

## ACROPHYTE HOSPITALITY TRUST

A stapled group comprising:

**ACROPHYTE HOSPITALITY PROPERTY TRUST**  
(a real estate investment trust constituted on  
24 September 2018 under the laws of the  
Republic of Singapore) managed by  
**Acrophyte Hospitality Trust Management Pte. Ltd.**

**ACROPHYTE HOSPITALITY MANAGEMENT TRUST**  
(a business trust constituted on  
29 October 2018 under the laws of the  
Republic of Singapore) managed by  
**Acrophyte Hospitality Business Trust  
Management Pte. Ltd.**

### MINUTES OF ANNUAL GENERAL MEETING (“AGM” or the “Meeting”)

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<b>PLACE</b>	: Level 3, Rooms 310-311, The Suntec Singapore Convention and Exhibition Centre, 1 Raffles Boulevard, Singapore 039593
<b>DATE</b>	: Wednesday, 30 April 2025
<b>TIME</b>	: 10.00 a.m.
<b>IN ATTENDANCE</b>	: Mr. Stephen Ray Finch Independent Non-Executive Director and Chairman of the Board Mr. Randy Allan Daniels Independent Non-Executive Director Mr. Wong Choong Mann Independent Non-Executive Director
<b>ABSENT WITH APOLOGIES</b>	: Mr. Lin Daqi Non-Independent Non-Executive Director
<b>PRESENT</b>	: Stapled securityholders as per attendance records maintained by the Managers Mr. Lee Jin Yong Chief Executive Officer of the Managers Mr. Gregory Sim Chee Wah Chief Financial Officer of the Managers Ms. Low Mei Mei, Maureen Company Secretary Representatives of DBS Trustee As Trustee of Acrophyte Hospitality Property Trust  Representatives of Ernst & Young LLP Independent Auditors Representatives of Allen & Gledhill LLP Legal Advisors Ms. Tan Shu Bing Representative of TMF Singapore H Pte. Ltd. Ms. Sarah Lee Representative of TMF Singapore H Pte. Ltd.  Managers’ staff from Management team (names reflected in attendance sheet)
<b>CHAIRMAN</b>	: Mr. Stephen Ray Finch

### WELCOME AND INTRODUCTION

Ms. Dawn Lee (“**Ms. Lee**”), the emcee welcomed the attendees to the 6th Annual General Meeting (“**AGM**” or the “**Meeting**”) of Acrophyte Hospitality Trust (“**ACRO-HT**”) (a stapled group comprising Acrophyte Hospitality Property Trust (“**ACRO-REIT**”) and Acrophyte Hospitality Management Trust (“**ACRO-BT**”)). Ms. Lee then proceeded to introduce the following attendees who joined the AGM physically:

- Board of Directors of the Managers:  
Mr. Stephen Ray Finch – Chairman and Independent Non-Executive Director of the Board,  
Mr. Randy Allan Daniels – Independent Non-Executive Director,  
Mr. Wong Choong Mann – Independent Non-Executive Director;

Ms. Lee informed the Meeting that Mr. Lin Daqi, Non-Independent, Non-Executive Director, was unable to attend the Meeting and conveyed his apologies for his absence.

- Mr. Lee Jin Yong, Chief Executive Officer (the “**CEO**”) of the Managers;
- Mr. Gregory Sim Chee Wah, Chief Financial Officer (the “**CFO**”) of the Managers;
- Ms. Low Mei Mei, Maureen, Company Secretary of the Managers;
- Representatives of DBS Trustee Limited;
- Representatives of Ernst & Young LLP, the Independent Auditors to the Managers;
- Representatives of Allen & Gledhill LLP, the Legal Advisers to the Managers; and
- Management team of ACRO-HT.

In accordance with the Stapling Trust Deed constituting Acrophyte Hospitality Property Trust and Acrophyte Hospitality Management Trust, DBS Trustee Limited (the “**Trustee**”) has nominated Mr. Stephen Ray Finch to preside as Chairman of the AGM (the “**Chairman**”).

To commence the AGM, Ms. Lee invited the CEO to give his presentation on the performance of ACRO-HT for the financial year ended 31 December 2024 (“**FY2024**”).

#### **PRESENTATION BY CEO**

The CEO delivered a presentation giving an overview of ACRO-HT’s performance for FY2024. The Meeting was informed that a copy of the CEO’s presentation slides would be uploaded onto ACRO-HT’s website and SGXNet after the AGM today.

Ms. Lee thanked the CEO for his presentation and handed over the conduct of the Meeting to Chairman to commence the AGM proceedings.

#### **QUORUM**

The Chairman called the Meeting to order with the presence of a quorum.

The Chairman acknowledged the presence of the stapled securityholders who had attended the AGM physically.

#### **NOTICE OF MEETING AND RESOLUTIONS**

The Notice of the AGM dated 14 April 2025 had been circulated earlier and the resolutions stated therein, released to all stapled securityholders via SGXNET and made available on ACRO-HT’s website, was taken as read.

#### **CHAIRMAN’S ADDRESS AND DEMAND FOR POLL**

The Chairman informed stapled securityholders that pursuant to Rule 730A(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), all resolutions at the Meeting would be voted upon by poll using a wireless hand-held device. The Chairman also informed securityholders that the AGM would be conducted in physical format only. In his capacity as Chairman of the AGM, he had been appointed as proxy by a number of securityholders and he would vote in accordance with the specific instructions of those securityholders.

A video presentation introducing the functions of real-time remote voting system and questions posting was showed to stapled securityholders.

Further, the Meeting was informed that Impetus Corporate Solutions Pte. Ltd. was appointed as scrutineer (the “**Scrutineer**”) and Boardroom Corporate & Advisory Services Pte Ltd. was appointed as the provider of the poll service (the “**Polling Agent**”). The validity of the proxy forms submitted by the stapled securityholders by the submission deadline of 10.00 a.m. on 28 April 2025 had been reviewed and the votes of all such valid proxies have been counted and verified.

## **SUBSTANTIAL AND RELEVANT QUESTIONS, LIVE QUESTIONS AND ANSWERS**

The Chairman informed that the substantial and relevant questions raised by stapled securityholders before the AGM have been addressed via an announcement released on 25 April 2025. All other relevant questions would be individually addressed during the Meeting.

### **ORDINARY BUSINESS:**

**ORDINARY RESOLUTION 1 – REPORT OF DBS TRUSTEE LIMITED, IN ITS CAPACITY AS TRUSTEE OF ACRO-REIT (THE “TRUSTEE”), THE REPORT OF ACROPHYTE HOSPITALITY TRUST MANAGEMENT PTE. LTD. (FORMERLY KNOWN AS ARA TRUST MANAGEMENT (USH) PTE. LTD.), AS MANAGER OF ACRO-REIT (THE “ACRO-REIT MANAGER”), THE REPORT OF ACROPHYTE HOSPITALITY BUSINESS TRUST MANAGEMENT PTE. LTD. (FORMERLY KNOWN AS ARA BUSINESS TRUST MANAGEMENT (USH) PTE. LTD.), AS TRUSTEE-MANAGER OF ACRO-BT (THE “ACRO-BT TRUSTEE-MANAGER”, AND TOGETHER WITH THE ACRO-REIT MANAGER, THE “MANAGERS”), THE STATEMENT BY THE CHIEF EXECUTIVE OFFICER OF THE ACRO-BT TRUSTEE-MANAGER AND THE AUDITED FINANCIAL STATEMENTS OF ACRO-HT, ACRO-REIT AND ACRO-BT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 TOGETHER WITH THE AUDITORS’ REPORTS**

The Chairman proceeded to table Ordinary Resolution 1 to be adopted by securityholders, which was to receive and adopt the Report of the Trustee, the Statement by the Managers and the Audited Financial Statements of ACRO-HT for - financial year ended 31 December 2024, together with the Auditor’s Report thereon.

The motion for Ordinary Resolution 1 was proposed by Chairman and seconded by Ms. Zhu Yang.

The Chairman invited questions from the floor.

Mr. Manohar P. Sabnani (“**Mr. Sabnani**”) asked if all Board members were present. The Chairman replied that there are 4 members on the Board and Mr. Lin Daqi, a Non-Independent Non-Executive Director, who was unable to attend today’s AGM, has sent his apologies.

Mr. Sabnani expressed concern about the sharp decrease in distributable income, which fell from US\$19.8 million in FY2023 to US\$9.3 million in FY2024, despite only a modest decrease in key operational metrics such as net property income (“**NPI**”). Consequently, the distribution per stapled security (“**DPS**”) dropped from 3.430 US cents in FY2023 to 1.595 US cents in FY2024. He pointed the Meeting to page 46 of the Annual Report, which indicated that 10% of the total distributable amount for FY2024 had been allocated for general corporate and working capital purposes—presumably to fund asset enhancement initiatives (“**AEIs**”). Mr. Sabnani suggested that Management consider funding significant AEIs through either cash reserves or bank borrowings. He also sought further clarification on the reduction in distributable income, noting that stapled securityholders had not received sufficient explanation.

In response, the CFO attributed the DPS decline primarily to increased finance costs, explaining that the average cost of debt had risen from 4.8% as of 31 December 2023 to 6.7% as of 31 December 2024, resulting in approximately US\$7 million in additional finance expenses. He advised against funding AEIs through borrowings, emphasizing that sustainable organic growth should ideally be financed through operating income to preserve a healthy aggregate leverage ratio in accordance with Monetary Authority of Singapore (“**MAS**”) guidelines.

Mr. Sabani urged the Board and Management to improve the management of distributable income, noting its impact on stapled security price movements. He also sought Management’s perspective on the interest rate strategy and to consider hedging to minimize interest rate expenses. The Chairman responded by stating that Management is closely monitoring interest rate trends. However, he emphasized that it is not an appropriate time to hedge, given the current elevated interest rate environment.

Mr. Sabani also raised concerns about current valuation of ACRO-HT, pointing out that the stapled security price has declined from the Initial Public Offering (“**IPO**”) price of US\$0.88 to US\$0.20. In contrast, the net asset value (“**NAV**”) per stapled security stands at US\$0.73. He suggested that the Board consider liquidating the Trust or selling the assets to realise value.

The Chairman responded by noting that, although the Board and Management are unable to influence capital market movements, they remain committed to continuously improve ACRO-HT's operational performance and overall metrics.

The CEO referenced slide 7 of the presentation slides on U.S. Hotel Investment activity, explaining that high interest rates have suppressed transaction volumes making asset sales challenging. He stated that Management is strategically divesting the portfolio's weakest assets while retaining higher-performing hotels with stronger fundamentals and generating positive cash flow. Acknowledging stapled securityholders' concerns about the significant discount to NAV, the CEO reiterated that while market pricing is influenced by broader sentiment, particularly about the U.S., Management remains focused on disciplined portfolio management and maximizing cashflow for stapled securityholders.

Next, Mr. Venkatachalam Alagappan ("**Mr. Alagappan**") referred to slide 6 of the presentation on the U.S. lodging market outlook and requested further details regarding the forecasts for 2024 and 2025. The CEO clarified that the projections were sourced from CoStar, produced by Smith Travel Research. He explained that the forecasts are developed by economists using regression analysis to provide a forward-looking view of the market.

Following this, Mr. Alagappan inquired about Management's plans to improve operational metrics, noting that occupancy is expected to remain steady while ADR and RevPAR are projected to experience moderate year-over-year growth. The CEO responded that the U.S. hotel industry has entered a plateau phase, characterized by modest growth following the COVID-19 recovery. As hotels have the flexibility to adjust pricing regularly, Management prioritizes maximizing revenue during peak periods and capitalizing on seasonal demand fluctuations. The CEO added that not all U.S. markets follow national trends uniformly—some are still growing, others are flat, and some have declined. Management is focusing on markets where the hotels have a strong presence and aims to accelerate growth by maintaining a competitive edge through refreshed hotel offerings, supported by AEIs.

The CEO further emphasized that, during COVID-19, capital expenditure ("**capex**") was deferred to preserve cash, and the company is now in a phase of capex catch-up. Since the portfolio's last full renovation was in 2016, about nine years ago, hence AEIs are necessary to maintain competitiveness and uphold brand standards.

Mr. Alagappan reiterated Mr. Sabani's suggestion to liquidate ACRO-HT and distribute the proceeds from the asset sales to securityholders. The CEO clarified that under MAS regulations, Management is only allowed to sell assets at their appraised value, or within a 10% discount relative to an independent third-party valuation. He pointed out that the current high-interest-rate environment has caused a substantial gap between buyers' bids and sellers' expectations. Nevertheless, he emphasized that Management remains open to offers that exceed an asset's valuation, citing the example of the divestment of Hyatt House Shelton, which was bundled with the underperforming Hyatt House Philadelphia Plymouth Meeting.

Mr. Alagappan also asked Management for their outlook on average financing costs and the interest rate on the US\$95 million loan refinanced in February 2025. The CFO responded that interest rates for 3-year hedge have stayed elevated at 3.8% since July 2024, although there are some occasions/ days of a decline to around 3.4%. He noted that the current floating rate in the open market remains high at around 4.33%. Furthermore, he explained that while the margin on the refinanced loan is consistent with those of the prior refinancing, the overall terms of the new loan are more favorable.

Mr. Satinder Singh Bedi ("**Mr. Singh**") asked about the value proposition offered by the new Sponsor. In response, the CEO emphasized that the new Sponsor holds a significant stake as a stapled securityholder, ensuring aligned interests with other stapled securityholders. He added that the new Sponsor is actively engaged in ACRO-HT's operations and is in ongoing discussions aimed at driving improvements.

In response to Mr. Singh's suggestion to hedge in order to reduce financing costs, the CFO advised caution against over-hedging. He indicated that maintaining a hedge ratio between 40% and 60% is reasonable, as it offers some upside potential if interest rates decline.

Mr. Singh pointed out that if 10% of the distributable income had not been retained, the DPS would have exceeded 1.595 US cents, potentially pushing the stapled security price above US\$0.20. In response, the CEO clarified that despite retaining 10%, ACRO-HT's distribution yield remains considerably higher than most of its peers. Management chose not to distribute the full income as a cautious strategy, setting aside funds to mitigate potential cost pressures arising from trade wars and tariffs. The CEO also stressed that the current stapled security price does not fully reflect ACRO-HT's fundamental value.

Mr. Singh then asked about any innovative or unconventional strategies to accelerate scaling ACRO-HT's business, which could lead to a quicker increase in the stapled security price. The CEO reiterated that the Board and Management are fully aligned with the interests of all stapled securityholders. He noted that making bold strategic moves in an uncertain environment is challenging. He added that he would be open to any suggestions and to discuss those ideas with legal advisors and bankers to assess their feasibility.

Next, Mr. Simeon L. Tan ("**Mr. Tan**") provided feedback expressing that the sudden change in the DPS was quite surprising to stapled securityholders. He referenced ACRO-HT's cash reserves and asset sales, suggesting that a capital top-up to the distribution could be considered as a way to mitigate abrupt fluctuations. Moving forward, Mr. Tan appealed to the Board to place greater emphasis on effectively managing the DPS.

Next, Mr. Daniel Cerf ("**Mr. Cerf**") commended both the Management team and the Board for their full commitment and deep understanding of the asset's performance, expressing strong confidence in Management's capabilities. He also praised the Board for its effective oversight.

However, Mr. Cerf raised a question concerning the gap between the base rate and the actual interest rates being paid. He requested clarification on the spread applied and inquired whether ACRO-HT's credit quality has been impacted by recent ownership changes, potentially resulting in a higher margin. The CFO responded by confirming that the loans' margins remain consistent with those established under the previous sponsor and are below 200-basis points.

Mr. Cerf further asked if the new sponsor could leverage strong relationships to negotiate better terms and reduce rates. The CEO explained that a 200-basis point margin is quite competitive, especially since lenders in the US are offering margins of 300 to 400 basis points on hotel loans. He noted that the fact that our Singapore lenders have maintained flat margins over the years is a positive sign. Ultimately, the current interest rate environment remains the primary factor influencing interest rates.

Mr. Stephen Chen Weng Leong ("**Mr. Chen**"), acting as the appointed proxy for Chen Wei Ching, directed the Meeting's attention to Page 27 of the ACRO-HT FY2024 Annual Report. He asked whether it would be fair to assume that current occupancy or operational performance is broadly in line with 2019 levels.

In response, the CEO explained that conditions have shifted, and the portfolio has since evolved. Occupancy remains below 2019 levels, largely due to the continued influence of work-from-home trends, which have persisted in the U.S. as a result of changing lifestyle preferences. This has particularly affected demand in the transient business travel segment. Nevertheless, the CEO highlighted that the ADR now exceeds 2019 levels, which has helped to mitigate the impact of higher wages and other rising operational costs.

Mr. Chen then commented on the theme of "New Heights" of the FY2024 Annual Report and inquired about the meaning behind it. The CEO explained that the theme reflects an optimistic outlook, with Management actively reinvesting in the portfolio and introducing new initiatives. The title is intended to express confidence that positive developments lie ahead for the portfolio.

Mr. Stephen Chen also suggested that the Management should develop a 2- to 3-year plan to provide stapled securityholders with clearer insight into future expectations. Management acknowledged this suggestion.

As there were no further questions, the Chairman proceeded to put Ordinary Resolution 1 to the vote.

The electronic poll voting was then conducted, and the Chairman casted his votes in accordance with the voting instructions received.

The results of the poll on Ordinary Resolution 1 were as follows:

	<b>Votes</b>	<b>Percentage (%)</b>
No. of Stapled Securities voted "For":	173,151,421	98.24
No. of Stapled Securities voted "Against":	3,100,450	1.76
<b>Total</b>	<b>176,251,871</b>	<b>100.00</b>

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

**ORDINARY RESOLUTION 2 – RE-APPOINTMENT OF ERNST & YOUNG LLP AS INDEPENDENT AUDITORS OF ACRO-HT, ACRO-REIT AND ACRO-BT TO HOLD OFFICE UNTIL THE CONCLUSION OF THE NEXT AGM OF ACRO-HT AND TO AUTHORISE THE MANAGERS TO FIX THEIR REMUNERATION**

Next, Chairman informed the stapled securityholders that Ordinary Resolution 2 was to re-appoint Ernst & Young LLP ("EY") as independent auditors of ACRO-HT, ACRO-REIT and ACRO-BT to hold office until the conclusion of the next AGM of ACRO-HT and to authorise the Managers to fix their remuneration. EY had expressed their willingness to continue in office.

The motion for Ordinary Resolution 2 was proposed by the Chairman and seconded by Mr. Venkatachalam Alagappan.

The Chairman invited questions from the floor.

As there were no questions for this Resolution, the Chairman proceeded to put Ordinary Resolution 2 to the vote.

The electronic poll voting was then conducted, and the Chairman casted his votes in accordance with the voting instructions received.

The results of the poll on Ordinary Resolution 2 were as follows:

	<b>Votes</b>	<b>Percentage (%)</b>
No. of Stapled Securities voted "For":	174,603,771	98.95
No. of Stapled Securities voted "Against":	1,852,550	1.05
<b>Total</b>	<b>176,456,321</b>	<b>100.00</b>

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

**ANY OTHER BUSINESS**

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

**SPECIAL BUSINESS:**

**ORDINARY RESOLUTION 3 – GENERAL MANDATE FOR THE ISSUE OF NEW STAPLED SECURITIES AND/OR CONVERTIBLE SECURITIES**

The Chairman proceeded to table Ordinary Resolution 3 to be adopted by securityholders, which was to authorize the Managers to issue new stapled securities in ACRO-HT and to make or grant convertible instruments pursuant to the provisions of the Listing Manual of the SGX-ST, as set out under item 3 in the Notice of the AGM.

The motion for Ordinary Resolution 3 was proposed by the Chairman and seconded by Mr. Satinder Singh Bedi.

The Chairman invited questions from the floor.

Mr. Singh commented that Management should refrain from issuing new stapled securities, as doing so would dilute the holdings of existing stapled securityholders.

Mr. Alagappan observed that Management had not put forth a resolution for the buyback of stapled securities and asked if there were any plans to do so in the future. In response, the CEO explained that a buyback could inadvertently increase the Sponsor's interest in ACRO-HT beyond the permissible threshold, which could affect trading liquidity and the ACRO-HT's existing tax structure.

Mr. Alagappan commended the Board and Management for achieving operational results that outperformed the industry average.

Mr. Sabnani suggested that Management and the Board consider reducing the hotel portfolio from 33 to 30 or even 28 assets. He noted that this would help lower interest expenses by divesting hotels with low returns. In response, the CEO shared that Management has been actively pursuing the sale of lesser-performing hotels, having already reduced the portfolio from 41 to 33 hotels over the past three years. He added that the Head of Investments has been working closely with brokers and potential buyers to identify and execute opportunities to divest lesser performing assets.

In response to Mr. Sabnani's renewed emphasis on the need to increase DPS using proceeds from asset sales, the CEO explained that the terms of ACRO-HT's credit facilities require that sales proceeds be used first to pare down debt. Consequently, proceeds from the sale of debt-encumbered hotels cannot be used to supplement distributable income.

As there were no further questions for this Resolution, the Chairman proceeded to put Ordinary Resolution 3 to the vote.

The electronic poll voting was then conducted, and the Chairman casted his votes in accordance with the voting instructions received.

The results of the poll on Ordinary Resolution 3 were as follows:

	<b>Votes</b>	<b>Percentage (%)</b>
No. of Stapled Securities voted "For":	166,194,521	94.20
No. of Stapled Securities voted "Against":	10,238,900	5.80
<b>Total</b>	<b>176,433,421</b>	<b>100.00</b>

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

## **CONCLUSION**

The Chairman declared the AGM of ACRO-HT closed at 11.42 a.m. and thanked everyone for their attendance and the questions received. The minutes of the AGM would be posted on SGXNet and the corporate website in due course.

Confirmed as True Record of Proceedings Held

Stephen Ray Finch  
Chairman of the Meeting