



(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.)

## RESPONSES TO SGX-ST'S QUERIES ON ANNUAL REPORT 2020

Oversea-Chinese Banking Corporation Limited and UBS AG, Singapore Branch are the joint issue managers for the initial public offering of units in Elite Commercial REIT (collectively, the "Joint Issue Managers"). Oversea-Chinese Banking Corporation Limited, UBS AG, Singapore Branch, CGS-CIMB Securities (Singapore) Pte. Ltd. and China International Capital Corporation (Singapore) Pte. Limited are the joint bookrunners and underwriters for the initial public offering of units in Elite Commercial REIT (collectively, the "Joint Bookrunners and Underwriters").

The board of directors ("**Board**") of Elite Commercial REIT Management Pte. Ltd. (the "**Manager**") wishes to announce the following in response to a query from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 29 April 2021 in relation to Elite Commercial REIT's annual report for the financial year ended 31 December 2020 ("**AR2020**").

### **Query from SGX-ST**

"Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the "Code"), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 8.1(a) of the Code as remuneration for directors and CEO are not disclosed in exact amounts. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires the Board to have an appropriate level of disclosure in regards to remuneration matters of the directors and the CEO."

### **Response**

The Manager refers to page 71 of the AR2020, wherein the exact remuneration payable to each individual director on a named basis for the financial year ended 31 December 2020 ("**FY2020**") is disclosed.

The Manager refers to page 71 of the AR2020, wherein it is stated that the Manager has adopted a performance-based remuneration system and have the KPIs in place to measure the performance and value creation in determining the remuneration of the CEO. An appropriate proportion of the remuneration of the CEO is structured so as to link the remuneration with the achievement of the corporate and individual performance targets in an objective and equitable way and reflects the degree of responsibility held by the CEO. The remuneration of the CEO is reviewed by the Nominating and Remuneration Committee ("**NRC**") and recommended to the Board for approval. In reviewing the remuneration of the CEO, the NRC takes into account various and quantifiable factors, including, but not limited to, degree of responsibility, amount of work performed and time spent, years of relevant and valuable experiences and qualifications. The fixed component of the CEO remuneration comprises the base salary, annual wage supplement, fixed allowances, and compulsory employer contribution to an

employee's central provident fund. The variable component is performance related. The NRC and the Board seek to ensure that the variable component in the remuneration is aligned with the interests of Elite Commercial REIT's stakeholders and promotes value creation for stakeholders and the long-term success of the Elite Commercial REIT. The framework for determining the remuneration of the CEO is disclosed on page 69 of the AR2020 under the section titled "KEY MANAGEMENT EXECUTIVES' REMUNERATION FRAMEWORK".

As disclosed in page 70 of the AR2020, an independent remuneration consultant, Aon Hewitt, has been engaged to perform a benchmark study against the industry and seeks views on market practices and trends on remuneration. The Board, with the assistance of NRC has benchmarked the remuneration with the industry in determining the remuneration of its directors and key management personnel.

Accordingly, the Board is of the view that the disclosures set out at pages 68 to 70 the AR2020 would provide unitholders with sufficient understanding of the Manager's remuneration policies, procedure for setting remuneration, and the relationships between remuneration, performance and value creation. Therefore, the Board believes that the current disclosures and practices are consistent with the intent of Principle 8 of the Code.

By Order of the Board  
Shaldine Wang  
Chief Executive Officer

**Elite Commercial REIT Management Pte. Ltd.**  
(Registration Number: 201925309R)  
(as manager of Elite Commercial REIT)

3 May 2021

## **IMPORTANT NOTICE**

This announcement is for information only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for units in Elite Commercial REIT ("**Units**") in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by Elite Commercial REIT, the Manager or any of their respective affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. The Unitholders have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.