



ELITE COMMERCIAL REIT

(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.)

LAUNCH OF FULLY UNDERWRITTEN NON-RENOUNCEABLE PREFERENTIAL OFFERING TO RAISE GROSS PROCEEDS OF APPROXIMATELY £28.0 MILLION

Principal Terms of the Issue	Description
Issue Price	£0.27 for each Preferential Offering Unit (as defined herein)
Discount	The Preferential Offering Issue Price (as defined herein) represents a discount (the “ Preferential Offering Issue Price Discount ”) of 10% to the volume weighted average price (“ VWAP ”) of £ 0.30 per Unit (as defined herein) of all trades in the Units on the Singapore Exchange Securities Trading Limited (the “ SGX-ST ”) for the full Market Day ¹ on which the Underwriting Agreement (as defined herein) was signed on 18 December 2023. The Preferential Offering Issue Price and the Preferential Offering Issue Price Discount have been determined after taking into account precedent transactions, the transaction size and discussions with the Joint Underwriters (as defined herein).
Allotment Ratio	214 Preferential Offering Units for every 1,000 existing Units (fractions of a Preferential Offering Unit to be disregarded) to be held as at the Preferential Offering Record Date (as defined herein).
Use of Proceeds	<p>Subject to relevant laws and regulations, the Manager intends to use the gross proceeds of approximately £28.0 million from the Preferential Offering in the following manner:</p> <p>(a) approximately £27.0 million (which is equivalent to approximately 96.4% of the gross proceeds of the Preferential Offering) to repay debt and to reduce the aggregate leverage of Elite Commercial REIT; and</p> <p>(b) approximately £1.0 million (which is equivalent to approximately 3.6% of the gross proceeds of the Preferential Offering) to pay for the fees and expenses, including professional fees and expenses, incurred or to be incurred by Elite Commercial REIT in connection with the Preferential Offering.</p> <p>Notwithstanding its current intention, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Preferential Offering at its absolute discretion for other purposes.</p>
Purpose of Preferential Offering	Please refer to paragraphs 2 and 4 below for the use of proceeds and the rationale for the Preferential Offering respectively.

¹ “**Market Day**” means a day on which the SGX-ST is open for securities trading.

1. INTRODUCTION

Elite Commercial REIT Management Pte. Ltd., in its capacity as manager of Elite Commercial REIT (the “**Manager**”), is proposing a preferential offering of new units in Elite Commercial REIT (“**Units**”) to raise gross proceeds of approximately £28.0 million by way of a fully underwritten *pro rata* and non-renounceable preferential offering (the “**Preferential Offering**”) of 103,354,690 new Units (the “**Preferential Offering Units**”) on the basis of 214 Preferential Offering Units for every 1,000 existing Units to be held as at 5.00 p.m. on 27 December 2023 (the “**Preferential Offering Record Date**”) to Eligible Unitholders (as defined herein) at an issue price of £0.27 per Preferential Offering Unit (the “**Preferential Offering Issue Price**”) (fractions of a Preferential Offering Unit to be disregarded).

The Preferential Offering Issue Price represents a discount of 10% to the VWAP of £0.30 per Unit of all trades in the Units on the SGX-ST for the full Market Day on which the Underwriting Agreement was signed on 18 December 2023.

The Preferential Offering Issue Price has been determined by the Manager after taking into account precedent transactions, the transaction size and discussions with the Joint Underwriters.

In relation to the Preferential Offering, the Undertaking Unitholders (as defined herein) have each provided an irrevocable undertaking to the Manager, the details of which are set out in paragraph 3 below.

CGS-CIMB Securities (Singapore) Pte. Ltd. and RHB Bank Berhad, through its Singapore branch, have been appointed as the joint underwriters for the Preferential Offering (the “**Joint Underwriters**”) on the terms and subject to the conditions of the underwriting agreement entered into today between the Manager and the Joint Underwriters (the “**Underwriting Agreement**”). The Preferential Offering shall be subject to certain conditions precedent more particularly set out in the Underwriting Agreement.

2. USE OF PROCEEDS

Subject to relevant laws and regulations, the Manager intends to use the gross proceeds of approximately £28.0 million from the Preferential Offering in the following manner:

- (a) approximately £27.0 million (which is equivalent to approximately 96.4% of the gross proceeds of the Preferential Offering) to repay debt and to reduce the aggregate leverage of Elite Commercial REIT; and
- (b) approximately £1.0 million (which is equivalent to approximately 3.6% of the gross proceeds of the Preferential Offering) to pay for the fees and expenses, including professional fees and expenses, incurred or to be incurred by Elite Commercial REIT in connection with the Preferential Offering.

Notwithstanding its current intentions, the Manager may, subject to relevant laws and regulations, utilise the net proceeds of the Preferential Offering at its absolute discretion for other purposes.

Pending the deployment of the net proceeds from the Preferential Offering, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial

institutions or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Preferential Offering via SGXNET as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated. The Manager will also provide a status report in relation to the foregoing in the annual reports of Elite Commercial REIT. Where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in Elite Commercial REIT's announcements on the use of proceeds and in Elite Commercial REIT's annual reports and where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

3. COMMITMENT OF THE UNDERTAKING UNITHOLDERS

To demonstrate its support for Elite Commercial REIT and the Preferential Offering, each of Elite Partners Holdings Pte. Ltd. ("**EPH**") and Sunway RE Capital Pte. Ltd. ("**SRCPL**"), being sponsors of Elite Commercial REIT (each, a "**Sponsor**" and collectively, the "**Sponsors**"), Ho Lee Group Trust² ("**HLGT**"), and Partner Reinsurance Asia Pte. Ltd., Partner Reinsurance Company Ltd. and Partner Reinsurance Europe SE, being key strategic investors of Elite Commercial REIT (collectively, the "**PartnerRe Entities**") has irrevocably undertaken to the Manager that, among other things, in accordance with the terms and conditions of the Preferential Offering, it will by the last day for acceptance and payment of the Preferential Offering Units, accept, subscribe and pay in full for its total provisional allotment of the Preferential Offering Units corresponding to its interest in Elite Commercial REIT ("**Pro Rata Units**"). EPH, SRCPL, HLGT and the PartnerRe Entities shall herein be referred to as the "**Undertaking Unitholders**" and the irrevocable undertakings provided by the Undertaking Unitholders shall herein be referred to as the "**Undertakings**".

Further, SRCPL will, in addition to the above, in accordance with the terms and conditions of the Preferential Offering and in any case by no later than the last day for acceptance and payment of the Preferential Offering Units, accept, subscribe and pay in full for additional Preferential Offering Units (the "**Excess Undertaking Units**") so that, when aggregated with its Pro Rata Units, the total subscription of SRCPL would amount to a maximum of approximately £16.1 million of Preferential Offering Units, it being understood that SRCPL will be allotted the Excess Undertaking Units only to the extent that there remains any Preferential Offering Units unsubscribed after satisfaction of all applications by other eligible Unitholders for Preferential Offering Units (if any).

For the avoidance of doubt, SRCPL will rank last in the allocation of excess Preferential Offering Units applications.

Collectively, the Undertaking Unitholders have undertaken pursuant to the Undertakings to subscribe for up to a maximum of £24.7 million (representing approximately 88.6% of the Preferential Offering Units). The remaining amount of the Preferential Offering Units are fully

² Through Perpetual (Asia) Limited (in its capacity as trustee of Ho Lee Group Trust), as procured by Ho Lee Group Pte. Ltd. (a Sponsor).

underwritten by the Joint Underwriters.

4. RATIONALE FOR THE PREFERENTIAL OFFERING

The Manager endeavours to procure sustainable growth and returns to the unitholders of Elite Commercial REIT (“**Unitholders**”) through its proactive asset management and capital management strategies.

The principal benefits of the Preferential Offering to Elite Commercial REIT and its Unitholders arise from:

- (i) Proactive and prudent capital management strategy to reduce aggregate leverage and strengthen the balance sheet;
- (ii) Enhancing financial flexibility to be better positioned to navigate uncertainties in the market;
- (iii) Increase in *pro forma* distributable income on the back of interest savings from debt reduction;
- (iv) Demonstration of Undertaking Unitholders’ commitment to, and confidence in the prospects of, Elite Commercial REIT; and
- (v) Increase in Units in issue leading to potential improvement of trading liquidity.

In addition to strategic capital recycling, this year to-date, the Manager has finalised the disposal of five assets at a premium over aggregate value³, secured a 13.1% inflation-linked rent escalation starting from 1 April 2023, and concluded negotiations on dilapidation settlements for numerous assets. The proceeds from the asset divestments to-date were primarily utilised to pare down loans to lower gearing and reduce interest costs, pursuant to the Manager’s capital recycling strategy.

Further, the Manager’s proactive asset management strategies include focusing on tenant retention, re-letting vacant assets as offices, implementing asset enhancement initiatives, as well as diversifying Elite Commercial REIT’s lease expiries and income profile.

The Manager also intends to expand the well-received innovative landmark sustainability collaborations with the Department for Work and Pensions (“**DWP**”) and Ministry of Defence in the United Kingdom (“**UK**”), to more properties in Elite Commercial REIT’s portfolio of assets.

The DWP is responsible for welfare, pensions and child maintenance policy. As the UK’s biggest public service department, it administers the state pension and a range of working age, disability and ill health benefits to around 20 million claimants and customers.

4.1 Proactive and prudent capital management strategy to reduce aggregate leverage and strengthen the balance sheet

The Manager adopts a proactive and prudent capital management strategy to ensure Elite Commercial REIT’s financial position remains resilient through volatile market conditions amidst an elevated interest rate environment. As at 30 September 2023, 62.0% of Elite

³ Based on the aggregate value of the divested assets as at 31 December 2022.

Commercial REIT's borrowings were on fixed rates with net borrowing costs of 5.3%, which enhances Elite Commercial REIT's resilience in the current macroeconomic situation⁴.

This year to-date, Elite Commercial REIT undertook divestments at a premium over aggregate value⁵.

Additionally, Elite Commercial REIT also successfully concluded negotiations on dilapidation settlements for numerous assets.

These initiatives are part of Elite Commercial REIT's proactive asset and capital management strategy to maximise value and minimise holding costs, while reducing gearing from 46.0% as at 30 June 2023 to 45.8% as at 30 September 2023 and further, to 45.4%⁶ as in October 2023.

Following an updated valuation of its properties as at 1 December 2023 (the "**1 December 2023 Valuation**"), Elite Commercial REIT's gearing ratio rose to 49.6%⁷. The net proceeds from the Preferential Offering will be used to repay debt, which will reduce aggregate leverage and strengthen Elite Commercial REIT's balance sheet. This would also reduce Elite Commercial REIT's interest expenses amidst an elevated interest rate environment, resulting in interest cost savings and positions Elite Commercial REIT in a better stead to negotiate for more favourable refinancing terms in FY2024, in line with the interests of Unitholders.

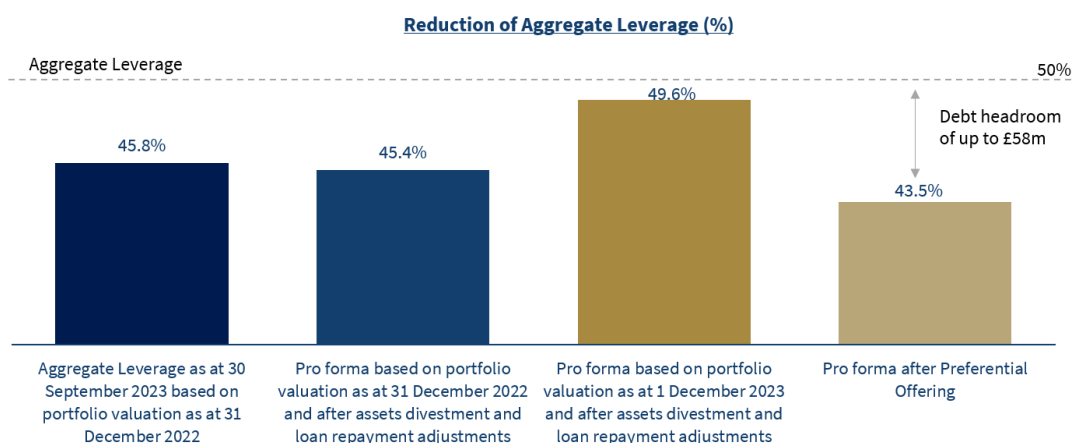
On a *pro forma* basis and strictly for illustrative purposes only, assuming that the divestment of assets post-30 September 2023, the October 2023 Loan Repayment (as defined herein), (collectively, the "**assets divestment and loan repayment adjustments**") as well as the Preferential Offering, were completed on 30 September 2023, the aggregate leverage of Elite Commercial REIT as at 30 September 2023, as adjusted based on the 1 December 2023 Valuation, would decrease from 49.6% before the Preferential Offering to 43.5% after the Preferential Offering, creating debt headroom to weather any uncertainties that may arise from macroeconomic headwinds amidst an elevated interest rate environment. This will also provide more reassurance to Unitholders in the current market environment.

4 Based on Elite Commercial REIT's SGXNET announcements dated 7 November 2023 in relation to Elite Commercial REIT's business update for the nine-month period ended 30 September 2023 ("**3Q 2023 Business Update**").

5 Based on the aggregate value of the divested assets as at 31 December 2022.

6 *Pro forma* for net recycled proceeds from the divestment of an asset and dilapidation settlements that were used to repay loans in October 2023 ("**October 2023 Loan Repayment**").

7 Based on Elite Commercial REIT's SGXNET announcements dated 5 December 2023 in relation to the 1 December 2023 Valuation.



4.2 Enhancing financial flexibility to be better positioned to navigate uncertainties in the market

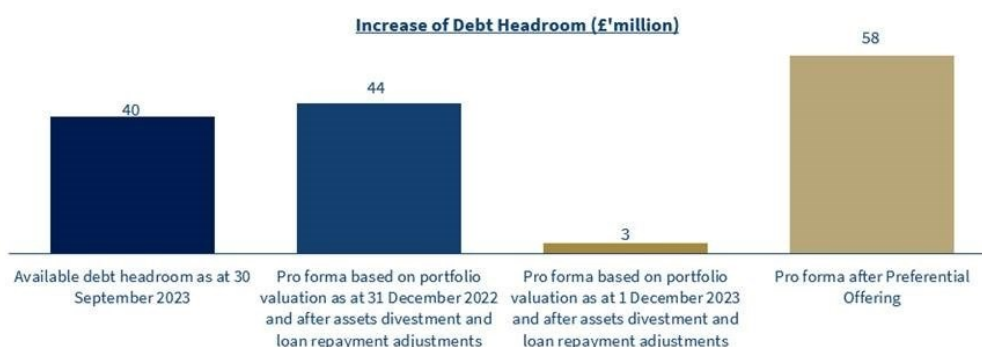
The Manager continues to focus on a tenant base backed by the AA-rated sovereign credit rating. Nearly 100% of Elite Commercial REIT's assets are currently leased to the UK Government, providing attractive and recession-proof yields to Unitholders.

The Manager has also identified opportunities to enhance value through achieving planning outcomes to reposition assets for alternative uses primarily in the data centre, student housing and other living sectors.

The Manager employs a rigorous selection process and leverages on its broad network across the UK real estate market to assist in identifying acquisition opportunities that will generate attractive cashflows and yields.

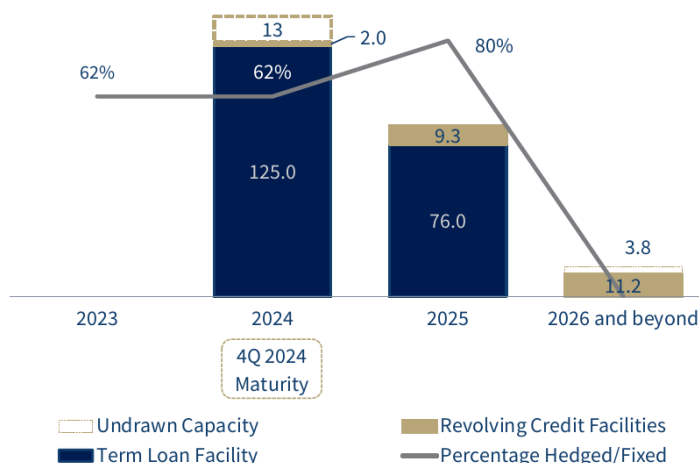
In addition, Elite Commercial REIT has a right of first refusal over the Sponsors' pipeline of UK commercial properties to support its growth strategy.

Post-Preferential Offering (taking into account the assets divestment and loan repayment adjustments), after the net proceeds have been utilised to repay debt, based on the 1 December 2023 Valuation, Elite Commercial REIT would have a resultant debt headroom of approximately £58 million based on a 50% aggregate leverage limit.



With no refinancing requirements until November 2024⁸, the resultant debt headroom would provide Elite Commercial REIT with growth capital and the financial flexibility to act decisively on opportunistic acquisitions and asset enhancement initiatives, re-development opportunities and provide buffer in the event of any further asset revaluations.

Debt Maturity Profile and Percentage Hedged / Fixed



In addition, a lower debt level will allow Elite Commercial REIT to negotiate for better refinancing for its upcoming refinancing exercise in 2024. It is expected that once the refinancing exercise is completed, the tenure of the term loan will be extended beyond 2026.

4.3 Increase in *pro forma* distributable income on the back of interest savings from debt reduction

By applying the net proceeds of the Preferential Offering towards reducing its aggregate leverage, Elite Commercial REIT would be able to lower its interest expenses and in turn increase distributable income.

On a *pro forma* basis and strictly for illustrative purposes only, assuming that the Preferential Offering were completed on 1 January 2023, the distributable income of Elite Commercial REIT for the nine-month period ended 30 September 2023 would increase from £13.6 million before the Preferential Offering to £14.7 million after the Preferential Offering, delivering more value to Unitholders.

4.4 Demonstration of Undertaking Unitholders' commitment to, and confidence in the prospects of, Elite Commercial REIT

To demonstrate their support for Elite Commercial REIT and the Preferential Offering, the Undertaking Unitholders, comprising the Sponsors and Substantial Unitholders, which collectively own an aggregate interest of approximately 37.2% of the total number of Units in issue as at the date of this announcement, have provided irrevocable undertakings in respect of their Pro Rata Units.

⁸ Based on Elite Commercial REIT's SGXNET announcements dated 7 August 2023 in relation to Elite Commercial REIT's unaudited condensed interim consolidated financial statements for the six-month period ended 30 June 2023.

Additionally, SRCPL will subscribe for Excess Undertaking Units above its Pro Rata Units which are not taken up by other Unitholders so that, when aggregated with its Pro Rata Units, the total subscription of SRCPL would amount to a maximum of approximately £16.1 million of Preferential Offering Units. (See paragraph 3 for details of the Undertakings provided by the Undertaking Unitholders in relation to the Preferential Offering.)

The excess applications are intended to demonstrate SRCPL's commitment to Elite Commercial REIT. For illustrative purposes, assuming gross proceeds of approximately £28.0 million from the Preferential Offering, should the total value of the Pro Rata Units and the Excess Undertaking Units successfully subscribed for by SRCPL amount to £16.0 million⁹, the aggregate unitholding of SRCPL would increase from approximately 5.8% as at the date of this announcement, to approximately 14.9%, post-Preferential Offering.

This commitment also showcases the Undertaking Unitholders' continued conviction in Elite Commercial REIT and its growth trajectory over the long term.

4.5 Enlargement of the Unitholder base leading to potential improvement of trading liquidity

The Preferential Offering is also expected to allow existing Unitholders to participate in the growth trajectory of Elite Commercial REIT and potentially improve the trading liquidity of the Units.

On a *pro forma* basis and strictly for illustrative purposes only, assuming that the Preferential Offering were completed on the date of this announcement and after adjusting for the gross proceeds of the Preferential Offering, the market capitalisation of Elite Commercial REIT as at the date of this announcement would increase from approximately £144.9 million to approximately £172.8 million. The issue of the Preferential Offering Units would increase Elite Commercial REIT's total Units in issue as at the date of this announcement from 482,965,844 Units before the Preferential Offering to 586,320,534 Units after the Preferential Offering, representing an approximate 21.4% increase in Units issued.

5. DETAILS OF THE PREFERENTIAL OFFERING

In connection with the Preferential Offering, the Manager intends to issue 103,354,690 Preferential Offering Units at the Preferential Offering Issue Price to Eligible Unitholders in order to raise gross proceeds of approximately £28.0 million.

As the Preferential Offering is made on a non-renounceable basis, the provisional allotment of Preferential Offering Units cannot be renounced in favour of a third party or traded on the SGX-ST. Each Eligible Unitholder will be provisionally allotted the Preferential Offering Units under the Preferential Offering on the basis of 214 Preferential Offering Units for every 1,000 existing Units (fractions of a Preferential Offering Unit to be disregarded) to be held as at the Preferential Offering Record Date.

Eligible Unitholders are at liberty to accept or decline their provisional allotments of Preferential Offering Units and are eligible to apply for additional Preferential Offering Units in excess of their provisional allotments under the Preferential Offering ("**Excess Preferential**

⁹ The Manager will ensure that the Pro Rata Units and the Excess Undertaking Units allotted to SRCPL will not result in SRCPL holding 15.0% or more immediately post-Preferential Offering.

Offering Units). Eligible Unitholders are prohibited from trading, transferring, assigning or otherwise dealing with (in full or in part) their (a) provisional allotments of Preferential Offering Units or (b) eligibility to apply for Excess Preferential Offering Units.

The Preferential Offering Units under the Preferential Offering represented by (i) the provisional allotments of Eligible Unitholders who decline or do not accept, in full or in part, their provisional allotments of Preferential Offering Units under the Preferential Offering, (ii) the provisional allotments of Unitholders which are not Eligible Unitholders, and/or (iii) the aggregate of fractional entitlements, may be issued to satisfy applications for Excess Preferential Offering Units as the Manager may, in its absolute discretion, deem fit. In the allotment of Excess Preferential Offering Units, preference will be given to the rounding of odd lots. Directors of the Manager (the “**Directors**”) and Substantial Unitholders¹⁰ who have control or influence over Elite Commercial REIT or the Manager in connection with the day-to-day affairs of Elite Commercial REIT or the Manager or the terms of the Preferential Offering, or have representation (direct or through a nominee) on the board of the Directors will rank last in priority for the rounding of odd lots and allotment of Excess Preferential Offering Units.

6. AUTHORITY TO ISSUE NEW UNITS

The Preferential Offering Units will be issued pursuant to a general mandate (the “**General Mandate**”) given by Unitholders to the Manager at the annual general meeting (“**AGM**”) held on 25 April 2023, pursuant to which the Manager may, during the period from 25 April 2023 (being the date that the ordinary resolution for the General Mandate was passed by Unitholders during the AGM) to (i) the conclusion of the next AGM of Elite Commercial REIT; (ii) the date by which the next AGM of Elite Commercial REIT is required by applicable laws and regulations to be held; or (iii) until the General Mandate is revoked or varied by ordinary resolution of the Unitholders in a general meeting, whichever is earlier, to issue, among others, new Units (whether by way of rights, bonus or otherwise) up to a number not exceeding fifty per cent (50.0%) of the total number of issued Units as at 25 April 2023 (the “**Base Figure**”), of which up to twenty per cent (20.0%) may be issued other than on a *pro rata* basis to Unitholders.

The Base Figure, being the number of Units in issue as at 25 April 2023, is 482,138,097 Units.

The number of Units that can be issued under the General Mandate is 241,069,048 Units. The Manager has issued 827,747 Units under the General Mandate since 25 April 2023 on a non *pro rata* basis.

The Preferential Offering Units to be issued pursuant to the Preferential Offering, together with the Units issued since 25 April 2023, would constitute 21.6% of the Base Figure, which is within the 50.0% limit for issue of new Units on a *pro rata* basis. Accordingly, the prior approval of the Unitholders is not required for the issue of the Preferential Offering Units.

7. ELIGIBILITY TO PARTICIPATE IN THE PREFERENTIAL OFFERING

¹⁰ “**Substantial Unitholders**” refers to Unitholders with interests in not less than 5.0% of all Units in issue.

Only Eligible Unitholders are eligible to participate in the Preferential Offering.

Eligible Unitholders. “**Eligible Unitholders**” are Unitholders with Units standing to the credit of their respective securities accounts with The Central Depository (Pte) Limited (“**CDP**”, and a securities account with CDP, a “**Securities Account**”) as at the Preferential Offering Record Date and (a) whose registered addresses with CDP are in Singapore as at the Preferential Offering Record Date; or (b) who have at least three Market Days prior to the Preferential Offering Record Date provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Unitholders located, resident or with a registered address outside of Singapore.

Foreign Unitholders. The making of the Preferential Offering may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid any violation of the securities legislation in jurisdictions outside of Singapore, the Preferential Offering will not be extended to Unitholders whose registered addresses with CDP are outside Singapore as at the Preferential Offering Record Date, and who have not, at least three Market Days prior to the Preferential Offering Record Date, provided CDP or the Unit Registrar (as the case may be) with addresses in Singapore for the service of notices and documents. Unitholders whose registered addresses with CDP are outside Singapore and who wish to participate in the Preferential Offering will have to provide CDP with addresses in Singapore for the service of notices and documents at least three Market Days prior to the Preferential Offering Record Date.

Details of the procedures for acceptance of and payment for provisional allocations of Preferential Offering Units under the Preferential Offering by Unitholders whose registered addresses with CDP are in Singapore will be set out in an instruction booklet to be despatched to Eligible Unitholders in due course (the “**Instruction Booklet**”). A further announcement on the despatch will be made by the Manager at the appropriate time.

For Eligible Unitholders (except Corporate Account Unitholders (as defined below)), acceptances of their provisional allotments of Preferential Offering Units and (if applicable) applications for Excess Preferential Offering Units may **only** be made through an automated teller machine (“**ATM**”) of a Participating Bank¹¹ in accordance with the terms and conditions of the Instruction Booklet (“**Electronic Application**”), and **not** through mailing an application form to CDP nor by PayNow via the SGX Investor Portal. Eligible Unitholders making Electronic Applications through ATMs of the Participating Banks will pay the application monies in Singapore dollars based on the respective Participating Bank’s Foreign Exchange Rate¹² at the time of application. Any refund monies for Eligible Unitholders who make Electronic Applications through ATMs of Participating Banks will be credited in Singapore dollars based on the respective Participating Bank’s Refund Foreign Exchange Rate¹³. Different foreign exchange rates at the time of application and at the time of refund of the application monies will result in either a foreign exchange profit or loss to such application monies.

11 “**Participating Bank**” means a bank which ATM may be used to make an Electronic Application. Please refer to the Instruction Booklet to be issued in due course for the identities of the Participating Banks.

12 “**Participating Bank’s Foreign Exchange Rate**” means the relevant foreign exchange rates used by each of the Participating Banks to determine the amount of Singapore dollars payable.

13 “**Participating Bank’s Refund Foreign Exchange Rate**” means the relevant foreign exchange rates used by each of the Participating Banks to determine the amount of Singapore dollars refundable.

However, Eligible Unitholders who hold their Units through a corporate Securities Account with CDP (“**Corporate Account Unitholders**”) are **not** able to accept their provisional allotments of Preferential Offering Units and (if applicable) apply for Excess Preferential Offering Units by way of an Electronic Application through an ATM of a Participating Bank. On an exceptional basis, **only** such Corporate Account Unitholders may make their acceptances and (if applicable) applications directly through the Manager by way of a telegraphic transfer in Pound sterling to Elite Commercial REIT in accordance with the terms and conditions of the Instruction Booklet.

For the avoidance of doubt, any application made by other Unitholders who are not Corporate Account Unitholders directly through the Manager will be rejected.

Further details on the acceptance of their provisional allotments of Preferential Offering Units and (if applicable) application for Excess Preferential Offering Units by Eligible Unitholders who hold their Units through a joint Securities Account with CDP will be provided later.

Eligible Unitholders who have applied for or purchased Units under the SRS¹⁴ or through a finance company and/or Depository Agent¹⁵ can only accept their provisional allotments of Preferential Offering Units and (if applicable) apply for Excess Preferential Offering Units by instructing the relevant approved bank in which they hold their SRS Accounts¹⁶, the relevant finance company and/or the relevant Depository Agent to do so on their behalf in accordance with the Instruction Booklet.

Any application made by such Unitholders through ATMs or directly through the Manager will be rejected.

Please refer to the Instruction Booklet to be issued in due course for more information on the procedures for acceptance of and payment for provisional allocations of Preferential Offering Units as well as applications for Excess Preferential Offering Units under the Preferential Offering.

For the avoidance of doubt, even if a Unitholder has provided a Singapore address as aforesaid, the offer of Preferential Offering Units under the Preferential Offering to him will be subject to compliance with applicable securities laws outside Singapore. The Manager, along with the Joint Underwriters, reserves the absolute discretion to determine whether to allow such participation as well as the persons who may be allowed to do so.

Notwithstanding the foregoing, the Manager may in its sole discretion determine whether to allow the participation in the Preferential Offering by Unitholders who are located, resident or with a registered address outside of Singapore, subject to and in compliance with the applicable securities and other laws of the relevant jurisdiction.

The Preferential Offering Units to be offered under the Preferential Offering have not been and will not be registered under the U.S. Securities Act or the securities laws of any state or

14 “SRS” means the Supplementary Retirement Scheme.

15 “Depository Agent” shall have the meaning ascribed to it in Section 81SF of the Securities and Futures Act 2001 of Singapore.

16 “SRS Account” refers to the account opened by a participant in the SRS from which money may be withdrawn for, among others, payment for the acceptance of their provisional allotments of the Preferential Offering Units and (if applicable) application for the Excess Preferential Offering Units.

jurisdiction of the United States, or under the securities laws of any other jurisdiction, and may not be offered, sold, resold, granted, delivered, allotted, taken up or transferred, directly or indirectly, in the United States or any other jurisdiction, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with applicable laws.

8. STATUS OF PREFERENTIAL OFFERING UNITS ISSUED PURSUANT TO THE PREFERENTIAL OFFERING

Elite Commercial REIT's policy is to distribute its distributable income on a semi-annual basis to Unitholders. The Preferential Offering Units issued pursuant to the Preferential Offering will, upon issue and delivery, rank *pari passu* in all respects with the Units in issue on the day immediately prior to the date on which the Preferential Offering Units are issued pursuant to the Preferential Offering, including the right to distributions out of Elite Commercial REIT's distributable income.

9. STATEMENT BY THE BOARD

As at the date of this announcement, the Directors are of the opinion that, after taking into consideration Elite Commercial REIT's internal resources and its available loan facilities, the working capital available to Elite Commercial REIT is sufficient to meet its present requirements. However, given Elite Commercial REIT's current aggregate leverage and the 50% aggregate leverage limit imposed by the Property Funds Appendix of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, and given the £125.0 million secured term loan facility which has been fully drawn down and is due for refinancing in November 2024, the Directors are of the view that it would be prudent to raise equity to reduce the aggregate leverage.

After taking into consideration, *inter alia*, the rationale for the Preferential Offering as set out in paragraph 4 above, the Manager believes the Preferential Offering is an overall efficient and beneficial method of raising funds to repay debt and reduce the aggregate leverage of Elite Commercial REIT and it allows existing Unitholders to participate in the capital raising. Accordingly, for the reasons set out in this paragraph and including the factors taken into account in arriving at the Preferential Offering Issue Price Discount, the Directors are of the view that the Preferential Offering is in the interest of Elite Commercial REIT.

10. PREVIOUS EQUITY FUND RAISING

Elite Commercial REIT has not undertaken any other equity fund raising exercise in the last 12 months prior to the date of this announcement.

11. APPROVAL IN-PRINCIPLE

Approval in-principle for the Preferential Offering Units has been obtained today from the SGX-ST for the listing and quotation on the Main Board of the SGX-ST of the Preferential Offering Units to be issued pursuant to the Preferential Offering.

The SGX-ST's approval in-principle is subject to, *inter alia*, compliance with the SGX-ST's listing requirements. The SGX-ST's approval in-principle is not to be taken as an indication of the merits of the Preferential Offering, the Preferential Offering Units to be issued pursuant to the Preferential Offering, Elite Commercial REIT, the Manager and/or its subsidiaries. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this announcement.

The SGX-ST's approval in-principle is subject to the following:

- (a) compliance with the SGX-ST's listing requirements;
- (b) submission of the following documents:
 - (i) a written undertaking from the Manager that it will comply with Rule 704(30) and Rule 1207(20) of the listing manual of the SGX-ST (the "**Listing Manual**") in relation to the use of proceeds from the Preferential Offering and where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in Elite Commercial REIT's announcements on use of proceeds and in its annual report;
 - (ii) a written undertaking from the Manager that it will comply with Rule 877(10) of the Listing Manual with regard to the allotment of any excess Preferential Offering Units;
 - (iii) a written confirmation from the financial institution(s) as required under Rule 877(9) of the Listing Manual that the Undertaking Unitholders, who have each given the Undertakings, have sufficient financial resources to fulfil their obligations under their respective undertaking;
 - (iv) a written undertaking from the Manager and the Joint Underwriters that it will comply with Rule 803 of the Listing Manual in relation to the Preferential Offering Units; and
- (c) the Preferential Offering Units shall be at a price that represents a discount of not more than 10.0% to the VWAP of the Units for trades done on the SGX-ST for the full market day on which the Underwriting Agreement is signed, or if trading in the Units is not available for the full market day, for the preceding market day up to the time the Underwriting Agreement is signed.

12. INDICATIVE TIMETABLE

Event	Indicative Date
Last date that the Units are quoted on a "cum" Preferential Offering basis	Friday, 22 December 2023
Units trade ex-Preferential Offering	Tuesday, 26 December 2023

Event	Indicative Date
Preferential Offering Record Date for eligibility to participate in the Preferential Offering	Wednesday, 27 December 2023 at 5.00 p.m.
Opening date and time for the Preferential Offering	Tuesday, 2 January 2024 at 9.00 a.m.
Closing Date (Last date and time for acceptance, application (if applicable) and payment for the provisional allotments of the Preferential Offering Units and the Excess Preferential Offering Units)	Wednesday, 10 January 2024 at 5.30 p.m. (for applications made directly through the Manager ¹⁷) Wednesday, 10 January 2024 at 9.30 p.m. (for Electronic Applications made through an ATM of a Participating Bank)
Expected date for crediting of the Preferential Offering Units	By Friday, 19 January 2024 ¹⁸
Expected date and time for commencement of trading of Preferential Offering Units	By Friday, 19 January 2024 at 9.00 a.m. ¹⁸

The above timetable is indicative only and is subject to change. The Manager will publicly announce any change to the above timetable through an SGXNET announcement to be posted at the URL <https://www.sgx.com/securities/company-announcements> .

BY ORDER OF THE BOARD

ELITE COMMERCIAL REIT MANAGEMENT PTE. LTD.

(as manager of Elite Commercial REIT)

(Company Registration No. 201925309R)

Liaw Liang Huat Joshua

Chief Executive Officer

18 December 2023

¹⁷ For the avoidance of doubt, Corporate Account Unitholders may accept their provisional allotments of Preferential Offering Units and (if applicable) apply for Excess Preferential Offering Units through the Manager.

¹⁸ The exact date on which the Preferential Offering Units will be credited and commence trading on the SGX-ST will be announced subsequently.

Important Notice:

This announcement is not for distribution, directly or indirectly, in or into the United States and is not an offer of securities for sale in the United States or any other jurisdictions.

This announcement is for information purposes only and does not constitute or form part of an offer, invitation or solicitation of any securities of Elite Commercial REIT 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 past performance of Elite Commercial REIT is not necessarily indicative of the future performance of Elite Commercial REIT.

This announcement 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, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.

The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem 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.

This announcement is not for release, publication or distribution, directly or indirectly, in or into the United States or Hong Kong and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations.

The securities in Elite Commercial REIT have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") and may not be offered or sold in the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. Any public offering of securities to be made in the United States would be made by means of a prospectus that may be obtained from an issuer and would contain detailed information about such issuer and the management, as well as financial statements. There will be no public offering of the securities referred to herein in the United States.

This publication has not been reviewed by the Monetary Authority of Singapore.

Notification under Section 309B of the Securities and Futures Act 2001 of Singapore: The Preferential Offering Units are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).