



ELITE COMMERCIAL REIT

(a real estate investment trust constituted on 7 June 2018
under the laws of the Republic of Singapore)
(Managed by Elite Commercial REIT Management Pte. Ltd.)

MINUTES OF FOURTH ANNUAL GENERAL MEETING

PLACE : Suntec Singapore Convention & Exhibition Centre, Nicoll 3 (Level 3), 1 Raffles Boulevard, Singapore 039593

DATE : Monday, 29 April 2024

TIME : 4.00 p.m.

PRESENT : **Board of Directors**

Mr. David Lim Teck Leong	Chairman and Independent Non-Executive Director
Mr. Tan Huay Lim	Independent Non-Executive Director and Chairman of the Audit and Risk Committee
Mr. Koo Tsai Kee	Independent Non-Executive Director and Chairman of the Nominating and Remuneration Committee
Mr. Nicholas David Ashmore	Independent Non-Executive Director
Mr. Yezdi Phiroze Chinoy	Independent Non-Executive Director
Mr. Tan Hai Peng Micheal	Non-Independent Non-Executive Director and Chairman of Strategic Planning Committee
Mr. Victor Song Chern Chean	Non-Independent Non-Executive Director
Mr. Tan Dah Ching	Non-Independent Non-Executive Director
Ms. Sarena Cheah Yean Tih	Non-Independent Non-Executive Director

IN ATTENDANCE/ BY INVITATION :

Mr. Joshua Liaw	Chief Executive Officer
Mr. Michael Tong	Chief Financial Officer (“ CFO ”)
Mr. Jonathan Edmunds	Chief Investment Officer (“ CIO ”)

Unitholders, the Trustee and other external professionals who attended the Annual General Meeting as set out in the attendance records maintained by the Manager.

CHAIRMAN OF THE MEETING : Mr. David Lim Teck Leong

QUORUM

Mr. David Lim Teck Leong, Chairman of the Board of Elite Commercial REIT Management Pte. Ltd., the manager of Elite Commercial REIT (the “**REIT**” and the manager of the REIT, the “**Manager**”) welcomed the unitholders of the REIT (“**Unitholders**”) to the Fourth Annual General Meeting of the REIT (the “**Meeting**”) for the financial year ended 31 December 2023 (“**FY2023**”).

Mr. David Lim informed that he had been nominated by Perpetual (Asia) Limited, trustee of the REIT (the “**Trustee**”) to preside as Chairman of the Meeting (the “**Chairman**”) in accordance with the trust deed constituting the REIT dated 7 June 2018 (as amended, restated and supplemented) (“**Trust Deed**”).

As a quorum was present, the Chairman declared the Meeting open.

INTRODUCTION

The Chairman introduced the Board of Directors of the Manager, Management, representatives from the Trustee, the Auditors, KPMG LLP and the Unit Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. (“**BCAS**”).

NOTICE

The Notice of Meeting dated 12 April 2024 (“**Notice**”) and the Annual Report for FY2023 had been released on SGXNet and also published on the REIT’s corporate website.

With consent of the Meeting, the Notice convening the Meeting was taken as read.

CONDUCT OF VOTING

The Chairman informed that, in his capacity as Chairman of the Meeting, he directed voting of all resolutions to be conducted by way of electronic poll voting. The Chairman also informed that he had been appointed as proxy by certain Unitholders and will be voting in accordance with their instructions.

DrewCorp Services Pte Ltd and BCAS had been appointed as scrutineer and polling agent respectively for the conduct of the poll. Unitholders were then briefed on the electronic poll voting procedures.

PRESENTATION BY THE CHIEF EXECUTIVE OFFICER

The Chairman then invited Mr. Joshua Liaw, the Chief Executive Officer of the Manager (the “**CEO**”) to give a presentation covering the below:

- (a) the REIT’s performance for FY2023;
- (b) expansion of the REIT’s investment strategies; and
- (c) 2024 key priorities

Copies of the presentation slides had also been released via SGXNET and uploaded to the REIT’s corporate website.

QUESTIONS AND ANSWERS

After the presentation, Unitholders were invited to ask any questions relating to the proposed resolutions of the Meeting.

Queries from the Unitholders were dealt with as per **Appendix A**.

The Chairman then proceeded with the business of the Meeting.

ORDINARY BUSINESS:

**1. ORDINARY RESOLUTION 1
REPORT OF PERPETUAL (ASIA) LIMITED, STATEMENT BY ELITE COMMERCIAL REIT
MANAGEMENT PTE. LTD. AND THE AUDITED FINANCIAL STATEMENTS OF ELITE
COMMERCIAL REIT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 TOGETHER
WITH THE AUDITORS' REPORT THEREON**

1.1 The motion for Ordinary Resolution 1 was proposed by the Chairman and seconded by Mr. Tan Boon Leng, Tony.

1.2 The motion was put to vote and the results of the poll were as follow:

Total number of Units represented by votes for and against the relevant resolution	For		Against	
	Number of Units	As a percentage of total number of votes for and against the relevant resolution (%)	Number of Units	As a percentage of total number of votes for and against the relevant resolution (%)
77,029,961	76,458,145	99.26	571,816	0.74

1.3 Based on the results of the poll, the Chairman declared the motion carried and it was RESOLVED:

“That the Report of Perpetual (Asia) Limited, as trustee of Elite Commercial REIT, the Statement by Elite Commercial REIT Management Pte. Ltd., as manager of Elite Commercial REIT and the Audited Financial Statements of Elite Commercial REIT for the financial year ended 31 December 2023 together with the Auditors' Report thereon be received and adopted.”

**2. ORDINARY RESOLUTION 2
RE-APPOINTMENT OF AUDITORS**

2.1 Ordinary Resolution 2 was to re-appoint KPMG LLP as Auditors of the REIT to hold office until the conclusion of the next Annual General Meeting and to authorise the Manager to fix their remuneration.

2.2 KPMG LLP had expressed their willingness to continue in office.

2.3 The motion for Ordinary Resolution 2 was proposed by the Chairman and seconded by Mr. Chong Su Nyen.

2.4 The motion was put to vote and the results of the poll were as follow:

Total number of Units represented by votes for and against the relevant resolution	For		Against	
	Number of Units	As a percentage of total number of votes for and against the relevant resolution (%)	Number of Units	As a percentage of total number of votes for and against the relevant resolution (%)
80,515,131	79,880,759	99.21	634,372	0.79

2.5 Based on the results of the poll, the Chairman declared the motion carried and it was RESOLVED:

“That KPMG LLP be re-appointed as Auditors of Elite Commercial REIT and to hold office until the conclusion of the next Annual General Meeting and that the Manager be authorised to fix their remuneration.”

3. ANY OTHER BUSINESS

3.1 As no notice of any other ordinary business has been received by the Secretary of the Manager, the Meeting proceeded to deal with the special business of the Meeting.

SPECIAL BUSINESS:

4. ORDINARY RESOLUTION 3 GENERAL MANDATE FOR THE ISSUE OF NEW UNITS AND/OR CONVERTIBLE SECURITIES

4.1 Ordinary Resolution 3 was to authorise the Manager to issue units and/or convertible securities in the REIT pursuant to the provisions of the Listing Manual of Singapore Exchange Securities Trading Limited and the Trust Deed.

4.2 The motion for Ordinary Resolution 3 was proposed by the Chairman and seconded by Ms. Chai Hung Yin.

4.3 The motion was put to vote and the results of the poll were as follow:

Total number of Units represented by votes for and against the relevant resolution	For		Against	
	Number of Units	As a percentage of total number of votes for and against the relevant resolution (%)	Number of Units	As a percentage of total number of votes for and against the relevant resolution (%)
77,019,346	76,275,330	99.03	744,016	0.97

4.4 Based on the results of the poll, the Chairman declared the motion carried and it was RESOLVED:

“That authority be given to the Manager to:

- (a) (i) issue units in Elite Commercial REIT (“**Units**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, options, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

- (b) issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent (50.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro rata basis to existing Unitholders (including Units to be issued in pursuance of Instruments to be made or granted pursuant to this Resolution) shall not exceed twenty per cent (20.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);
- (2) subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), for the purpose of determining the aggregate number of Units and Instruments that may be issued under sub-paragraph (1) above, the total number of issued Units and Instruments shall be based on the total number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, after adjusting for:
 - (a) any new Units arising from the conversion or exercise of the Instruments; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the Manager shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed constituting Elite Commercial REIT (as amended) (“**Trust Deed**”) for the time being in force (unless otherwise exempted or waived by the Monetary Authority of Singapore);
- (4) unless revoked or varied by Unitholders in a general meeting of Elite Commercial REIT, the authority conferred by this Resolution shall continue in force (i) until (a) the conclusion of the next AGM of Elite Commercial REIT or (b) the date by which the next AGM of Elite Commercial REIT is required by the applicable laws and regulations or the Trust Deed to be held, whichever is earlier or (ii) in the case of Units to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Units in accordance with the terms of the Instruments;

- (5) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time the Instruments or Units are issued; and
- (6) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of Elite Commercial REIT to give effect to the authority conferred by this Resolution.”

CONCLUSION

There being no other business to transact, the Chairman declared the Meeting closed at 4.35 p.m. and thanked everyone for their attendance.

Confirmed as True Record of Proceedings Held

David Lim Teck Leong
Chairman

**QUESTIONS AND ANSWERS RAISED AT THE ANNUAL GENERAL MEETING (“AGM”) OF
ELITE COMMERCIAL REIT (THE “REIT”) HELD ON 29 APRIL 2024**

Capitalised terms used herein, unless otherwise defined, shall have the meaning ascribed to them in the Annual Report of the REIT for the financial year ended 31 December 2023 (“FY2023”). Some questions and answers have also been edited for clarity.

Questions relating to the AGM resolutions	
1.	<p>The Unitholder expressed that he would vote against Ordinary Resolution 3 on issuance of Units. He opined that the REIT’s results had been poor and it would be worth for the REIT to reflect why before asking for mandate for issuance of additional Units.</p> <p>He also commented that the Unit price of the REIT was not reflective in terms of the discount to the net asset value (“NAV”) and he asked the following questions:</p> <p>(a) Why there was a discount to the NAV?</p> <p>(b) What is the plan to narrow the discount gap?</p> <p><i>Answer (Chairman):</i> The Chairman thanked the Unitholder for his comment. The Chairman explained the rationale for proposing Ordinary Resolution 3 which is: (a) to enable the REIT’s distribution to be paid in Units under the Distribution Reinvestment Plan (“DRP”); and (b) to provide flexibility to the Manager to issue Units if circumstance arises.</p> <p><i>Answer (CEO):</i> The CEO remarked that he had engaged with the REIT’s key stakeholders and investors when he joined the REIT Manager a year ago. One of the key issues identified then was the gearing of the REIT. The gearing stood at 46.6% at that time which indicated certain risks to the REIT.</p> <p>The REIT Manager resolved to address this issue and actively engaged with the key stakeholders and prepared for a Preferential Offering (“PO”) to raise funding to repay debt and reduce gearing. The PO was completed in early 2024 with strong support from the REIT’s sponsors and Unitholders. The PO was oversubscribed with subscription rate at more than 120%.</p> <p>The Manager had also been engaging with banks to refinance the REIT’s loans which will be due for repayment in November 2024. In March 2024, the REIT had announced that it has obtained a committed offer for debt facilities from financial institutions.</p> <p>The REIT had also recently announced its decision to expand its investment strategy. This would give the REIT more options to deal with its assets. The REIT will then be able to broaden its focus on other asset sectors in the UK. In particular, some of the REIT’s assets could potentially be repositioned to purpose-built student accommodation (“PBSA”) and build-to-rent (“BTR”) residential assets, which have a favourable market dynamics. By doing this, the Manager is potentially able to reduce the gap between the NAV and Unit price.</p> <p>In FY2023, the Manager convinced two equity research firms to initiate coverage of the REIT. There are plans to increase coverage for the REIT in FY2024 as well. With expanded coverage and more frequent engagement with the investors, the market will be better informed to understand the merits of the REIT and its assets.</p>

Questions relating to the AGM resolutions	
2.	<p>(a) Did the gearing decrease after the PO of the REIT? (b) Did the credit cost reduce? (c) Are the potential lenders from the UK?</p> <p><i>Answer (CEO):</i> Yes to query (a).</p> <p>Credit costs however are dependent on a number of factors. With the completion of the REIT's PO, the credit costs have been reduced. Management is currently working to engage with more banks to the REIT's lending portfolio and to diversify the sources of funding. Other than a more favourable perception of the REIT's credit due to the lower gearing, the enlarged and diversified pool of lenders will also help to lower credit costs.</p> <p>For query (c), it is a diverse group of UK and international lenders.</p>
3.	<p>The Unit price of the REIT had been hit by the substantial downward revaluation trend of its assets. Is the downward revaluation of the REIT's assets being consistent with the market trend?</p> <p><i>Answer (CEO):</i> The Manager has been closely monitoring the market trend, and keeping track of the level of activity within the UK where the REIT's assets are located.</p> <p>The transactional market for commercial offices in the UK was relatively muted in 2023. As such, that has also partly affected capitalisation rates used by valuers. The trend of revaluation is consistent amongst the REIT's peers with similar assets. Notwithstanding, those with assets leased to the government have tended to perform better.</p> <p>The revaluation marked down of the REIT's assets was also attributable to the elevated levels of interest rates.</p>
4.	<p>Given the REIT current Unit price is 23.5 pence which translates to 14.5% yield, will it make better sense to buy back the REIT Units from market?</p> <p><i>Answer (CEO):</i> If the REIT were to buy back its Units, the Manager has to consider where it could obtain fund to do so. If it were to be funded through debt, then it would be counterproductive as we have been seeking to reduce the gearing. As such, proceeds from the sale of assets have been used to repay debt instead of buying back Units.</p> <p>Additionally, a buy back will cause REIT's Units to be even less liquid.</p>
5.	<p>Could Sunway consider buyback the REIT's Units given that the REIT price is below its net asset value?</p> <p><i>Answer (Chairman):</i> We have to defer to Sunway to decide on their investment, which to be fair, is their prerogative to.</p>
6.	<p>Do you have or plan to have any investment in the Ireland?</p> <p><i>Answer (CEO):</i> Currently the REIT does not have any investment in the Ireland and Northern Ireland as we have not found any suitable opportunities.</p>

Questions relating to the AGM resolutions	
7.	<p>The Unitholder pointed out that technically, the REIT's investment is in Great Britain and not in the UK.</p> <p>The CEO thanked the Unitholder's comment.</p>
8.	<p>I refer to pages 47, 49 and 55 of the Annual Report on the REIT's portfolio profiles. Those which were labelled in green were indicated as vacant assets. (a) Can the Manager advise why the assets were vacant and will they be put up for sale? (b) What kind of plan do you have for these assets?</p> <p><i>Answer (CEO):</i> Last year, the REIT started the year with 12 vacant assets. Management did a good job to remove the lease breaks for the leases. Typically, the leases with government tenant tend to be long leases of about 10 years term. We had successfully negotiated with the government tenant to remove the lease break and this gives us income certainty until the leases end in 2028.</p> <p>Instead of providing a rent-free incentive to the tenant (which is commonly given in a lease event), we proposed to provide the tenant with a capital expenditure sum to encourage the tenant to improve the sustainability ratings of the leased assets. The tenant has also similarly committed to invest in the sustainability of the assets, which reduces their utility costs. As such, a win-win situation was achieved for both landlord and tenant.</p> <p>Out of the 12 vacant assets, five of them were sold at more than 12% premium to valuation. There are few more assets which the REIT is awaiting conclusion of the dilapidation settlement amounts.</p> <p>For the remaining seven assets, four assets have the potential to be converted into to BTR residential assets and PBSA assets. The Manager is assessing the options for the remaining assets which may be sold if they cannot be leased or repositioned to attractive investments for the REIT.</p>