution of 2.391 cents per Unit for period from 1/1/2022 to 31/3/2022	–	–	–	(68,628)
Distribution of 2.419 cents per Unit for period from 1/4/2022 to 30/6/2022	–	(69,499)	–	(69,499)
Distribution of 2.084 cents per Unit for period from 1/7/2022 to 30/9/2022	–	(59,935)	–	(59,935)
Distribution of 1.990 cents per Unit for period from 1/10/2022 to 31/12/2022	–	–	(57,445)	–
Distribution of 1.737 cents per Unit for period from 1/1/2023 to 31/3/2023	–	–	(50,197)	–
Distribution of 1.739 cents per Unit for period from 1/4/2023 to 30/6/2023	(50,316)	–	(50,316)	–
Distribution of 1.793 cents per Unit for period from 1/7/2023 to 30/9/2023	(51,948)	–	(51,948)	–
Distribution to Unitholders	(102,264)	(129,434)	(209,906)	(263,444)
Income available for distribution to Unitholders at end of the period / year	54,153	57,270	54,153	57,270
Distribution per Unit (cents) (Note D)	3.659	4.074	7.135	8.884

Suntec Real Estate Investment Trust and its Subsidiaries

Distribution statement (cont'd)

For the six months period and financial year ended 31 December 2023

Note A

	Group			
	Six-months period ended	Six-months period ended	Year ended	Year ended
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	\$'000	\$'000	\$'000	\$'000
Net tax adjustments comprise:				
Asset management fee paid/payable in Units	14,409	14,353	28,484	28,417
Amortisation of transaction costs	2,318	2,496	7,018	4,901
Net profit from subsidiaries and joint ventures	(31,950)	(61,484)	(114,301)	(208,439)
Net foreign currency exchange differences	1,434	3,071	1,102	5,725
Net change in fair value of investment properties	(109,281)	(104,963)	(109,859)	(159,120)
Net change in fair value of financial derivatives	39,438	(9,105)	48,091	(62,669)
Net gain on divestment of investment properties	(9,800)	–	(9,800)	–
Sinking fund contribution	4,096	–	8,202	–
Deferred tax	(4,112)	(5,931)	(3,164)	(2,826)
Trustee's fees	1,024	1,010	2,048	2,006
Other items ⁽¹⁾	6,889	3,948	3,550	(735)
Net tax adjustments	(85,535)	(156,605)	(138,629)	(392,740)

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

Suntec Real Estate Investment Trust and its Subsidiaries

Distribution statement (cont'd)

For the six months period and financial year ended 31 December 2023

Note B

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

	Group			
	Six-months period ended	Six-months period ended	Year ended	Year ended
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	\$'000	\$'000	\$'000	\$'000
Wholly owned subsidiaries				
Comina Investment Limited	12,886	11,481	25,980	25,607
Suntec REIT Capital Pte. Ltd.	9,100	9,500	18,500	19,500
Suntec Harmony Pte. Ltd.	3,900	–	3,900	–
Suntec REIT (Australia) Trust	18,008	26,369	44,213	57,914
Suntec REIT UK 1 Pte. Ltd.	5,340	5,667	14,356	16,580
Victoria Circle Unit Trust 1	4	9	13	16
Victoria Circle Unit Trust 2	4	9	13	16
Suntec REIT UK (LP) Pte. Ltd.	8,011	3,700	11,007	12,949
	57,253	56,735	117,982	132,582
Joint Venture				
BFC Development LLP	16,848	11,519	33,027	29,829
	74,101	68,254	151,009	162,411

Note C

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

Note D

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

Suntec Real Estate Investment Trust and its Subsidiaries

Statements of movements in unitholders' funds

For the six months period and financial year ended 31 December 2023

	Group		Trust	
	Six-months period ended 31.12.2023 \$'000	Six-months period ended 31.12.2022 \$'000	Six-months period ended 31.12.2023 \$'000	Six-months period ended 31.12.2022 \$'000
Unitholders' funds at the beginning of the period	6,126,375	6,124,420	5,206,829	5,120,958
Total return attributable to Unitholders and perpetual securities holders	113,266	201,266	260,439	184,673
Less: Total return attributable to perpetual securities holders	(7,045)	(7,045)	(7,045)	(7,045)
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges ⁽¹⁾	(16,520)	9,127	-	-
Foreign currency translation reserve				
Translation differences from financial statements of foreign operations	(25,412)	(101,337)	-	-
Net loss recognised directly in Unitholders' funds	(41,932)	(92,210)	-	-
Unitholders' transactions				
Creation of Units				
- asset management fees payable in Units ⁽²⁾	4,613	4,526	4,613	4,526
Units to be issued				
- asset management fees payable in Units ⁽²⁾	14,780	14,830	14,780	14,830
Distributions to Unitholders	(102,264)	(129,434)	(102,264)	(129,434)
Net decrease in Unitholders' funds resulting from Unitholders' transactions	(82,871)	(110,078)	(82,871)	(110,078)
Unitholders' funds at end of the period	6,107,793	6,116,353	5,377,352	5,188,508

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 joint ventures.

⁽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 2023 and asset management performance fee units for the financial year ended 31 December 2023 are to be issued within 30 days from quarter end.

Suntec Real Estate Investment Trust and its Subsidiaries

**Statements of movements in unitholders' funds (cont'd)
For the six months period and financial year ended 31 December 2023**

	Group		Trust	
	Six-months period ended 31.12.2023 \$'000	Six-months period ended 31.12.2022 \$'000	Six-months period ended 31.12.2023 \$'000	Six-months period ended 31.12.2022 \$'000
Perpetual securities holders at the beginning of the period	348,002	348,002	348,002	348,002
Total return attributable to perpetual securities holders	7,045	7,045	7,045	7,045
Transactions with perpetual securities holders				
Distribution to perpetual securities holders	(7,007)	(7,007)	(7,007)	(7,007)
Net decrease resulting from transactions with perpetual securities holders	(7,007)	(7,007)	(7,007)	(7,007)
Perpetual securities holders at the end of the period	348,040	348,040	348,040	348,040
Non-controlling interests at the beginning of the period	118,912	102,928	–	–
Total return attributable to non-controlling interests	11,751	16,798	–	–
Share of hedging reserve	(574)	–	–	–
Transactions with non-controlling interests				
Distribution to non-controlling interests	(2,022)	–	–	–
Net decrease resulting from transactions with non-controlling interests	(2,022)	–	–	–
Non-controlling interests at the end of the period	128,067	119,726	–	–

Suntec Real Estate Investment Trust and its Subsidiaries

**Statements of movements in unitholders' funds (cont'd)
For the six months period and financial year ended 31 December 2023**

	Group		Trust	
	Year ended 31.12.2023 \$'000	Year ended 31.12.2022 \$'000	Year ended 31.12.2023 \$'000	Year ended 31.12.2022 \$'000
Unitholders' funds at the beginning of the year	6,116,353	6,051,805	5,188,508	5,110,695
Total return attributable to Unitholders and perpetual securities holders	185,384	476,811	384,241	326,815
Less: Total return attributable to perpetual securities holders	(13,975)	(13,975)	(13,975)	(13,975)
Hedging reserve				
Effective portion of changes in fair value of cash flow hedges ⁽¹⁾	(16,503)	19,820	–	–
Foreign currency translation reserve				
Translation differences from financial statements of foreign operations	17,956	(183,081)	–	–
Net gain / (loss) recognised directly in Unitholders' funds	1,453	(163,261)	–	–
Unitholders' transactions				
Creation of Units				
- asset management fees payable in Units ⁽²⁾	13,704	13,587	13,704	13,587
Units to be issued				
- asset management fees payable in Units ⁽²⁾	14,780	14,830	14,780	14,830
Distributions to Unitholders	(209,906)	(263,444)	(209,906)	(263,444)
Net decrease in Unitholders' funds resulting from Unitholders' transactions	(181,422)	(235,027)	(181,422)	(235,027)
Unitholders' funds at end of the year	6,107,793	6,116,353	5,377,352	5,188,508

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 joint ventures.

⁽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 2023 and asset management performance fee units for the financial year ended 31 December 2023 are to be issued within 30 days from quarter end.

Suntec Real Estate Investment Trust and its Subsidiaries

**Statements of movements in unitholders' funds (cont'd)
For the six months period and financial year ended 31 December 2023**

	Group		Trust	
	Year ended 31.12.2023 \$'000	Year ended 31.12.2022 \$'000	Year ended 31.12.2023 \$'000	Year ended 31.12.2022 \$'000
Perpetual securities holders at the beginning of the year	348,040	348,047	348,040	348,047
Total return attributable to perpetual securities holders	13,975	13,975	13,975	13,975
Transactions with perpetual securities holders				
Issue expenses	–	(7)	–	(7)
Distribution to perpetual securities holders	(13,975)	(13,975)	(13,975)	(13,975)
Net decrease resulting from transactions with perpetual securities holders	(13,975)	(13,982)	(13,975)	(13,982)
Perpetual securities holders at the end of the year	348,040	348,040	348,040	348,040
Non-controlling interests at the beginning of the year	119,726	98,910	–	–
Total return attributable to non-controlling interests	10,937	20,816	–	–
Share of hedging reserve	(574)	–	–	–
Transactions with non-controlling interests				
Distribution to non-controlling interests	(2,022)	–	–	–
Net decrease resulting from transactions with non-controlling interests	(2,022)	–	–	–
Non-controlling interests at the end of the year	128,067	119,726	–	–

Suntec Real Estate Investment Trust and its Subsidiaries

Portfolio statements As at 31 December 2023

Group

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed Occupancy Rate as at		Carrying Value as at		Percentage of Total Unitholders' funds as at	
						31.12.2023 %	31.12.2022 %	31.12.2023 \$'000	31.12.2022 \$'000	31.12.2023 %	31.12.2022 %
Investment properties in Singapore											
Suntec City Mall	Leasehold	99 years	65 years	3 Temasek Boulevard	Commercial	95.6	98.3	2,143,000	2,070,000	35.1	33.8
Suntec City Office Towers	Leasehold	99 years	65 years	5 - 9 Temasek Boulevard	Commercial	100	99.9	3,232,239	3,145,000	52.9	51.4
Suntec Singapore [^]	Leasehold	99 years	65 years	1 Raffles Boulevard	Commercial	n.m.	n.m.	729,700	699,400	11.9	11.4
Investment properties in Australia											
177 Pacific Highway	Freehold	–	–	177 – 199 Pacific Highway, North Sydney	Commercial	100	100	618,567	645,450	10.1	10.6
21 Harris Street	Freehold	–	–	21 Harris Street, Pymont, New South Wales	Commercial	98.8	97.0	255,337	270,777	4.3	4.4
55 Currie Street	Freehold	–	–	55 Currie Street, Adelaide	Commercial	56.2	100	115,712	130,540	1.9	2.1
Olderfleet, 477 Collins Street	Freehold	–	–	477 Collins Street, Melbourne	Commercial	100	99.5	404,586	433,321	6.6	7.1
Investment property in United Kingdom											
The Minster Building	Leasehold	999 years	966 years	21 Mincing Lane, EC3, London	Commercial	87.3	96.7	465,668 ⁽¹⁾	512,340 ⁽¹⁾	7.6	8.4
Investment properties, at valuation								7,964,809	7,906,828	130.4	129.2
Investment properties held for sale								39,761 ⁽²⁾	–	0.7	–
Interests in joint ventures								2,829,479	3,424,076	46.3	56.0
Other assets and liabilities (net)								10,834,049	11,330,904	177.4	185.2
Net assets								(4,250,149)	(4,746,785)	(69.6)	(77.6)
Perpetual securities holders								6,583,900	6,584,119	107.8	107.6
Non-controlling interests								(348,040)	(348,040)	(5.7)	(5.7)
Unitholders' funds								(128,067)	(119,726)	(2.1)	(1.9)
								6,107,793	6,116,353	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 \$488.5 million (2022: \$537.4 million).

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

Suntec Real Estate Investment Trust and its Subsidiaries

Portfolio statements (cont'd) As at 31 December 2023

Trust

Description of Property	Tenure of Land	Term of Lease	Remaining Term of Lease	Location	Existing Use	Committed Occupancy Rate as at		Carrying Value as at		Percentage of Total Unitholders' funds as at	
						31.12.2023 %	31.12.2022 %	31.12.2023 \$'000	31.12.2022 \$'000	31.12.2023 %	31.12.2022 %
Investment properties in Singapore											
Suntec City Mall	Leasehold	99 years	65 years	3 Temasek Boulevard	Commercial	95.6	98.3	2,143,000	2,070,000	39.9	39.9
Suntec City Office Towers	Leasehold	99 years	65 years	5 - 9 Temasek Boulevard	Commercial	100	99.9	3,232,239	3,145,000	60.1	60.6
Investment properties, at valuation								5,375,239	5,215,000	100.0	100.5
Investment properties held for sale								39,761 ⁽¹⁾	–	0.7	–
Interests in joint ventures								901,918	1,472,073	16.8	28.4
Interests in subsidiaries								2,601,034	2,326,684	48.4	44.8
Other assets and liabilities (net)								8,917,952 (3,192,560)	9,013,757 (3,477,209)	165.9 (59.4)	173.7 (67.0)
Net assets								5,725,392	5,536,548	106.5	106.7
Perpetual securities holders								(348,040)	(348,040)	(6.5)	(6.7)
Unitholders' funds								5,377,352	5,188,508	100.0	100.0

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

Suntec Real Estate Investment Trust and its Subsidiaries

Portfolio statements (cont'd) As at 31 December 2023

Note:

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

Suntec City Office Towers comprise 12 (2022: 12) strata lots in Suntec City Office Tower One, 1 (2022: 3) strata lot in Suntec City Office Tower Two, 74 (2022: 76) strata lots in Suntec City Office Tower Three and all (2022: all) the strata lots in Suntec City Office Towers Four and Five.

Suntec Singapore comprises more than one million square feet of versatile floor space over six levels which includes approximately 144,000 square feet of retail space.

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

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

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

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

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

The carrying amounts of the investment properties as at 31 December 2023 were based on independent valuations undertaken by Cushman & Wakefield VHS Pte. Ltd., Jones Lang LaSalle Advisory Services Pty Ltd, and Colliers International Property Consultants Limited. (2022: Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Cushman & Wakefield (Valuations) Pty Ltd, CIVAS (VIC) Pty Limited, Jones Lang LaSalle Limited, and Savills (UK) Limited).

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

Suntec Real Estate Investment Trust and its Subsidiaries

Statement of cash flows
For the financial year ended 31 December 2023

	Group	
	Year ended	Year ended
	31.12.2023	31.12.2022
	\$'000	\$'000
Cash flows from operating activities		
Total return before tax	204,291	513,868
<u>Adjustments for:</u>		
Allowance / (Reversal) of impairment on trade receivables	286	(217)
Asset management fees paid/payable in Units	28,484	28,417
Depreciation of plant and equipment	621	680
Loss on disposal of plant and equipment	2	–
Net change in fair value of financial derivatives	46,219	(65,407)
Net change in fair value of investment properties	(109,859)	(159,120)
Net finance costs	153,578	112,236
Net gain from divestment of investment properties	(9,800)	–
Share of profit of joint ventures	(36,001)	(144,856)
	<hr/>	<hr/>
Operating cash flows before changes in working capital	277,821	285,601
<u>Changes in working capital:</u>		
Increase in trade and other receivables	(18,457)	(4,824)
Increase in trade and other payables	13,768	8,825
	<hr/>	<hr/>
Cash generated from operations activities	273,132	289,602
Income taxes paid, net	(21,113)	(5,419)
	<hr/>	<hr/>
Net cash flows from operating activities	252,019	284,183
	<hr/>	<hr/>
Cash flows from Investing activities		
Capital expenditure on investment properties	(9,848)	(13,899)
Deposit received from divestment of investment properties	508	–
Dividend income received	65,052	66,665
Additional investments in joint ventures	(4,730)	(11,213)
Loan to joint ventures	–	(332)
Loan repayment by joint ventures	584,887	25,195
Net proceeds from divestment of investment properties	42,628	–
Interest received	21,116	48,549
Purchase of plant and equipment	(1,460)	(192)
	<hr/>	<hr/>
Net cash from investing activities	698,153	114,773
	<hr/>	<hr/>

Suntec Real Estate Investment Trust and its Subsidiaries

Statement of cash flows (cont'd) For the financial year ended 31 December 2023

	Group	
	Year ended 31.12.2023	Year ended 31.12.2022
	\$'000	\$'000
Cash flows from financing activities		
Distributions to Unitholders	(209,906)	(263,444)
Distributions to perpetual securities holders	(13,975)	(13,975)
Dividends paid to non-controlling interests	(2,022)	–
Financing cost paid	(171,233)	(133,062)
Repayment of medium-term notes	(280,000)	(100,000)
Payment of transaction costs on issue of perpetual securities	–	(7)
Proceeds from interest-bearing loans	1,146,000	900,000
Repayment of interest-bearing loans	(1,469,849)	(773,104)
	<hr/>	<hr/>
Net cash flows used in financing activities	(1,000,985)	(383,592)
	<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents	(50,813)	15,364
Cash and cash equivalents at beginning of the period	269,610	268,311
Effects on exchange rate fluctuations on cash held	(872)	(14,065)
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	217,925	269,610
	<hr/> <hr/>	<hr/> <hr/>

Significant non-cash transactions

There were the following non-cash transactions:

Year ended 31 December 2023

The Group had issued a total of 21,326,542 Units to the Manager, amounting to approximately \$28.5 million at unit prices ranging from \$1.1855 to \$1.4234 as satisfaction of asset management fees payable in Units.

Year ended 31 December 2022

The Group had issued a total of 22,948,339 Units to the Manager, amounting to approximately \$35.4 million at unit prices ranging from \$1.4883 to \$1.7267 as satisfaction of asset management fees payable in Units.

Suntec Real Estate Investment Trust and its Subsidiaries

Notes to the interim financial statements

For the six months period and financial year ended 31 December 2023

1. Corporate information

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 2022. RAP 7 requires the accounting policies to generally comply with the recognition and measurement principles of Financial Reporting Standards in Singapore (“FRS”).

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

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

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

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

Suntec Real Estate Investment Trust and its Subsidiaries

Notes to the interim financial statements

For the six months period and financial year ended 31 December 2023

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 2022.

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 2022, except that the Group adopted various revised standards that are effective for annual periods beginning on 1 January 2023. The adoption of the revised standards did not have a material impact on the Group's Financial Statements.

3. Investment properties

	Group		Trust	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the period	7,906,828	7,913,100	5,215,000	4,997,000
Capital expenditure capitalised	17,593	22,735	3,004	733
Divestments	(32,734)	–	(32,734)	–
Reclassification to investment properties held for sale	(39,761)	–	(39,761)	–
	7,851,926	7,935,835	5,145,509	4,997,733
Net change in fair value of investment properties	109,859	159,120	229,730	217,267
Effects of movements in exchange rates	3,024	(188,127)	–	–
Balance at end of the period	7,964,809	7,906,828	5,375,239	5,215,000

The carrying amounts of the investment properties as at 31 December 23 were based on independent valuations undertaken by Cushman & Wakefield VHS Pte. Ltd., Jones Lang LaSalle Advisory Services Pty Ltd, and Colliers International Property Consultants Limited. (2022: Colliers International Consultancy & Valuation (Singapore) Pte Ltd, Cushman & Wakefield (Valuations) Pty Ltd, CIVAS (VIC) Pty Limited, Jones Lang LaSalle Limited, and Savills (UK) Limited).

As at 31 December 2023, Suntec REIT had completed the divestment of four strata units in Suntec City Office and granted Options to Purchase for another three strata units in Suntec City Office to unrelated third parties. The carrying value of these three strata units have been reclassified to investment properties held for sale.

The estimated dates of completion of the divestment of the three strata units will be in the half year ending 30 June 2024.

Suntec Real Estate Investment Trust and its Subsidiaries

Notes to the interim financial statements

For the six months period and financial year ended 31 December 2023

3. Investment properties (cont'd)

Measurement of fair value

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

The valuers have considered valuation techniques including the discounted cash flow method, capitalisation approach and/or direct comparison method. The discounted cash flow method involves the estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The capitalisation approach capitalises an income stream into a present value using single-year capitalisation rates. The direct comparison method involves the analysis of comparable sales of similar properties, with adjustments made to differentiate the comparable in terms of location, area, quality and other relevant factors.

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

4. Interests in joint ventures

	Group		Trust	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	\$'000	\$'000	\$'000	\$'000
Investment in joint ventures	2,255,291	2,281,581	850,575	850,574
Loans to joint ventures	574,188	1,142,495	51,343	621,499
	<u>2,829,479</u>	<u>3,424,076</u>	<u>901,918</u>	<u>1,472,073</u>

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

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

In FY23, the Trust's joint venture – BFCDLLP had replaced its loan from shareholders with an external bank loan and repaid \$570.2 million of loan to the Trust.

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

Suntec Real Estate Investment Trust and its Subsidiaries

Notes to the interim financial statements

For the six months period and financial year ended 31 December 2023

4. Interests in joint ventures (cont'd)

Details of the material joint ventures are as follows:

Name of joint ventures	Principal place of business	Effective equity interest held by the Group	
		31.12.2023 %	31.12.2022 %
One Raffles Quay Pte. Ltd.	Singapore	33.33	33.33
BFC Development LLP	Singapore	33.33	33.33
Southgate Trust	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 ("BFCDLLP") owns Marina Bay Financial Centre Towers 1 and 2 and the Marina Bay Link Mall, Singapore.

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

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

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

5. Interest-bearing borrowings

	Group		Trust	
	31.12.2023 \$'000	31.12.2022 \$'000	31.12.2023 \$'000	31.12.2022 \$'000
Term loans				
-secured	1,472,144	1,988,574	537,110	893,240
-unsecured	2,788,206	2,854,905	2,571,091	2,572,368
	<u>4,260,350</u>	<u>4,843,479</u>	<u>3,108,201</u>	<u>3,465,608</u>
Classified as:				
Current	399,853	645,577	399,853	279,913
Non-current	3,860,497	4,197,902	2,708,348	3,185,695
	<u>4,260,350</u>	<u>4,843,479</u>	<u>3,108,201</u>	<u>3,465,608</u>

Suntec Real Estate Investment Trust and its Subsidiaries

Notes to the interim financial statements

For the six months period and financial year ended 31 December 2023

5. Interest-bearing borrowings (cont'd)

Secured loans

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

- S\$388 million secured term loan facility, bank guarantee facility and revolving credit facility (2022: S\$406 million secured term loan facility and revolving credit facility);
- S\$540 million (2022: S\$900 million) secured syndicated term loan facility;
- A\$450 million (2022: A\$450 million) secured term green loan facility; and
- GBP100 million (2022: GBP200 million) secured syndicated term loan facility.

As at 31 December 2023, the Group has drawn down S\$1,478.8 million (2022: S\$2,000.0 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 (2022: 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 (2022: Suntec Singapore and Suntec City Mall);
- A first registered general security over the rental collection accounts in relation to the 177 Pacific Highway, 55 Currie Street and 21 Harris Street, supported by account bank deeds from the account banks (2022: 177 Pacific Highway, 55 Currie Street and 21 Harris Street);
- An assignment of the rights, title and interest in the key documents and the proceeds in connection with Suntec Singapore and Suntec City Mall (2022: Suntec Singapore and Suntec City Mall);
- An assignment of the rights, title and interest in the insurance policies in relation to Suntec Singapore and Suntec City Mall (2022: Suntec Singapore and Suntec City Mall);
- A fixed and floating charge over the assets of a subsidiary in relation to Suntec Singapore (2022: Suntec Singapore), agreements, collateral, as required by the financial institutions granting the facility;
- A first registered specific security deed in respect of all units and shares in, and any shareholder loans to Suntec REIT 177 Trust, Suntec REIT 55 Trust and Suntec REIT 21 Trust (2022: 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 (2022: First ranking charge over units in the JPUTs, bank accounts of the JPUTs, and bank accounts of a subsidiary); and
- Corporate guarantees from the Trust.

Unsecured loans

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

Suntec Real Estate Investment Trust and its Subsidiaries

Notes to the interim financial statements

For the six months period and financial year ended 31 December 2023

6. Perpetual securities holders

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

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

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

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

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

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

These perpetual securities are classified as equity instruments and recorded within the Statements of Movements in Unitholders’ Funds. The S\$348.0 million (2022: S\$348.0 million) presented on the Statements of Financial Position represents the S\$350.0 million (2022: S\$350.0 million) perpetual securities net of issue costs and distributions made to perpetual securities holders and includes total return attributable to perpetual securities holders from the issue date.

7. Units in issue

	Group and Trust	
	31.12.2023	31.12.2022
	'000	'000
Units in issue:		
At the beginning of the period	2,875,948	2,853,000
Issue of units:		
- asset management fees paid in Units	21,326	22,948
	<u>2,897,274</u>	<u>2,875,948</u>
Units to be issued:		
- asset management fees payable in Units	12,161	10,733
Total issued and issuable Units at the end of the period	<u>2,909,435</u>	<u>2,886,681</u>

Suntec Real Estate Investment Trust and its Subsidiaries

Notes to the interim financial statements

For the six months period and financial year ended 31 December 2023

8. Net asset value per Unit

	Note	Group		Trust	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		\$'000	\$'000	\$'000	\$'000
Net asset value per Unit is based on:					
Net assets attributable to Unitholders		6,107,793	6,116,353	5,377,352	5,188,508
Total issued and issuable Units at the end of the period		2,909,435	2,886,681	2,909,435	2,886,681

9. Segment and revenue information

As at 31 December 2023, Suntec REIT's portfolio comprises office and retail properties in Suntec City, 66.3% (2022: 66.3%) interest in Suntec Singapore, comprising the convention centre and approximately 144,000 sq. ft of net lettable area of Suntec City Mall, 100% (2022: 100%) interest in 177 Pacific Highway, 100% (2022: 100%) interest in 21 Harris Street, 50.0% (2022: 50.0%) interest in Olderfleet, 477 Collins Street, 100% (2022: 100%) interest in 55 Currie Street and 100% (2022: 100%) interest in The Minster Building. Suntec REIT also holds 1/3 interest (2022: 1/3 interest) in ORQ and MBFC Properties, 50.0% (2022: 50.0%) interest in Southgate Complex and 50.0% (2022: 50.0%) interest in the Nova Properties through joint ventures. Joint ventures are equity accounted for, and are therefore not included in the segment analysis table.

Suntec Real Estate Investment Trust and its Subsidiaries

Notes to the interim financial statements

For the six months period and financial year ended 31 December 2023

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	
	Convention	Retail		Office				The Minster Building		
	Suntec Singapore \$'000	Suntec Singapore \$'000	Suntec City \$'000	Suntec City \$'000	177 Pacific Highway \$'000	21 Harris Street \$'000	55 Currie Street \$'000	Olderfleet, 477 Collins Street \$'000	The Minster Building \$'000	Total \$'000
Year ended 31/12/2023										
Revenue	63,856	20,957	112,363	144,493	33,798	18,186	14,545	26,935	27,606	462,739
Property expenses	(49,009)	(6,451)	(33,971)	(35,214)	(6,653)	(4,515)	(5,581)	(6,294)	(1,901)	(149,589)
Reportable segment net property income	14,847	14,506	78,392	109,279	27,145	13,671	8,964	20,641	25,705	313,150
Change in fair value of investment properties	10,344	19,542	69,996	159,734	(25,354)	(15,961)	(16,058)	(27,014)	(65,370)	109,859
Year ended 31/12/2022										
Revenue	40,412	19,491	105,671	135,118	37,354	18,827	15,755	28,192	26,449	427,269
Property expenses	(29,117)	(4,659)	(27,170)	(27,362)	(6,540)	(3,946)	(5,030)	(5,933)	(1,761)	(111,518)
Reportable segment net property income	11,295	14,832	78,501	107,756	30,814	14,881	10,725	22,259	24,688	315,751
Change in fair value of investment properties	29,397	6,995	47,267	170,000	(9,116)	(9,022)	(13,264)	93	(63,230)	159,120

Suntec Real Estate Investment Trust and its Subsidiaries

Notes to the interim financial statements

For the six months period and financial year ended 31 December 2023

9. Segment and revenue information (cont'd)

Reconciliation of reportable segment net property income

	Group	
	Year ended 31.12.2023	Year ended 31.12.2022
	\$'000	\$'000
Total return		
Reportable segment net property income	313,150	315,751
Reconciling items:		
- Other income	5,961	8,097
- Share of profit of joint ventures	36,001	144,856
- Net finance costs	(153,578)	(112,236)
- Asset management fees	(61,428)	(61,171)
- Other trust expenses	(9,254)	(5,956)
- Net change in fair value of financial derivatives	(46,220)	65,407
- Net change in fair value of investment properties	109,859	159,120
- Net gain from divestment of investment properties	9,800	-
Consolidated total return for the year, before tax	204,291	513,868

Breakdown of revenue

	Group		
	Year ended 31.12.2023	Year ended 31.12.2022	Change
	\$'000	\$'000	%
Gross revenue reported for the six-month period ended 30 June	224,300	203,542	10.2
Total return after tax reported for the six-month period ended 30 June	71,304	279,563	(74.5)
Gross revenue reported for the six-month period ended 31 December	238,439	223,727	6.6
Total return after tax reported for the six-month period ended 31 December	125,017	218,064	(42.7)

Suntec Real Estate Investment Trust and its Subsidiaries

Notes to the interim financial statements

For the six months period and financial year ended 31 December 2023

10. Total return before tax

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

	Group		Group	
	Six- months period ended	Six- months period ended	Year ended	Year ended
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	\$'000	\$'000	\$'000	\$'000
Interest income	9,649	22,480	21,116	39,204
Finance income	9,649	22,480	21,116	39,204
Interest expense	(84,426)	(79,399)	(161,562)	(136,484)
Amortisation of transaction costs	(3,731)	(3,861)	(11,495)	(7,718)
Net foreign exchange loss	(1,607)	(3,680)	(1,637)	(7,238)
Finance costs	(89,764)	(86,940)	(174,694)	(151,440)
Depreciation of plant and equipment (Allowance) / Reversal of allowance for doubtful trade receivables	(304)	(332)	(621)	(680)
Loss on disposal of plant and equipment	(2)	–	(2)	–

11. Earnings per Unit

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

	Group		Group	
	Six- months period ended	Six- months period ended	Year ended	Year ended
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	\$'000	\$'000	\$'000	\$'000
Total return after tax attributable to Unitholders and perpetual securities holders	113,266	201,266	185,384	476,811
Less: Total return attributable to perpetual securities holders	(7,045)	(7,045)	(13,975)	(13,975)
Total return attributable to Unitholders	106,221	194,221	171,409	462,836

Suntec Real Estate Investment Trust and its Subsidiaries

Notes to the interim financial statements

For the six months period and financial year ended 31 December 2023

11. Earnings per Unit (cont'd)

	Number of Units Group		Number of Units Group	
	Six-month period ended	Six-month period ended	Year ended	Year ended
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	'000	'000	'000	'000
Weighted average number of Units:				
- outstanding during the period	2,895,350	2,874,512	2,891,857	2,871,774
- to be issued as payment of asset management fees payable in Units	66	58	33	29
	<u>2,895,416</u>	<u>2,874,570</u>	<u>2,891,890</u>	<u>2,871,803</u>

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

	Group		Group	
	Six-month period ended	Six-month period ended	Year ended	Year ended
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	'000	'000	'000	'000
Total return after tax attributable to Unitholders	113,266	201,266	185,384	476,811
Less: Total return attributable to perpetual securities holders	(7,045)	(7,045)	(13,975)	(13,975)
Total return attributable to Unitholders	<u>106,221</u>	<u>194,221</u>	<u>171,409</u>	<u>462,836</u>

	Number of Units Group		Number of Units Group	
	Six-month period ended	Six-month period ended	Year ended	Year ended
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	'000	'000	'000	'000
Weighted average number of Units:				
- used in calculation of basic earning per Unit	2,895,416	2,874,570	2,891,890	2,871,803
- to be issued in relation to asset management fees	12,094	10,675	12,127	10,704
Weighted average number of Units - used in calculation of diluted earnings per Unit	<u>2,907,510</u>	<u>2,885,245</u>	<u>2,904,017</u>	<u>2,882,507</u>

Suntec Real Estate Investment Trust and its Subsidiaries

Notes to the interim financial statements

For the six months period and financial year ended 31 December 2023

12. Financial ratios

	Group		Trust	
	Year ended 31.12.2023 %	Year ended 31.12.2022 %	Year ended 31.12.2023 %	Year ended 31.12.2022 %
Expenses to weighted average net assets ¹				
- including performance component of asset management fees	1.10	1.05	1.15	1.12
- excluding performance component of asset management fees	0.78	0.73	0.78	0.75
Portfolio turnover rate ²	–	–	–	–

¹ The annualised ratios are computed in accordance with the guidelines of the Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group and the Trust, excluding property expenses, interest expense and income tax expense.

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

Suntec Real Estate Investment Trust and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months period and financial year ended 31 December 2023

Explanatory Notes

A. Statements of Financial Position *(Please refer to Pages 3-4)*

- i. Plant and equipment*
The increase in plant and equipment for the Group and the Trust was due to additions made during the year.
- ii. Rental guarantee receivables*
Rental guarantee receivables as at 31 December 2022 relates to the rental guarantee receivables under rental guarantee arrangements with the sellers of 21 Harris Street. The decrease in rental guarantee receivables for the Group was mainly due to expiry of the rental guarantee arrangement.
- iii. Interests in joint ventures*
The decrease in interests in joint ventures for the Group and the Trust was mainly due to shareholder loan repayment from joint venture, BFCDLLP.
- iv. Interests in subsidiaries*
The increase in interests in subsidiaries for the Trust was mainly due to additional shareholder loans made to subsidiaries during the year.
- v. Long term investment*
This relates to the Trust's 0.1% direct interest in Victoria Circle Unit Trust 1 and Victoria Circle Unit Trust 2 (collectively, the "VCUTs") which indirectly holds 50.0% interest in Nova Properties. The remaining 99.9% interest in the VCUTs is held by SRUK1, a wholly owned subsidiary of the Trust.
- vi. Derivative assets & liabilities*
This relates to the fair value of outstanding foreign currency exchange contracts and interest rate swaps. The decrease in net derivative assets for the Group and the Trust was mainly due to maturity of some interest rate swaps, settlement of foreign exchange contracts and movements in interest rates during the year.
- vii. Trade and other receivables*
The increase for the Group mainly arose from higher trade receivables at Suntec Singapore due to increase in MICE events in FY23. The increase for the Trust was mainly due to higher dividend receivable from a subsidiary.
- viii. Cash and cash equivalents*
Please refer to Statement of Cash Flows on Pages 16-17.
- ix. Interest-bearing borrowings*
The interest-bearing borrowings are stated at amortised cost. The current portion of the interest-bearing borrowings for the Group and the Trust as at 31 December 2023 relates to a S\$400.0 million loan facility due in the next 12 months. The decrease in total interest-bearing borrowings for the Group and Trust was due to the prepayment of the Group's and the Trust's external borrowings from the proceeds from the repayment of shareholder's loan from a joint venture.
- x. Trade and other payables*
The decrease in trade and other payables at the Group was mainly due to higher withholding tax and capital expenditure payable in the prior year, partially offset by higher accrued income received for corporate events, conference bookings and long-term licences at Suntec Singapore.

Suntec Real Estate Investment Trust and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months period and financial year ended 31 December 2023

Explanatory Notes (cont'd)

A. Statements of Financial Position (Please refer to Pages 3-4) (cont'd)

xi. Current tax liabilities

The increase in current tax liabilities of the Group was mainly due to higher tax payable at Suntec Singapore.

B. Statement of Total Return (Please refer to Page 5)

i. Gross revenue

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

	Group					
	2H FY23 \$'000	2H FY22 \$'000	Change %	FY23 \$'000	FY22 \$'000	Change %
Suntec City	129,877	123,472	5.2	256,856	240,789	6.7
Suntec Singapore	50,083	38,527	30.0	84,813	59,903	41.6
177 Pacific Highway	15,872	18,142	(12.5)	33,798	37,354	(9.5)
21 Harris Street	8,991	9,195	(2.2)	18,186	18,827	(3.4)
55 Currie Street	6,895	7,744	(11.0)	14,545	15,755	(7.7)
Olderfleet, 477 Collins Street	13,471	13,969	(3.6)	26,935	28,192	(4.5)
The Minister Building	13,250	12,678	4.5	27,606	26,449	4.4
	238,439	223,727	6.6	462,739	427,269	8.3

For 2H FY23, the gross revenue was \$238.4 million, \$14.7 million or 6.6% higher year-on-year. The increase was mainly due to higher revenue from Suntec City and Suntec Singapore, partially offset by lower revenue from the properties in Australia impacted by the weaker Australian Dollar, incentives for new and renewal leases at 177 Pacific Highway and lower vacancy at 55 Currie Street.

Suntec City revenue increased by \$6.4 million year-on-year, mainly due to higher office revenue of \$3.9 million arising from higher occupancy and rent. Retail revenue increased \$2.5 million year-on-year mainly due to higher occupancy and rent as well as a one-off property tax refund. As at 31 December 2023, Suntec City Office achieved 100% occupancy, an increase of 0.1 percentage points year-on-year while the committed occupancy of Suntec City Mall was 95.6% a decrease of 2.7 percentage points year-on-year.

Suntec Singapore's revenue contribution of \$50.1 million comprises \$39.6 million from convention and \$10.5 million from retail as compared to \$28.1 million from convention and \$10.4 million respectively in 2H FY22. The convention revenue increased 41.4% as a result of higher revenue from MICE, long term licences and advertising.

177 Pacific Highway gross revenue of \$15.9 million was 12.5% lower year-on-year due to incentives given for new leases and renewals. 55 Currie Street revenue of \$6.9 million for 2H FY23 was 11.0% lower compared to 2H FY22 due to lower occupancy arising from the exit of an anchor tenant. Gross revenue from 21 Harris Street and Olderfleet, 477 Collins Street was 2.2% and 3.6% lower respectively compared to 2H FY 22 as the higher occupancy and rent were offset by the weaker Australian dollar.

Suntec Real Estate Investment Trust and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months period and financial year ended 31 December 2023

Explanatory Notes (cont'd)

B. Statement of Total Return (Please refer to Page 5) (cont'd)

i. Gross revenue (cont'd)

As at 31 December 2023, the committed occupancy for 177 Pacific Highway maintained at 100%, while 55 Currie Street declined 43.8 percentage points to 56.2%. The committed occupancy for 21 Harris Street increased 1.8 percentage points to 98.8%. Olderfleet, 477 Collins Street occupancy increased by 0.5 percentage points to achieve full occupancy.

The Minster Building revenue of \$13.3 million was 4.5% higher year-on-year mainly due to stronger Pound Sterling. As at 31 December 2023, the committed occupancy for The Minster Building was 87.3%, a decline of 9.4 percentage points due to re-entry of a co-working tenant.

For FY23, the gross revenue was \$462.7 million, \$35.5 million or 8.3% higher year-on-year. This was due to higher revenue from Suntec City, Suntec Singapore and The Minster Building. The increase was partially offset by lower revenue from 177 Pacific Highway, 21 Harris Street, 55 Currie Street and Olderfleet, 477 Collins Street mainly due to the weaker Australian dollar and incentives given for new leases and renewals at 177 Pacific Highway.

Suntec City revenue increased \$16.1 million year-on-year, due to the increase of both office and retail revenue. Office revenue increased \$9.4 million due to higher occupancy and rent. The increase in retail revenue was due to higher occupancy, rent and marcom revenue.

Suntec Singapore's revenue contribution for the year of \$84.8 million comprises \$63.8 million from convention and \$21.0 million from retail as compared to \$40.4 million and \$19.5 million respectively in FY22. The convention revenue increased 58.0% mainly due to higher revenue from MICE, long term licences and advertising.

ii. Net property income

	Group					
	2H FY23 \$'000	2H FY22 \$'000	Change %	FY23 \$'000	FY22 \$'000	Change %
Suntec City	96,284	96,165	0.1	187,671	186,257	0.8
Suntec Singapore	18,746	16,346	14.7	29,353	26,127	12.3
177 Pacific Highway	12,434	14,857	(16.3)	27,145	30,814	(11.9)
21 Harris Street	6,416	7,348	(12.7)	13,671	14,881	(8.1)
55 Currie Street	3,837	5,308	(27.7)	8,964	10,725	(16.4)
Olderfleet, 477 Collins Street	10,177	10,913	(6.7)	20,641	22,259	(7.3)
The Minister Building	11,952	11,912	0.3	25,705	24,688	4.1
	159,846	162,849	(1.8)	313,150	315,751	(0.8)

The net property income for 2H FY23 was \$159.8 million, 1.8% lower year-on-year, mainly attributable to lower contribution from the Australia properties impacted by the weaker Australian Dollar, incentives for new and renewal leases at 177 Pacific Highway and lower vacancy at 55 Currie Street. The decrease is partially offset by higher revenue from Suntec City and Suntec Singapore, which more than offsets the higher maintenance fund contribution and commencement of sinking fund contribution in 2023.

For FY23, the net property income was \$313.2 million, 0.8% lower year-on-year, attributable to lower contribution from the Australia properties, partially offset by higher revenue from Suntec City, Suntec Singapore and The Minster Building.

Suntec Real Estate Investment Trust and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months period and financial year ended 31 December 2023

Explanatory Notes (cont'd)

B. Statement of Total Return (Please refer to Page 5) (cont'd)

iii. Other income

This relates mainly to the income support in relation to 21 Harris Street, Olderfleet, 477 Collins Street, Nova Properties and The Minster Building. Other income for 2H FY23 and FY23 was lower mainly due to the expiry of some income support arrangements and lower income support claimed during the period.

iv. Share of profit of joint ventures

	Group					
	2H FY23 \$'000	2H FY22 \$'000	Change %	FY23 \$'000	FY22 \$'000	Change %
One-third interest in ORQ	12,924	11,524	12.2	25,977	25,609	1.4
One-third interest in MBFC properties	16,962	11,594	46.3	33,066	30,850	7.2
50% interest in Southgate Complex	1,042	5,848	(82.2)	3,729	11,327	(67.1)
50% interest in Nova Properties	8,548	6,318	35.3	13,997	12,218	14.6
Share of profit of joint ventures before fair value adjustments	39,476	35,284	11.9	76,769	80,004	(4.0)
Change in fair value of investment properties	(40,768)	5,456	(847.2)	(40,768)	64,852	(162.9)
	(1,292)	40,740	(103.2)	36,001	144,856	(75.1)

Excluding fair value adjustments, share of profits of joint ventures for 2H FY23 was higher year-on-year mainly due to higher contribution from ORQ, MBFC Properties and Nova Properties, partially offset by decrease from Southgate Complex.

ORQ share of profits for 2H FY23 of \$12.9 million was 12.2% higher mainly due to higher occupancy. MBFC Properties share of profits for 2H FY23 of \$17.0 million was 46.3% higher on a year-on-year basis due higher occupancy and rent, partially offset by higher interest expense. Share of profits from Nova Properties of \$8.5 million was 35.3% higher due to lower costs and reversal of impairment of receivables.

For Southgate Complex, share of profits for 2H FY23 of \$1.0 million was 82.2% lower due to lower occupancy, absence of one-off reversal of incentive overprovision in 2H FY22 and higher interest expense.

The committed occupancy for ORQ was 99.4%, a decrease of 0.6 percentage points year-on-year. The committed occupancy at MBFC Towers 1 & 2 increased by 5.1 percentage points to 99.2% while the committed occupancy at Marina Bay Link Mall increased 3.8 percentage points year-on-year to 96.5%. Southgate Complex committed occupancy declined 7.2 percentage points year-on-year to 85.1%. Nova Properties maintained 100% committed occupancy as at 31 December 2023.

On a year-on-year basis, the share of profit from joint ventures before fair value adjustments for FY23 was lower mainly due to lower contribution from Southgate Complex. The decrease was partially offset by higher share of profits from ORQ, MBFC Properties, and Nova Properties.

Suntec Real Estate Investment Trust and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months period and financial year ended 31 December 2023

Explanatory Notes (cont'd)

B. Statement of Total Return (Please refer to Page 5) (cont'd)

v. Finance income

	Group					
	2H FY23 \$'000	2H FY22 \$'000	Change %	FY23 \$'000	FY22 \$'000	Change %
Finance income						
Interest income						
- fixed deposits and current account	1,302	319	308.2	3,903	422	824.9
- loans to joint venture	8,347	22,161	(62.3)	17,213	38,782	(55.6)
	9,649	22,480	(57.1)	21,116	39,204	(46.1)

Finance income was lower for 2H FY23 and FY23 mainly due to repayment of shareholder's loan by a joint venture with an external bank loan undertaken at the entity level.

vi. Finance costs

	Group					
	2H FY23 \$'000	2H FY22 \$'000	Change %	FY23 \$'000	FY22 \$'000	Change %
Finance expense						
Interest expense	(84,426)	(79,400)	(6.3)	(161,562)	(136,484)	(18.4)
Amortisation and transaction costs	(3,731)	(3,861)	3.4	(11,495)	(7,718)	(48.9)
Net foreign exchange differences	(1,607)	(3,679)	56.3	(1,637)	(7,238)	77.4
	(89,764)	(86,940)	(3.2)	(174,694)	(151,440)	(15.4)

Interest expense for 2H FY23 and FY23 was higher compared to the corresponding periods mainly due to higher interest rates.

The all-in financing cost for the Group was 4.05% per annum for 2H FY23 (2H FY22: 3.34%), and 3.84% per annum for FY23 (FY22: 2.94%). The aggregate leverage ratio ("ALR") was 42.3% as at 31 December 2023, 0.1 percentage points lower than the ALR as at 31 December 2022 of 42.4%.

As at 31 December 2023, the 12-months trailing interest coverage ratio and adjusted interest coverage ratio ("Adjusted-ICR")¹ was 2.1 times and 2.0 times respectively (31 December 2022: 2.6 times and 2.4 times).

vii. Trust expenses

Trust expenses for 2H FY23 and FY23 was higher compared to the corresponding period mainly due to higher professional fees.

viii. Net change in fair value of financial derivatives

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

¹ Adjusted-ICR refers to the ratio that is calculated by dividing the trailing 12 months earnings before interest, tax, sinking fund contribution, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities (if any).

Suntec Real Estate Investment Trust and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months period and financial year ended 31 December 2023

Explanatory Notes (cont'd)

B. Statement of Total Return (Please refer to Page 5) (cont'd)

- ix. Net change in fair value of investment properties*
This relates to the revaluation gain on investment properties. The gain in 2H FY23 and FY23 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.
- x. Net gain from divestment of investment properties*
For the Group and Trust, this relates to the divestment of four strata units in Suntec City Office in 2H FY23.
- xi. Tax expense*
This relates to income tax on operating profits and non-tax transparent income received, withholding tax as well as deferred tax provision.

For 2H FY23, the income tax was lower compared to the corresponding period due to lower withholding tax and lower deferred tax arising from the United Kingdom and Australia properties.

For FY23, the income tax was lower year-on-year mainly due to lower withholding tax.

C Distribution Statement (Please refer to Pages 2, 6 - 8)

The distributable income from operations for 2H FY23 was \$94.8 million, 10.5% lower year-on-year. The DPU for 2H FY23 was 3.659 cents per unit, 10.2% lower year-on-year mainly due to lower distributable income from operations.

The distributable income from operations for FY23 was \$183.8 million, 21.0% lower year-on-year. The DPU for FY23 was 7.135 cents per unit, 19.7% lower year-on-year mainly due to lower distribution income from operations.

Distribution of 1.737 cents per unit for the period 1 January 2023 to 31 March 2023 was paid on 30 May 2023

Distribution of 1.739 cents per unit for the period 1 April 2023 to 30 June 2023 was paid on 29 August 2023.

Distribution of 1.793 cents per unit for the period 1 July 2023 to 30 September 2023 was paid on 29 November 2023.

Distribution of 1.866 cents per unit, or approximately \$54.3 million for the period from 1 October 2023 to 31 December 2023 will be paid by end February 2024.

Suntec Real Estate Investment Trust and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months period and financial year ended 31 December 2023

Explanatory Notes (cont'd)

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 3 to 29 have been reviewed by Ernst & Young 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 FY2022 Financial Results Announcement under item G. 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 2 January 2024, the Singapore economy improved by 2.8% in the fourth quarter of 2023 on a year-on-year basis. For the whole of 2023, the Singapore economy grew by 1.2%. Singapore's GDP growth is expected to grow 1.0% to 3.0% in 2024.

Singapore Office

Market sentiments remain cautious as geo-political tensions and economic headwinds weigh on Singapore's economic growth. Rent reversion will remain positive, but cautionary demand will moderate rent growth.

Revenue from Suntec REIT's Singapore office portfolio is expected to strengthen on the back of strong occupancies and past quarters of rental reversion. Positive rent reversion is expected to continue.

Singapore Retail

The Singapore Retail market showed stable growth in end 2023 on the back of higher tourist receipts and the year-end festive season, which contributed to the retail sales growth. Islandwide retail rents have improved 4.2% year-on-year and is expected to maintain its growth trajectory in 2024, with the return of more tourists and MICE events².

Suntec City Mall occupancy is expected to remain high in 2024 and revenue is expected to improve, underpinned by the healthy occupancy, higher rent and marcoms revenue. Rent reversion is expected to be positive.

² CBRE, Singapore Figures Report 4Q 2023

Suntec Real Estate Investment Trust and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months period and financial year ended 31 December 2023

Explanatory Notes (cont'd)

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 (cont'd)

Singapore Convention

Suntec Convention showed robust recovery in 2023, supported by the return of larger scale, international events. The growth momentum is expected to continue into 2024, led by MICE and consumer events, and long-term licenses. The growth is expected to be in tandem with Singapore's overall tourism recovery. Contribution from Suntec Convention is expected to improve in 2024.

Australia Office and Retail

According to the Australian Bureau of Statistics, the Australian economy grew marginally by 0.2% on a year-on-year basis in the third quarter of 2023.

The national office CBD occupancy is forecasted to decrease slightly to about 84.0% by end 2023, driven by lower net absorption³. National office CBD vacancy is expected to remain elevated for Melbourne, Sydney and Adelaide in the mid-term, driven by new supply in Melbourne and Adelaide, and consolidations in Sydney. With the continuation of the flight to quality trend, office demand will be centred on prime grade offices. Sydney and Melbourne prime rents are expected to remain stable, though incentives are on the uptrend particularly in Melbourne and Adelaide.

Income from Suntec REIT's Australia office portfolio is expected to be impacted due to vacancies at 55 Currie Street and Southgate Complex.

United Kingdom Office and Retail

According to the Office for National Statistics, the United Kingdom GDP decreased marginally by 0.1% on a year-on-year basis in the third quarter of 2023, following a flat second quarter. Occupancy in the Central London Office market declined marginally by 0.2 percentage points quarter-on-quarter, to 90.4%⁴, mainly driven by increased supply, though the pace of increase in supply is expected to slow.

High-quality office buildings located near London's key transport hubs remain well sought after. Leasing demand is expected to remain active though take-up rate will be slow in view of global uncertainties and economic challenges weighing on business sentiments.

Suntec REIT's office revenue from the United Kingdom will be impacted by vacancies at The Minster Building. Suntec REIT's United Kingdom retail occupancies are healthy, with full occupancies at Nova Properties and The Minster Building, and retail sales recovering to pre-COVID levels.

³ JLL Australian Office Overview and Outlook Report 4Q 2023

⁴ JLL Central London Office Market Report 3Q 2023

Suntec Real Estate Investment Trust and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months period and financial year ended 31 December 2023

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 2023 to 31 December 2023

Distribution rate:	Distribution Type	Distribution Rate Per Unit (cents)
	Taxable income	3.059
	Tax-exempt income	0.204
	Capital distribution	0.396
	Total	3.659

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 1.549 cents per unit for the period 1 July 2023 to 30 September 2023 and 1.510 cents per unit for the period 1 October 2023 to 31 December 2023.

Tax exempt income comprised 0.046 cents per unit for the period 1 July 2023 to 30 September 2023, and 0.158 cents per unit for the period 1 October 2023 to 31 December 2023.

Capital distribution comprised 0.198 cents per unit for the period 1 July 2023 to 30 September 2023, and 0.198 cents per unit for the period 1 October 2023 to 31 December 2023.

A distribution of 1.793 cents per unit for the period 1 July 2023 to 30 September 2023 was paid on 29 November 2023.

Suntec Real Estate Investment Trust and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months period and financial year ended 31 December 2023

Explanatory Notes (cont'd)

H. Distribution Information (cont'd)

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 2022 to 31 December 2022

Distribution rate:

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

Tax Rate

Taxable income

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

Tax-exempt income

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

Capital distribution

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

Remark

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

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

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

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

Suntec Real Estate Investment Trust and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months period and financial year ended 31 December 2023

Explanatory Notes (cont'd)

H. Distribution Information (cont'd)

c) Date Payable

A distribution of 1.866 cents per unit for the period 1 October 2023 to 31 December 2023 will be paid on/about 28 February 2024.

d) Books Closure Date

Date on which Registrable Transfers received by the Trust will be registered before entitlements to the distributions are determined: 1 February 2024, 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:

	2023 \$'000	2022 \$'000
1 July 2023 to 30 September 2023	51,948	–
1 April 2023 to 30 June 2023	50,316	–
1 January 2023 to 31 March 2023	50,197	–
1 October 2022 to 31 December 2022	57,445	–
1 July 2022 to 30 September 2022	–	59,935
1 April 2022 to 30 June 2022	–	69,499
1 January 2022 to 31 March 2022	–	68,628
1 October 2021 to 31 December 2021	–	65,382
	209,906	263,444

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.

Suntec Real Estate Investment Trust and its Subsidiaries

Other Information Required by Listing Rule Appendix 7.2 For the six months period and financial year ended 31 December 2023

Explanatory Notes (cont'd)

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

24 January 2024