

SUNTEC REAL ESTATE INVESTMENT TRUST
(Constituted in the Republic of Singapore pursuant
to a trust deed dated 1 November 2004 (as amended))

Managed by

ARA TRUST MANAGEMENT (SUNTEC) LIMITED
(Company Registration No. 200410976R)
("Manager")

MINUTES OF ANNUAL GENERAL MEETING

PLACE	:	Level 3 Summit 1, Suntec Singapore Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593
DATE	:	Thursday, 18 April 2024
TIME	:	2.30 p.m. (Singapore Time)
PRESENT	:	Unitholders as per attendance records maintained by the Manager
IN ATTENDANCE	:	<u>Directors of ARA Trust Management (Suntec) Limited, as manager of Suntec Real Estate Investment Trust ("Suntec REIT")¹</u> <ul style="list-style-type: none">• Ms Chew Gek Khim, Chairman and Non-Executive Director of the Board• Mr Yap Chee Meng, Lead Independent Non-Executive Director and Chairman of the Audit and Risk Committee• Mr Lim Hwee Chiang, John, Non-Executive Director• Mrs Yu-Foo Yee Shoon, Independent Non-Executive Director• Mr Lock Wai Han, Independent Non-Executive Director• Mr Chong Kee Hiong, Executive Director and Chief Executive Officer of the Manager <p style="margin-left: 40px;"><u>Company Secretary of the Manager</u></p> <ul style="list-style-type: none">• Ms Low Mei Mei, Maureen <p style="margin-left: 40px;"><u>Management Team of the Manager</u></p> <ul style="list-style-type: none">• Ms Ng Ee San, Chief Financial Officer
CHAIRMAN OF THE MEETING	:	Ms Chew Gek Khim

¹ Mr Chan Pee Teck, Peter, Independent Non-Executive Director and Chairman of the Nominating and Remuneration Committee, and Mr Shen Jinchu, Jeffrey, Non-Executive Director, were absent from the AGM.

1. INTRODUCTION

- 1.1. Ms Melissa Chow, the Investor Relations Manager of the Manager (the “**IR Manager**”), welcomed the attendees to the Annual General Meeting (“**AGM**”) of Suntec REIT and introduced the following attendees who joined the AGM physically:
- Directors of the Manager, save for Mr Chan Pee Teck, Peter, Independent Non-Executive Director and Chairman of the Nominating and Remuneration Committee, and Mr Shen Jinchu, Jeffrey, Non-Executive Director, who were unable to attend and extended their apologies;
 - Chief Financial Officer of the Manager – Ms Ng Ee San;
 - Managing Partner of Allen & Gledhill LLP, legal adviser to the Manager – Mr Jerry Koh;
 - Company Secretary to the Manager – Ms Low Mei Mei, Maureen;
 - Representatives from HSBC Institutional Trust Services (Singapore) Limited, Trustee of Suntec REIT (the “**Trustee**”);
 - Representatives from Ernst & Young LLP, the external auditors of Suntec REIT (the “**External Auditors**”);
 - Representatives from Allen & Gledhill LLP, the legal adviser to the Manager; and
 - Representatives from the management team.
- 1.2. The unitholders of Suntec REIT (“**Unitholders**”) were informed that in accordance with the trust deed constituting Suntec REIT (as amended) (“**Trust Deed**”), the Trustee had nominated Ms Chew Gek Khim to preside as the Chairman of the AGM (“**Chairman**”).
- 1.3. The IR Manager then invited Mr Chong Kee Hiong, the Chief Executive Officer of the Manager (the “**CEO**”) to give his presentation.
- 1.4. The CEO gave a presentation on Suntec REIT’s performance for the financial year ended 31 December 2023 (“**FY 2023**”) and overall outlook of the business. A copy of the CEO’s presentation was uploaded onto Suntec REIT’s corporate website as well as via SGXNet after the AGM.
- 1.5. The IR Manager thanked the CEO for his presentation. Unitholders were reminded that as stated in the notice of AGM dated 27 March 2024 (“**Notice of AGM**”), Unitholders could submit substantial and relevant questions related to the resolutions prior to the AGM, and Unitholders could also ask substantial and relevant questions related to the resolutions during the AGM. Questions received before the AGM, and the detailed responses had been published on SGXNet and on Suntec REIT’s corporate website. The IR Manager thanked Unitholders for taking the time and effort to submit their questions. There were some questions received after the submission deadline on 5 April 2024 and those questions would be addressed during the respective agendas during the AGM. If Unitholders had other substantial and relevant questions related to the resolutions to be tabled at the AGM, such questions would be taken from the floor during the AGM proceedings. Where substantially similar questions were received, such questions would be consolidated and consequently, and not all questions might be individually addressed. The IR Manager then handed over the conduct of the proceedings to the Chairman.
- 1.6. The Chairman greeted all Unitholders, noted that a quorum was present and declared the AGM open at 3.05 p.m. The Chairman stated the following:
- 1.6.1. The Notice of AGM had been circulated to Unitholders and was in their hands. Suntec REIT’s annual report for FY 2023 (the “**Annual Report**”), together with the Notice of AGM, had been published on SGXNet and Suntec REIT’s corporate website. The Notice of AGM was taken as read.

- 1.6.2. Pursuant to Rule 730A(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”), resolutions put to the vote at the AGM would be conducted by poll. In her capacity as Chairman of the AGM, she had been appointed as proxy by a number of Unitholders and that she would vote in accordance with the specific instructions of those Unitholders.
- 1.6.3. The validity of the proxy forms submitted by the Unitholders by the submission deadline of 2.30 p.m. on 16 April 2024 had been reviewed and verified. Unitholders who were attending the AGM in person, but had already appointed one or more proxies to attend the AGM and decided to exercise their right to vote in respect of any of their units in Suntec REIT (“**Units**”), their proxies must not vote in respect of those Units.
- 1.6.4. Poll voting would be conducted electronically using a wireless handheld handset which was issued to the Unitholders at the point of registration. As a general rule, observers would not be permitted to participate, vote, ask questions, propose or second any motions at the AGM.
- 1.7. RHT Governance, Risk & Compliance (Singapore) Pte. Ltd. had been appointed as scrutineer and that Boardroom Corporate & Advisory Services Pte. Ltd. had been appointed as polling agent for the AGM. A representative from the scrutineer was invited to explain the voting process.
- 1.8. Ms Pang Wenn Ler (“**Ms Pang**”) of RHT Governance, Risk & Compliance (Singapore) Pte. Ltd., the scrutineer, then proceeded with an explanation of the procedures for voting by electronic poll and carried out a test poll. Thereafter, Ms Pang handed the proceedings of the AGM back to the Chairman.
- 1.9. Unitholders who had any issue with the electronic poll voting were invited to raise their hands to ask questions. As there were no questions on the voting process, Unitholders were requested to raise their questions or comments only after the motion in respect of the relevant agenda item had been proposed and seconded, and were informed that they were given a maximum of three minutes each to ask questions related to the resolutions tabled for approval at the AGM.
- 1.10. The Chairman informed Unitholders that Resolutions 1 to 4 as set out in the Notice of AGM are Ordinary Resolutions and an Ordinary Resolution shall be carried by the affirmative votes of more than 50% of the total votes cast on the resolution.

ORDINARY BUSINESS:

- 2. ORDINARY RESOLUTION 1: REPORT OF THE TRUSTEE, STATEMENT BY THE MANAGER AND AUDITED FINANCIAL STATEMENTS OF SUNTEC REIT FOR FY 2023 AND TOGETHER WITH THE AUDITORS’ REPORT THEREON**
- 2.1. The Chairman proceeded to table Ordinary Resolution 1 to be adopted by Unitholders, which was to receive and adopt the Report of the Trustee, the Statement by the Manager and the Audited Financial Statements of Suntec REIT for **FY 2023**, together with the Auditors’ Report thereon.
- 2.2. Unitholders were informed that the text of the resolution is set out under item 1 in the Notice of AGM. The motion for Ordinary Resolution 1 was proposed by the Chairman and seconded by Ms Tan Lee Hua.
- 2.3. The CEO then elaborated on some questions received before the AGM.

- 2.4. One of the substantial and relevant questions received before the AGM was about financing costs. The CEO said that Suntec REIT's all-in financing cost for the financial year ending 31 December 2024 ("FY 2024") is expected to be above 4%, as compared to 3.84% in FY 2023. The CEO shared that in the fourth quarter of 2023, the interest costs had already gone above 4%, to 4.04%. For the full year of 2024, the Manager expects the interest rates to continue to be elevated at above 4%. The CEO explained that even though the market expects interest rates to ease, there is uncertainty on the timing and whether they will decrease. Further, the Manager has interest rate swaps that were locked in at low rates a few years ago, but these will progressively drop off in 2024. As such, the CEO said that our financing costs would continue to be high, but assured Unitholders that the Manager is mindful of this situation and will proactively manage the balance between the fixed and floating interest rates.
- 2.5. Another substantial and relevant question received before the AGM was whether the Manager would be proceeding with their divestment plans and what the impact would be on the distribution per Unit ("DPU") if the divestments were successful. The CEO said that the Manager will continue with their active management of Suntec REIT's portfolio to divest mature assets and reinvest in good quality accretive assets. The CEO explained that their mature assets are mainly in Australia, and Australia's office capital markets have been very quiet. In 2023, the transacted value of the Australia office assets was 50% below the long-term (i.e. 10 year) historical average. The CEO informed that the Manager expects transactions to pick up when interest rates come down. The CEO informed that in Singapore, the Manager will continue with the divestment of strata units of the Suntec City Offices because these offices can still be sold at a good price above book and any potential divestment of these assets is not expected to be DPU dilutive. The CEO explained that the losses in the property income from divestments is expected to be less than the interest savings from the use of proceeds to pay down the debt because the debt costs remain high.
- 2.6. Another substantial and relevant question received before the AGM was to explain why the net property income for Suntec City had only increased marginally despite a significant increase in revenue. The CEO explained that this was mainly due to the higher maintenance fund and sinking fund contribution that had to be paid to Management Corporation Strata Title ("MCST") in FY 2023 to cover the higher energy costs. He explained that the sinking fund has no impact on distributions to Unitholders. The CEO also elaborated that part of the higher revenue came from Suntec Convention, and explained the various types of higher-yielding and lesser-yielding events. In FY 2023, part of the revenue growth came from these lower-yielding events, hence even though there was a higher revenue, the flow through to profit was not as good.
- 2.7. Another substantial and relevant question received before the AGM was about the balance sheet and why there was a decline in the mark to market ("MTM") of interest rate swaps. The CEO explained that the decline had no effect on distribution and that it was only a valuation movement, and that the figure in question captures how well interest rate swaps had been entered into compared to future interest rate projections. If interest rate swaps were entered into at a low rate and the future rate is expected to be very high, this MTM figure would then be very high. On the other hand, if the long-term interest rate is expected to drop, this figure would drop. The CEO explained that even though long-term interest rates are expected to remain high, the long-term interest rates projection at the end of FY2023 was expected to be lower than the projection in the previous year. Therefore, the MTM figure decreased as compared to financial year ended 31 December 2022. With that, the CEO then handed the proceedings back to the Chairman.
- 2.8. The Chairman invited questions from the floor.

- 2.9. Mr Vincent Tan (“**Mr Tan**”) referred to page 12 of the Annual Report, noting that the interest coverage ratio (“**ICR**”) decreased from 2.6x to 2.1x while gearing was almost the same as the year before, and also noted that under the MAS regulations, if the ICR is below 2.5x, maximum gearing allowed would be 45%. Mr Tan also expressed concerns on the decreasing valuations of the overseas properties and depreciation of foreign currencies which would cause the denominator (in the calculation of gearing) to decrease, potentially leading to an increase in gearing. Mr Tan acknowledged that the Manager has been divesting strata title units of the Suntec City office, but still expressed concerns that this does not commensurate with the borrowing costs incurred. In view of this, Mr Tan asked about what the Manager has in store in **FY 2024** to address this issue.
- 2.10. The CEO responded that the ICR has dropped because the interest rates have gone up. While the earnings before interest, taxes, depreciation, and amortisation (“**EBITDA**”) have increased, the interest rates have increased proportionately more. The CEO explained that under the MAS regulations, it is not a breach if the ICR is below 2.5x. However, the Manager cannot borrow beyond 45%. Currently, the gearing level is about 42%, and the CEO said that the Manager has no intention for the gearing to increase above 45%. The Manager is also taking steps to improve the ICR by focusing on both the numerator and denominator, explaining that the numerator means the Manager continues to focus on improving operating performance, although the denominator, which is driven by interest rate, is not something that can be fully controlled though the Manager has hedged about 50%. The CEO also explained that the Manager continues to look at divestment of mature assets, and to use the proceeds to pay down the debt, as the losses in the property income from divestments is expected to be less than the interest savings.
- 2.11. The CEO then elaborated on the drop in valuation, explaining that for FY 2024, the Manager expects overall valuation to remain relatively the same as in FY 2023. As such, the gearing would likely not be significantly affected by valuation in FY 2024. For the gearing to increase to 45%, the valuation of the properties must decrease by over S\$700 million, which is a large number and amounts to approximately 7% of Suntec REIT’s over S\$11 billion portfolio size. However, the CEO reassured that the Manager will not rest on its laurels and will continue to focus on improving on the aspects which he had previously mentioned and that Suntec REIT is far from having its gearing reach 45%.
- 2.12. Mr Tan thanked the CEO for his response, and raised the report by RHB that Suntec REIT may be uniquely positioned to benefit from an internalisation of the management function of the trust. Mr Tan prefaced by stating that he is personally not in favour of internalisation but would like the Manager to clarify if internalisation is preferred and if not, to explain why. Mr Tan also noted that Suntec REIT’s operations are different from its sponsor, with some of the property management functions of its joint venture properties not run by the Manager.
- 2.13. The CEO explained that internalisation can come in two ways, the first being a request from Unitholders which based on Suntec REIT’s Trust Deed, would require at least 50 Unitholders or Unitholders representing at least 10% interest to call for a general meeting. The second way is for Suntec REIT to purchase the Manager from the sponsor. This is a commercial decision, where a willing buyer and a willing seller are required, and the price must be attractive for both sides.
- 2.14. The CEO also explained that the properties are managed at the REIT level, and the Manager ensures that the performance of the assets is up to mark or better and focuses on the improvement in the operating performance. The Manager also engaged professionals to focus on the property management. The CEO clarified the difference between facility management

(i.e. cleaning, security, etc.) and property management (i.e. leasing, tenant management, etc.), and explained that all decisions on leasing will be made by the Manager as the asset manager. Similarly, for overseas properties, it is the Manager’s overall responsibility to ensure that the properties perform, regardless of whether it involves Suntec REIT’s joint venture partners or any third party that was hired to run the property.

- 2.15. Mr Kevin Lim (“**Mr Lim**”) asked if the Manager has a target to bring gearing to below 40%. Mr Lim also asked if the Manager foresees any difficulties in refinancing overseas.
- 2.16. The CEO explained that gearing is a function of the macroenvironment, interest rate environment and economic conditions, and informed that based on the current environment, the Manager is looking towards bringing the gearing down to 40%. One way to reduce the gearing is equity fund raising, which would potentially be dilutive to unitholders. As such, the CEO explained that the Manager’s preferred route is to divest assets and pay down debts to bring the gearing down to 40%.
- 2.17. The CEO then responded to Mr Lim’s other question about whether the Manager is able to refinance the overseas properties. The CEO explained that when banks consider extending loans for real estate, the most important thing is the quality of the real estate (i.e. whether the location is good, whether they are fully tenanted, and at good rents, etc.). Suntec REIT’s properties overseas are all in good locations, being located in the central business districts and earning market rental income. These banks are also typically international banks which Suntec REIT would have a relationship with in Singapore as well. As such, these banks would likely feel more comfortable refinancing the properties. In short, the CEO explained that there are no issues with refinancing, noting that the Manager had refinanced about S\$1.5 billion over the last few months.
- 2.18. Ms Lum Yin Peng (“**Ms Lum**”) asked if the Manager had any target quantum of assets to divest for FY 2024, and also asked whether such divestment plans would involve just offices, noting that the CEO had mentioned that divestment was the preferred route to reduce all-in financing costs. Ms Lum also asked what the proportion of fixed and floating loans the Manager was looking at for FY 2024, after paring down the bank loans with divestment proceeds.
- 2.19. The CEO informed that the Manager is looking at divesting mature assets in Australia but there is no definite time frame at this moment because it depends on when the market recovers. For Suntec City offices, there are still interested buyers for the Suntec City offices strata units. As of now, the CEO clarified that the Manager has no plans of selling a huge amount unless the price is very attractive. In FY 2023, the Manager sold about S\$100 million of such strata units and in FY 2024, the amount to be sold will depend on the market situation, though the Manager is looking at a similar amount. The CEO explained that this would also help in bringing the gearing down.
- 2.20. The CEO then responded to Ms Lum’s second question on proportion of fixed and floating loans. The CEO explained that the Manager’s approach is to take a consistent view to hedge about 50% to 60%, so that it gives the REIT a good opportunity to ride the interest rate cycle.
- 2.21. As there were no further questions on Ordinary Resolution 1, the Chairman proceeded to put Ordinary Resolution 1 to the vote. The results of the poll on Ordinary Resolution 1 were as follows:

Resolution 1 (Ordinary Resolution)	
For	Against

No. of Units	%	No. of Units	%
1,449,067,438	99.92	1,221,000	0.08

2.22. Based on the results of the poll, the Chairman declared Ordinary Resolution 1 carried.

3. ORDINARY RESOLUTION 2: RE-APPOINTMENT OF ERNST & YOUNG LLP AS EXTERNAL AUDITORS OF SUNTEC REIT AND AUTHORISATION OF THE MANAGER TO FIX THEIR REMUNERATION

3.1. The Chairman proceeded to table Ordinary Resolution 2 to be adopted by Unitholders, which was to re-appoint Ernst & Young LLP as the external auditors of Suntec REIT to hold office until the conclusion of the next AGM of Suntec REIT and to authorise the Manager to fix their remuneration.

3.2. The motion for Ordinary Resolution 2 was proposed by the Chairman and seconded by Ms Tan Lee Hua.

3.3. The Chairman invited questions from the floor.

3.4. As there were no questions on Ordinary Resolution 2, the Chairman proceeded to put Ordinary Resolution 2 to the vote. The results of the poll on Ordinary Resolution 2 were as follows:

Resolution 2 (Ordinary Resolution)			
For		Against	
No. of Units	%	No. of Units	%
1,449,346,238	99.87	1,880,800	0.13

3.5. Based on the results of the poll, the Chairman declared Ordinary Resolution 2 carried.

SPECIAL BUSINESS:

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

4.1. The Chairman proceeded to table Ordinary Resolution 3 to be adopted by Unitholders, which was to authorise the Manager to issue new Units in Suntec REIT and to make or grant convertible instruments pursuant to the provisions of the Listing Manual.

4.2. Unitholders were informed that the full text of the resolution was set out under item 3 in the Notice of AGM. The motion for Ordinary Resolution 3 was proposed by the Chairman and seconded by Mr Chee Chay Yong.

4.3. The Chairman invited questions from the floor.

4.4. As there were no questions on Ordinary Resolution 3, the Chairman proceeded to put Ordinary Resolution 3 to the vote. The results of the poll on Ordinary Resolution 3 were as follows:

Resolution 3 (Ordinary Resolution)	
For	Against

No. of Units	%	No. of Units	%
1,313,810,275	90.56	137,018,163	9.44

4.5. Based on the results of the poll, the Chairman declared Ordinary Resolution 3 carried.

5. ORDINARY RESOLUTION 4: GENERAL MANDATE FOR UNIT BUY-BACK

5.1. The Chairman proceeded to table Ordinary Resolution 4 to be adopted by Unitholders, which was on the renewal of the unit buy-back mandate to be given to the Manager to repurchase issued Units for and on behalf of Suntec REIT up to the maximum limit of 2.5% of the total number of issued Units as at the date of the passing of the resolution.

5.2. Unitholders were informed that the rationale, duration and limits of the authority were further described in Appendix to the Notice of AGM, and that the full text of the resolution was set out under item 4 in the Notice of AGM. The motion for Ordinary Resolution 4 was proposed by the Chairman and seconded by Mr Ong Kian Wan Terence (Wang Jianyuan).

5.3. The Chairman invited questions from the floor.

5.4. As there were no questions on Ordinary Resolution 4, the Chairman proceeded to put Ordinary Resolution 4 to the vote. The results of the poll on Ordinary Resolution 4 were as follows:

Resolution 4 (Ordinary Resolution)			
For		Against	
No. of Units	%	No. of Units	%
1,450,213,529	99.97	403,809	0.03

5.5. Based on the results of the poll, the Chairman declared Ordinary Resolution 4 carried.

6. OTHER BUSINESS

The Chairman informed Unitholders that no notice of any other business had been received.

7. CONCLUSION

The Chairman declared the AGM closed and thanked Unitholders for their attendance. The Chairman informed Unitholders that in addition to the questions and responses, the Manager would also post the minutes of the AGM on SGXNet and Suntec REIT's corporate website. The AGM ended at 3.48 p.m.

Confirmed as True Record of Proceedings held

Chew Gek Khim
Chairman of the AGM