

ELITE REIT LAUNCHES £28 MILLION FULLY UNDERWRITTEN PREFERENTIAL OFFERING SUPPORTED BY SPONSORS AND SUBSTANTIAL UNITHOLDERS TO SOLIDIFY CAPITAL STRUCTURE

- ***Preferential Offering ratio of 214 Preferential Offering Units for every 1,000 existing units, at an issue price of £0.27 per Preferential Offering Unit***
- ***Sponsors and Substantial Unitholders show strong commitment with irrevocable undertakings to subscribe up to £24.7 million of Preferential Offering Units***
- ***Net proceeds raised will be deployed to reduce gearing from 49.6%¹ to 43.5%² and strengthen Elite REIT's balance sheet***

SINGAPORE, 19 December 2023 – Elite Commercial REIT Management Pte. Ltd., the manager (the “**Manager**”) of Elite Commercial REIT (“**Elite REIT**”), has announced the launch of a fully underwritten non-renounceable Preferential Offering (the “**Preferential Offering**”) to raise gross proceeds of approximately £28 million, which will be used mainly to repay debt and reduce gearing, thereby strengthening Elite REIT’s balance sheet as the Manager continues to execute its asset management strategies.

Details of Preferential Offering

The Preferential Offering Units (the “**Preferential Offering Units**”), comprising 103,354,690 new units in Elite REIT, will be offered to existing unitholders at a ratio of 214 Preferential Offering Units for every 1,000 existing units in Elite REIT, and will be offered at an issue price of £0.27 per Preferential Offering Unit. The Preferential Offering issue price represents a discount of 10% to the volume weighted average price of £0.30 per Unit³ on 18 December 2023.

Strong Commitment from Sponsors and Substantial Unitholders

The Preferential Offering is strongly supported by Elite REIT’s Sponsors⁴ and Substantial Unitholders⁵. They have irrevocably undertaken to subscribe in full for their respective pro-rata allotments of Preferential Offering Units. Sunway RE Capital Pte. Ltd. has further committed to

¹ Before the Preferential Offering.

² After the Preferential Offering.

³ Based on all trades in the Units on the SGX-ST for the full market day on which the Preferential Offering was announced.

⁴ Elite Partners Holding Pte. Ltd. and Sunway RE Capital Pte. Ltd. (each a “**Sponsor**”).

⁵ Ho Lee Group Trust, Partner Reinsurance Asia Pte. Ltd., Partner Reinsurance Company Ltd. and Partner Reinsurance Europe SE are “**Substantial Unitholders**” with interests in not less than 5.0% of all Units in issue.



subscribe for excess Preferential Offering Units so that, when aggregated with its pro-rata units, its total subscription would amount to a maximum of approximately £16.1 million of Preferential Offering Units.

Collectively, Elite REIT's Sponsors and Substantial Unitholders have undertaken to subscribe for up to a maximum of £24.7 million or 88.6% of the Preferential Offering Units. This commitment also demonstrates the Sponsors' and Substantial Unitholders' continued conviction in Elite Commercial REIT and its growth trajectory over the long term. The remaining amount of the Preferential Offering Units will be fully underwritten by CGS-CIMB Securities (Singapore) Pte. Ltd. and RHB Bank Berhad, through its Singapore branch.

Mr. Joshua Liaw, Chief Executive Officer of the Manager said: "The fundraising will enhance Elite REIT's financial flexibility. My team and I are heartened by the support and the confidence that our Sponsors and Substantial Unitholders have in Elite REIT and its future growth potential. Supported by the resiliency of Elite REIT's assets as critical social infrastructure in the UK, we are well-positioned to execute our growth strategy to further unlock value for our unitholders.

"The funds raised from the Preferential Offering will allow Elite REIT to reduce its gearing to 43.5%, creating debt headroom and financial stability during a period of near-term macroeconomic uncertainty. After the completion of the Preferential Offering, our immediate task in the coming year will be to refinance Elite REIT's debt, which matures in November 2024, to prepare Elite REIT for a phase of growth when the market outlook stabilises."

Enhancing financial flexibility whilst positioning for future opportunities

Whilst the Manager continues to focus on a resilient tenant base backed by AA-rated sovereign credit rating, it has identified opportunities to enhance value through achieving planning outcomes to reposition assets for alternative uses such as student housing, built-to-rent and other living sectors. Nearly 100% of Elite REIT's assets are leased to the UK Government, providing a stable income stream as well as attractive and recession-proof yields to unitholders.

Post-Preferential Offering, after the net proceeds have been utilised to repay debt, Elite Commercial REIT would have a resultant debt headroom of approximately £58 million. In addition, a lower debt level will allow Elite Commercial REIT to negotiate for better refinancing for its upcoming refinancing exercise in 2024.

- End -



ELITE COMMERCIAL REIT

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About Elite Commercial REIT

Elite Commercial REIT (“**Elite REIT**”) is a Singapore real estate investment trust established with the investment strategy of principally investing, directly or indirectly, in commercial real-estate related assets in the United Kingdom (“**UK**”). Elite REIT is the only UK REIT listed in British pounds on the Singapore Exchange.

Elite REIT’s portfolio (“**Portfolio**”) comprises predominantly freehold properties strategically located mainly in town centres, and near amenities and transportation nodes, and offers a stable government-backed income stream with almost 100% of the gross rental income derived from the UK Government, backed by AA-rated sovereign credit strength. The leases are on triple net basis⁶ and the properties in the Portfolio are primarily occupied by the Department for Work and Pensions (“**DWP**”), the UK’s largest public service department that is responsible for welfare, pensions and child maintenance, serving over 20 million claimants. The Portfolio is part of the crucial social infrastructure through which DWP provides services to local communities.

Elite REIT’s key objectives are to provide unitholders with regular and stable distributions and to achieve long-term growth in distribution and net asset value per unit, while maintaining an appropriate capital structure through disciplined execution of its key strategies.



For more information, please visit
<https://elitecreit.com/>



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⁶ Known as a full repairing and insuring lease, the responsibility for the repair of the external and internal parts as well as the structure of the property is placed with the tenant for occupied assets.



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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.