



(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.)

## **RESPONSE TO SGX-ST'S QUERY REGARDING THE APPLICATION FOR ELITE UK COMMERCIAL HOLDINGS LIMITED TO BE LISTED ON THE INTERNATIONAL STOCK EXCHANGE**

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").

Elite Commercial REIT Management Pte. Ltd. (the "**Manager**"), sets out its response to the query raised by the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 7 June 2021:

### **SGX-ST Query on 7 June 2021:**

We refer to the Trust's SGXNet announcement dated 4 June 2021, entitled "Application for Elite UK Commercial Holdings Limited to be listed on the International Stock Exchange" (the "**Announcement**").

We will appreciate it if the Company can address the following queries via an SGXNet announcement by Wednesday, 9 June 2021:

(a) Listing Rule 210(6) states that a subsidiary or parent company of an existing listed issuer will not normally be considered suitable for listing if the assets and operations of the applicant are substantially the same as those of the existing issuer. In arriving at a decision, the Exchange will consider the applicant's business or commercial reasons for listing.

Please provide the Board's confirmation as to whether Listing Rule 210(6) and the considerations in the Regulator's Column of 3 February 2010 and 24 February 2011 have been complied with and the bases for such an assessment.

(b) Please clarify as to whether there is any offering of shares under the proposed listing of Elite UK Commercial Holdings Limited on The International Stock Exchange. If yes, please clarify as to whether (i) the proposed listing involves any divestment or dilution of the Trust's shareholding in Elite UK Commercial Holdings Limited; and (ii) the remaining Group (excluding Elite UK Commercial Holdings Limited) meets the requirements under Listing Rule 210(2). Please also disclose the contributions of Elite UK Commercial Holdings to the Trust's financials, including revenue, profit before tax and net asset value for the last 3 financial years.

(c) Would there be trading in the Elite UK Commercial Holdings Limited on The International Stock Exchange?

(d) The Announcement states, amongst others, that, “The commercial rationale of carrying out this process is multi-pronged. Firstly, it puts the tax treatment of Elite Commercial REIT on par with that of other UK REITs. Secondly, following the admission of ECHL on TISE, and pursuant to the Double Taxation Treaty between the UK and Singapore, it is expected that the principal tax rate applicable to Elite Commercial REIT will be reduced to 15% from the current 19%. Thirdly, any latent capital gains (and its corresponding deferred tax liabilities) of the properties currently held by Elite Commercial REIT will be eliminated.”

Please elaborate on how the proposed listing of Elite UK Commercial Holdings Limited on The International Stock Exchange would enable the above.

**Manager’s Response:**

(a) The proposed listing of Elite UK Commercial Holdings Limited (“**ECHL**”) on the The International Stock Exchange (“**TISE**”) is a technical listing, and 100% of the shares in Elite UK Commercial Holdings Limited will continue to be held by Elite Commercial REIT. For the avoidance of doubt, the proposed listing on TISE does **NOT** involve any divestment or dilution of the Trust’s shareholding in Elite UK Commercial Holdings Limited. The technical listing is not a spin-off given that Elite Commercial REIT would continue to hold 100% of the shares in Elite UK Commercial Holdings Limited.

Accordingly, Listing Rule 210(6) and the considerations in the Regulator’s Column of 3 February 2010 and 24 February 2011 have been complied with.

(b) 100% of the shares in ECHL will continue to be held by Elite Commercial REIT. For the avoidance of doubt, the proposed listing on TISE does **NOT** involve any divestment or dilution of the Trust’s shareholding in Elite UK Commercial Holdings Limited.

As all the assets and liabilities are predominantly held in the UK (save for some Trust level expenses), ECHL (and its subsidiaries) contribute close to the REIT’s entire revenue, profit before tax and net asset value position from the point of Elite Commercial REIT’s IPO on 6 February 2020.

(c) As 100% of the shares in Elite UK Commercial Holdings Limited will continue to be held by Elite Commercial REIT, there would not be any trading of the shares of Elite UK Commercial Holdings Limited on TISE.

(d) The proposed listing of ECHL on TISE will facilitate the admission of ECHL into the UK REIT regime as TISE is a Her Majesty’s Revenue and Customs (“**HMRC**”) approved stock exchange. As ECHL is the ultimate wholly owned UK subsidiary of Elite Commercial REIT, ECHL (and its subsidiaries) will be subject to the same tax treatment of other UK REITs.

Upon admission of ECHL into the UK REIT regime, the potential benefits include (i) an expected reduction in the applicable principal tax rate from 19% to 15%, pursuant to the Double Taxation Treaty between the UK and Singapore and (ii) any latent capital gains (and its corresponding deferred tax liabilities) of the properties currently held by Elite Commercial REIT being eliminated.

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)

9 June 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.