

## ELITE COMMERCIAL REIT TO COMPLETE £212.5 MILLION MAIDEN PORTFOLIO ACQUISITION

- ***Issue up to 131.4 million New Units at £0.68 per Unit to fund the acquisition of 58 quality, UK commercial properties, primarily leased to the UK Government***
- ***European institution PartnerRE to increase stake from 1% currently to 23% of the REIT's enlarged share capital***
- ***Issue price to Vendor (or its nominee) represents premium of 3.8% over the current unit price<sup>1</sup>***
- ***Manager secures cost-effective bridge financing***

**SINGAPORE, 26 February 2021** – Elite Commercial REIT Management Pte. Ltd., the manager (the “**Manager**”) of Elite Commercial REIT (the “**REIT**”), today announced the Notice of Record and Advanced Distribution Payment Date. Following the Record Date, the Manager intends to issue up to 131.4 million new units at an issue price of £0.68 per Unit to Elite UK Commercial Fund II as partial consideration for the proposed £212.5 million acquisition of 58 commercial buildings located across the United Kingdom (“**UK**”) (“**Proposed Acquisition**”) from Elite Bushel Holding Limited (the “**Vendor**”), a subsidiary of Elite UK Commercial Fund II at completion, to be on or around 9 March 2021.

The Consideration Unit Issue Price of £0.68 per Unit represents a 3.8% premium over the current unit price. The total amount of consideration units to be issued amounts to £89.4 million and this will increase the REIT’s market capitalisation by approximately 39%.

Following the receipt of the Consideration units, Elite UK Commercial Fund II, as the Vendor Nominee, will do a distribution in specie of such Consideration Units to its investors (or its nominees), all of whom are unrelated third parties. This will result in PartnerRE being the

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”).

<sup>1</sup> Based on the closing price on 26 Feb 2021 of £0.655



largest investor of Elite UK Commercial Fund II, holding approximately 23% of the REIT's enlarged share capital. PartnerRE is a leading global diversified reinsurance firm, rated A+/A1/A+ (S&P/Moody's/Fitch), with over US\$9 billion in total capital.<sup>2</sup>

**Ms Shaldine Wang, Chief Executive Officer of the Manager** said, "We are encouraged by European institutional investor PartnerRE's commitment and support for the REIT's maiden portfolio acquisition. PartnerRE's decision to roll over their investment in the portfolio of 58 quality commercial properties across the UK into Elite Commercial REIT is a display of the confidence in the REIT's portfolio and investment strategy. With the completion of this transaction, there will be a substantial increase in the REIT's size and market capitalisation. In tandem with the strengthening British pound, unitholders will also stand to reap more benefits through their investment in Elite Commercial REIT."

To further demonstrate PartnerRE's commitment, it has voluntarily agreed to an initial moratorium of not disposing 100% of their share of the Consideration Units for the first 6 months after receipt of the Units, and at least 50% of their share of the Consideration Units for the next 6 months thereafter.

The REIT Manager is pleased to share that it has secured a bridging loan of up to £10 million. The bridging loan, at a cost of 2.1%, is able to provide cost savings as compared to a Vendor's Loan<sup>3</sup> option that was previously announced. The bridging loan has a term of 1 year from utilisation.

The proposed acquisition represents an increase in the REIT's Assets Under Management ("AUM") by 67%. The properties to be acquired are 100% occupied, with more than 99% of the rental income coming from the UK Government. The acquisition brings about a diversification of tenant base. In addition to the Department of Work and Pensions, other government occupiers include the Ministry of Defence, National Records of Scotland, HM Courts and Tribunals Service, National Resources of Wales and Environmental Agency.

**Ms. Shaldine Wang** further commented, "Elite Commercial REIT has a unique investment strategy and resilient portfolio to provide stable returns and opportunities for future income

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<sup>2</sup> <https://partnerre.com/financial-information/>

<sup>3</sup> In the announcement released by Elite Commercial REIT on 19 October 2020 titled "The Proposed Acquisition of 58 Properties located across the United Kingdom", the REIT Manager announced that the REIT has an option to request for a £10 million loan from the Vendor, at an interest rate of 7% per annum.



and capital growth. Going forward, the Manager will focus on strengthening the enlarged portfolio and will closely monitor the market to explore opportunities for growth via yield-accretive acquisitions. This includes the properties under the right of first refusal (“ROFR”) pipeline granted by its Sponsors, most of which are on long-term leases by various ministries of the UK Government, and assets owned by third-parties.”

**- End -**

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## **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. This document may contain forward-looking statements that involve assumptions, 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. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses, property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.*

*You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this document. Neither the Manager nor any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use of, reliance on or distribution of this document or its contents or otherwise arising in connection with this document.*

*The past performance of Elite Commercial REIT is not indicative of future performance. The listing of the Units on the Singapore Exchange Securities Trading Limited ("SGX-ST") does not guarantee a liquid market for the Units. 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.*