



ELITE COMMERCIAL REIT

(a real estate investment trust constituted on 7 June 2018
under the laws of the Republic of Singapore)

**Unaudited Condensed Interim Consolidated Financial Statements and
Dividend Announcement for the year ended 31 December 2023**



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(I) Unaudited Condensed Interim Consolidated Financial Statements

A. Condensed interim statements of financial position

	Note	Group		Trust	
		31/12/2023 £'000	31/12/2022 £'000	31/12/2023 £'000	31/12/2022 £'000
Non-current assets					
Investment properties	5	413,719	459,975	-	-
Investments in subsidiaries		-	-	-	36,797
Financial derivatives		483	67	-	-
Notes receivable	6	-	-	192,029	89,382
		414,202	460,042	192,029	126,179
Current assets					
Notes receivable		-	-	-	111,751
Prepayment for capital expenditure	5	6,152	7,437	-	-
Trade and other receivables	7	2,873	11,872	27,260	7,903
Cash and cash equivalents	8	20,816	7,444	442	2,028
		29,841	26,753	27,702	121,682
Total assets		444,043	486,795	219,731	247,861
Non-current liabilities					
Loans and borrowings	9	94,024	213,070	11,165	-
Lease liabilities		1,221	1,229	-	-
Deferred tax liabilities	10	-	2,169	-	-
		95,245	216,468	11,165	-
Current liabilities					
Loans and borrowings	9	126,288	7,200	-	-
Lease liabilities		8	7	-	-
Trade and other payables	11	4,758	4,819	650	265
Deferred income	12	8,860	8,774	-	-
Current tax liabilities		1,642	1,626	-	-
		141,556	22,426	650	265
Total liabilities		236,801	238,894	11,815	265
Net assets		207,242	247,901	207,916	247,596
Represented by:					
Units in issue	13	308,337	307,611	308,337	307,611
Unit issue costs		(5,903)	(5,903)	(5,903)	(5,903)
Accumulated losses		(95,192)	(53,807)	(94,518)	(54,112)
Unitholders' funds		207,242	247,901	207,916	247,596
Number of Units in issue ('000)	13	482,966	481,128	482,966	481,128
Net asset value per Unit attributable to unitholders (£)	14	0.43	0.52	0.43	0.51



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B. Condensed interim consolidated statement of comprehensive income

	Note	6 months ended 31/12/2023 £'000	6 months ended 31/12/2022 £'000	Year ended 31/12/2023 £'000	Year ended 31/12/2022 £'000
Revenue	15	18,539	18,367	37,637	37,075
Other property income	16	5,327	-	7,569	-
Property operating expenses		(2,499)	(728)	(3,842)	(1,334)
Net property income		21,367	17,639	41,364	35,741
Manager's management fee		(870)	(1,086)	(1,804)	(2,310)
Trustee's fee		(54)	(55)	(109)	(106)
Other trust expenses		(585)	(605)	(1,205)	(1,373)
Finance income		15	-	431	-
Finance costs		(7,953)	(4,950)	(12,356)	(7,417)
Net finance costs		(7,938)	(4,950)	(11,925)	(7,417)
Gain on disposals of investment properties		124	-	124	-
Net change in fair value of investment properties	5	(43,787)	(51,584)	(47,827)	(41,372)
Loss before tax	17	(31,743)	(40,641)	(21,382)	(16,837)
Tax credit/(expense)	18	640	2,253	(788)	(1,495)
Loss after tax		(31,103)	(38,388)	(22,170)	(18,332)
Earnings per Unit (pence)					
Basic	19	(6.44)	(8.00)	(4.60)	(3.83)
Diluted	19	(6.44)	(8.00)	(4.60)	(3.83)



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C. Condensed interim statement of movements in unitholders' funds

Group	Units in issue and to be issued £'000	Unit issue costs £'000	Accumulated losses £'000	Total £'000
At 1 January 2023	307,611	(5,903)	(53,807)	247,901
<u>Total comprehensive income for the year</u>				
Loss for the year	-	-	(22,170)	(22,170)
Total comprehensive income for the year	-	-	(22,170)	(22,170)
<u>Transactions with unitholders, recognised directly in unitholders' funds</u>				
Units issued under distribution reinvestment plan	726	-	-	726
Distribution to unitholders	-	-	(19,215)	(19,215)
Total transactions with unitholders for the year	726	-	(19,215)	(18,489)
At 31 December 2023	308,337	(5,903)	(95,192)	207,242
At 1 January 2022	304,794	(5,903)	(9,872)	289,019
<u>Total comprehensive income for the year</u>				
Loss for the year	-	-	(18,332)	(18,332)
Total comprehensive income for the year	-	-	(18,332)	(18,332)
<u>Transactions with unitholders, recognised directly in unitholders' funds</u>				
Units issued under distribution reinvestment plan	2,817	-	-	2,817
Distribution to unitholders	-	-	(25,603)	(25,603)
Total transactions with unitholders for the year	2,817	-	(25,603)	(22,786)
At 31 December 2022	307,611	(5,903)	(53,807)	247,901



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C. Condensed interim statement of movements in unitholders' funds (cont'd)

Trust	Units in issue and to be issued £'000	Unit issue costs £'000	Accumulated losses £'000	Total £'000
At 1 January 2023	307,611	(5,903)	(54,112)	247,596
<u>Total comprehensive income for the year</u>				
Loss for the year	-	-	(21,191)	(21,191)
Total comprehensive income for the year	-	-	(21,191)	(21,191)
<u>Transactions with unitholders, recognised directly in unitholders' funds</u>				
Units issued under distribution reinvestment plan	726	-	-	726
Distribution to unitholders	-	-	(19,215)	(19,215)
Total transactions with unitholders for the year	726	-	(19,215)	(18,489)
At 31 December 2023	308,337	(5,903)	(94,518)	207,916
At 1 January 2022	304,794	(5,903)	(9,872)	289,019
<u>Total comprehensive income for the year</u>				
Loss for the year	-	-	(18,637)	(18,637)
Total comprehensive income for the year	-	-	(18,637)	(18,637)
<u>Transactions with unitholders, recognised directly in unitholders' funds</u>				
Units issued under distribution reinvestment plan	2,817	-	-	2,817
Distribution to unitholders	-	-	(25,603)	(25,603)
Total transactions with unitholders for the year	2,817	-	(25,603)	(22,786)
At 31 December 2022	307,611	(5,903)	(54,112)	247,596



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D Condensed interim consolidated statement of cash flows

	Note	Year ended 31/12/2023 £'000	Year ended 31/12/2022 £'000
Cash flows from operating activities			
Loss before tax		(21,382)	(16,837)
Adjustments for:			
Effect of recognising rental income on a straight-line basis over the lease term		317	-
Finance income		(431)	-
Finance costs		12,356	7,417
Gain on disposals of investment properties		(124)	-
Net change in fair value of investment properties		47,827	41,372
Unrealised foreign exchange loss		1	7
Operating income before working capital changes		38,564	31,959
Changes in:			
Trade and other receivables		8,949	(42)
Trade and other payables		(106)	(1,707)
Deferred income		86	69
Cash generated from operating activities		47,493	30,279
Tax paid		(2,941)	(2,417)
Net cash generated from operating activities		44,552	27,862
Cash flows from investing activities			
Prepayment for capital expenditure on investment properties		(3,668)	(7,437)
Proceeds from disposal of investment properties, net		3,189	-
Interest received		16	-
Net cash used in investing activities		(463)	(7,437)
Cash flows from financing activities			
Interest paid		(11,182)	(5,276)
Proceeds from bank loans		11,200	-
Repayment of bank loans		(12,085)	(3,400)
Payment of transaction costs related to loans and borrowings		(154)	(990)
Distribution to unitholders		(18,489)	(22,786)
Payment of lease liabilities		(7)	(8)
Increase in restricted cash		(3,206)	(692)
Net cash used in financing activities		(33,923)	(33,152)
Net increase/(decrease) in cash and cash equivalents		10,166	(12,727)
Cash and cash equivalents at the beginning of the year		5,444	18,171
Cash and cash equivalents at the end of the year ⁽¹⁾	8	15,610	5,444

(1) Cash and cash equivalents at the end of the year exclude restricted cash balance of £5,206,000 (31 December 2022: £2,000,000)

Significant non-cash transaction

During the year ended 31 December 2023, approximately 1,838,000 (2022: 4,622,000) Units, amounting to approximately £726,000 (2022: £2,817,000), were issued as payment for distributions under the distribution reinvestment plan.



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E Notes to the unaudited condensed interim consolidated financial statements

These notes form an integral part of the unaudited condensed interim consolidated financial statements.

1. Entity information

The Trust is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 7 June 2018 (as amended) (the "Trust Deed") between Elite Commercial REIT Management Pte. Ltd. (the "Manager") and Perpetual (Asia) Limited (the "Trustee"). The Trust Deed is governed by the laws of the Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Trust held by it or through its subsidiaries in trust for the holders of units ("Units") in the Trust.

On 6 February 2020 (the "Listing Date"), the Units in the Trust were listed on the Mainboard of the Singapore Exchange Securities Trading Limited (SGX-ST).

The principal activity of the Trust and its subsidiaries (the "Group") is to invest in a diversified portfolio of income-producing properties located primarily in the United Kingdom ("UK") and used primarily for commercial purposes.

The condensed interim consolidated financial statements relate to the Trust and its subsidiaries.

2. Basis of preparation

The condensed interim financial statements for the year ended 31 December 2023 have been prepared in accordance with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2022. The condensed interim financial statements do not include all the information required for complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with International Financial Reporting Standards ("IFRSs"), except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Pound Sterling (£), which is the Trust's functional currency. All financial information presented in Pound Sterling have been rounded to the nearest thousand, unless otherwise stated.

Going concern basis of accounting

As at 31 December 2023, the Group had net current liabilities of £111.7 million and incurred a net loss of £22.2 million. The net current liability position was mainly attributable to bank loans of £126.6 million (the "Loan") which are due for repayment within the next 12 months. Notwithstanding the above, the directors of the Manager consider that it is appropriate for the Group to prepare its financial statements on a going concern basis, having considered the funds raised from the preferential offering which was completed subsequent to the reporting date (Note 25) and the status of its discussions with potential lenders to refinance the Loan. The Group expects to obtain committed term sheets from financial institutions to part refinance its outstanding bank loans of £190.0 million prior to the issuance of the audited financial statements for the year ended 31 December 2023.

2.1 New and amended standards adopted by the Group

A number of new and amendments to standards have become applicable for the current reporting year. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.



Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in Note 5 – valuation of investment properties.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting year during which the change occurred.

3. Seasonal operations

The Group's business is not affected significantly by seasonal or cyclical factors during the financial year.

4. Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

Segment information has not been presented as all the Group's investment properties are commercial properties and are located in the United Kingdom.

5. Investment properties

	Group	
	31/12/2023	31/12/2022
	£'000	£'000
As at 1 January	459,975	501,347
Disposals during the year	(3,065)	-
Capital expenditure	4,953	-
Effect of recognising rental income on a straight-line basis over the lease term	(317)	-
Net change in fair value recognised in profit or loss	(47,827)	(41,372)
As at 31 December	413,719	459,975

Fair value hierarchy

The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation techniques used.



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	Group	
	31/12/2023 £'000	31/12/2022 £'000
Fair value of investment properties (based on valuation reports)	412,490	466,175
Less: Prepayment for capital expenditure on investment properties ⁽¹⁾	-	(7,437)
Add: Carrying amount of lease liabilities	1,229	1,237
Carrying amount of investment properties	413,719	459,975

⁽¹⁾ The Group has agreed to make a Sustainability Contribution to its tenants, the Department for Work and Pensions and UK Government's Ministry of Defence (see below). £7.4 million of the Sustainability Contribution disbursed by the Group in 2022 was considered by the valuer in arriving at the valuations of the investment properties as at 31 December 2022.

Measurement of fair value

Investment properties are stated at fair value.

The carrying values of the investment properties as at 31 December 2023 were based on an independent external professional valuation undertaken by CBRE Limited ("CBRE") as at 1 December 2023. CBRE confirmed that the aggregate market value of the investment properties as at 31 December 2023 remained unchanged from that as on 1 December 2023. The carrying values of the investment properties as at 31 December 2022 were based on an independent external professional valuation undertaken by Knight Frank UK LLP as of that date. The independent valuers have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The fair values of the investment properties as at 31 December 2023 and 31 December 2022 were based primarily on the investment method (also known as income capitalisation method). The valuation method used in determining the fair value involved certain estimates, including the yield rate. The specific risks inherent in each of the properties were taken into consideration in arriving at the property value. In relying on the valuation report, the Manager has exercised its judgment and is satisfied that the valuation method and estimates used are reflective of market conditions prevailing at the end of the financial year.

Valuation technique and significant unobservable inputs

Valuation method	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment method (also known as income capitalisation method)	Equivalent yield rate: 2023: 4.81% to 12.96% 2022: 4.25% to 13.82%	The estimated fair value would increase (decrease) if the yield rate is lower (higher).

Security

As at 31 December 2023, 55 (2022: 58) properties with a carrying value of £158.3 million (2022: £178.3 million) were pledged as security to secure a credit facility (Note 9).

Prepayment for capital expenditure

The Group has agreed to make a Sustainability Contribution to its tenants, the Department for Work and Pensions and UK Government's Ministry of Defence. The prepayment relates to the amount disbursed by the Group which has not been utilised yet. Amounts incurred are capitalised and included in the carrying value of investment properties. As at 31 December 2023, the Group has agreed to make a total sustainability contribution of £14.7 million (2022: £14.7 million), of which £11.1 million (2022: £7.4 million) has been disbursed and £5.0 million (2022: Nil) has been incurred as capital expenditure.



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6. Notes receivable

	Trust	
	31/12/2023 £'000	31/12/2022 £'000
Notes receivable	201,133	201,133
Less: Accumulated impairment loss		
At 1 January	-	-
Impairment loss recognised	(9,104)	-
At 31 December	(9,104)	-
	192,029	201,133
Current	-	111,751
Non-current	192,029	89,382
Total	192,029	201,133

Notes receivable relates to loan notes issued by a subsidiary, Elite UK Commercial Holdings Limited (“EUKCH”), subscribed by the Trust.

As at 31 December 2022, £111.7 million (“Series 1 loan note”) and £89.4 million (“Series 2 loan note”) of the loan notes were due to mature on 16 November 2023 and 25 October 2025 respectively. On 16 November 2023, the Series 1 loan note was fully redeemed through the issuance of additional Series 2 loan note with a principal amount of £111.7 million in lieu of cash payment. The Series 2 loan note of £201.1 million as at 31 December 2023 will mature on 25 October 2025.

The notes are unsecured and carry interest at a fixed interest rate of 5% (2022: 5%) per annum.

Under the terms of the Series 2 loan note, the Trust, as a noteholder, has the right, at its sole discretion, to require EUKCH to purchase all of its notes on specified put option exercise dates, being 9 March 2024 and 9 March 2025. At the reporting date, the Trust has not required and does not intend to require the issuer to redeem this loan note on the specified put option exercise dates.

As at 31 December 2023, an impairment loss of £9.1 million (2022: Nil) was recognised on the notes receivable as a result of the decline in the values of the underlying assets of EUKCH. The impairment loss was estimated using the lifetime expected credit losses approach.

7. Trade and other receivables

	Group		Trust	
	31/12/2023 £'000	31/12/2022 £'000	31/12/2023 £'000	31/12/2022 £'000
Trade receivables	2,268	11,039	-	-
Other receivables	100	268	-	-
Amount due from a subsidiary	-	-	27,041	7,501
	2,368	11,307	27,041	7,501
VAT & GST receivables	47	178	42	178
Prepayments	458	387	177	224
	2,873	11,872	27,260	7,903

Trade receivables of the Group as at the reporting date relate mainly to receivables from the property manager in respect of advance rental collected by the property manager on behalf of the Group from tenants.

As at 31 December 2023, amount due from a subsidiary includes dividend receivable from the subsidiary of approximately £17.6 million (2022: £2.8 million), interest receivable on the notes issued by the subsidiary of approximately £4.2 million (2022: £4.2 million) and a £3.7 million (2022: Nil) loan advanced to the subsidiary. The loan advanced to the subsidiary is unsecured, interest-free and repayable on demand.

Included in prepayments as at the reporting date are approximately £170,000 (2022: £170,000) transaction costs incurred by the Trust on its multicurrency debt issuance programme set up in 2022 (Note 9) and property expenses of £153,000 (2022: £1,000) prepaid by the Group that were previously borne by the tenant when the properties were leased out.



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8. Cash and cash equivalents

	Group		Trust	
	31/12/2023 £'000	31/12/2022 £'000	31/12/2023 £'000	31/12/2022 £'000
Cash at banks	20,816	7,444	442	2,028
Restricted cash	(5,206)	(2,000)	-	-
Cash and cash equivalents in the statement of cash flows	15,610	5,444	442	2,028

The restricted cash relates to the reserve funds required to be maintained with banks in accordance with the terms of the secured bank loans.

9. Loans and borrowings

	Group		Trust	
	31/12/2023 £'000	31/12/2022 £'000	31/12/2023 £'000	31/12/2022 £'000
Secured bank loans	221,315	222,200	11,200	-
Less: Unamortised transaction costs	(1,003)	(1,930)	(35)	-
As at 31 December	220,312	220,270	11,165	-
Current	126,288	7,200	-	-
Non-current	94,024	213,070	11,165	-
Total	220,312	220,270	11,165	-

The Group has the following loan facilities:

£140.0 million term loan and bridge loan facilities

- A £125.0 million (2022: £125.0 million) secured term loan facility. At the reporting date, £125.0 million (2022: £125.0 million) was drawn down and is due for repayment in November 2024.
- A £15.0 million (2022: £15.0 million) bridge loan facility. The bridge loan facility can be drawn down under multiple tranches, and each tranche is to be repaid within the earlier of one year from drawn down date, and five years after the first drawn down date (where the amount is drawn down in multiple tranches). At the reporting date, £1.6 million (2022: £3.2 million) was drawn down. As at 31 December 2023, the bridge loan is repayable in March 2024 (2022: March 2023).
- The shares of a subsidiary, Elite Gemstones Properties Limited, which holds 95 (2022: 97) properties with carrying values amounting to £255.4 million as at 31 December 2023 (2022: £281.6 million), were pledged to secure the facilities.

£94.0 million term loan and revolving credit facilities

- A £76.0 million (2022: £76.0 million) secured term loan facility. At the reporting date, £76.0 million (2022: £76.0 million) was drawn down and is due for repayment in January 2025.
- A £18.0 million (2022: £18.0 million) revolving credit facility. At the reporting date, £7.5 million (2022: £18.0 million) was drawn down and is due for repayment in January 2025 (2022: £4.0 million was due for repayment in April 2023, with the remaining drawn down amount due for repayment in January 2025).
- The shares of two subsidiaries, Elite Amphora Limited and Elite Cask Limited, and the 55 (2022: 58) properties held by these entities with carrying values amounting to £158.3 million as at 31 December 2023 (2022: £178.3 million), were pledged to secure the facilities (Note 5).

£15.0 million revolving credit facilities

- A £15.0 million green revolving credit facility was obtained in November 2022. At the reporting date, £11.2 million (2022: Nil) was drawn down and is due for repayment in May 2026.



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S\$300.0 million multicurrency debt issuance programme

- The Trust has in place a S\$300.0 million multicurrency debt issuance programme (the 'Programme'), which was set up in October 2022 for the issuance of notes and/or perpetual securities. At the reporting date, there were no issuances made under the Programme.

10. Deferred tax liabilities

The movement in deferred tax liabilities during the financial year is as follows:

Group	At 1/1/2022 £'000	Recognised in profit or loss £'000	At 31/12/2022 £'000	Recognised in profit or loss (Note 18) £'000	At 31/12/2023 £'000
Deferred tax liabilities					
Investment properties	(3,612)	1,628	(1,984)	1,984	-
Lease liabilities	(187)	2	(185)	185	-
	<u>(3,799)</u>	<u>1,630</u>	<u>(2,169)</u>	<u>2,169</u>	<u>-</u>

11. Trade and other payables

	Group		Trust	
	31/12/2023 £'000	31/12/2022 £'000	31/12/2023 £'000	31/12/2022 £'000
Trade payables	275	27	254	4
Bank interest payable	1,430	1,276	10	-
Accrued operating expenses	1,738	1,804	386	261
Other payables	1,315	1,712	-	-
	<u>4,758</u>	<u>4,819</u>	<u>650</u>	<u>265</u>

Trade payables as at 31 December 2023 comprise mainly property expenses on the vacant units during the year.

Other payables comprise mainly Value Added Tax ("VAT") payable to HM Revenue and Customs ("HMRC") for the following quarter, predominantly on the Group's rental receipts.

12. Deferred income

Deferred income relates to the advance rental received from tenants.

13. Units in issue

Group and Trust	31/12/2023		31/12/2022	
	Number of Units '000	£'000	Number of Units '000	£'000
Units issued				
At 1 January	481,128	307,611	475,468	304,105
- Manager's management fees paid in Units	-	-	950	631
- Lease management fees paid in Units	-	-	88	58
- Distribution reinvestment plan	1,838	726	4,622	2,817
At 31 December	<u>482,966</u>	<u>308,337</u>	<u>481,128</u>	<u>307,611</u>

The Group and the Trust do not hold any treasury units as at 31 December 2023 and 31 December 2022.



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14. Net asset value per Unit

	Group		Trust	
	31/12/2023 £'000	31/12/2022 £'000	31/12/2023 £'000	31/12/2022 £'000
Net asset value per Unit is based on:				
Net assets attributable to unitholders	207,242	247,901	207,916	247,596
Total issued Units as at 31 December ('000) (Note 13)	482,966	481,128	482,966	481,128
Net asset value per Unit (£)	0.43	0.52	0.43	0.51

15. Revenue

Revenue relates to rental income derived from the Group's investment properties and the effect of recognising rental income on a straight-line basis over the lease term.

Over 99% (31 December 2022: 99%) of the contracted rental income under the current leases is derived from the UK Government via various government departments and agencies including The Secretary of State for Levelling Up, Housing and Communities.

16. Other property income

	6 months ended 31/12/2023 £'000	6 months ended 31/12/2022 £'000	Year ended 31/12/2023 £'000	Year ended 31/12/2022 £'000
Dilapidation income	5,063	-	6,947	-
Other property income	264	-	622	-
	5,327	-	7,569	-

Dilapidation income relates to dilapidation settlements payable by tenants upon the surrender of certain leases of vacant assets.

17. Loss before tax

The following items have been included in arriving at loss before tax for the period:

	6 months ended 31/12/2023 £'000	6 months ended 31/12/2022 £'000	Year ended 31/12/2023 £'000	Year ended 31/12/2022 £'000
Finance income:-				
- Interest income	15	-	15	-
- Fair value gain on financial derivative	-	-	416	-
	15	-	431	-
Finance costs:-				
- Fair value loss on financial derivative	1,534	886	-	441
- Interest expense on loans and borrowings	5,914	3,588	11,298	5,956
- Amortisation of transaction costs relating to loans and borrowings	479	618	999	1,140
- Interest expense on lease liabilities	19	16	38	38
- Commitment fee	7	(158)	21	(158)
	7,953	4,950	12,356	7,417



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18. Tax (credit)/expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected distribution from subsidiaries. The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

	6 months ended 31/12/2023 £'000	6 months ended 31/12/2022 £'000	Year ended 31/12/2023 £'000	Year ended 31/12/2022 £'000
Current income tax expense	-	2	-	2
Withholding tax expense	1,529	1,648	2,957	3,123
Deferred tax credit relating to origination and reversal of temporary differences	(2,169)	(3,903)	(2,169)	(1,630)
	<u>(640)</u>	<u>(2,253)</u>	<u>788</u>	<u>1,495</u>

19. Earnings per Unit

Basic earnings per Unit

The calculation of basic earnings per Unit is based on the loss attributable to unitholders and the weighted average number of Units outstanding.

	6 months ended 31/12/2023 £'000	6 months ended 31/12/2022 £'000	Year ended 31/12/2023 £'000	Year ended 31/12/2022 £'000
Loss for the year attributable to unitholders	<u>(31,103)</u>	<u>(38,388)</u>	<u>(22,170)</u>	<u>(18,332)</u>
Weighted average number of Units:				
- Units issued at the beginning of the year	481,128	476,506	481,128	476,506
- Effect of Units issued under distribution reinvestment plan	1,469	3,628	998	2,438
Weighted average number of Units	<u>482,597</u>	<u>480,134</u>	<u>482,126</u>	<u>478,944</u>

Diluted earnings per Unit

The calculation of diluted earnings per Unit is based on the loss attributable to unitholders and the weighted average number of Units outstanding after adjustment for the effects of all dilutive potential Units.

For the 6 months and years ended 31 December 2023 and 31 December 2022, the diluted earnings per Unit is the same as the basic earnings per Unit as the Group has a net loss for the period/year and any potential Units would be anti-dilutive.

20. Amount available for distribution

	6 months ended 31/12/2023 £'000	6 months ended 31/12/2022 £'000	Year ended 31/12/2023 £'000	Year ended 31/12/2022 £'000
Amount available for distribution at beginning of the period	8,437	12,266	10,857	13,364
Loss for the period	(31,103)	(38,388)	(22,170)	(18,332)
Distribution adjustments (Note A)	39,806	49,240	40,213	41,428
	8,703	10,852	18,043	23,096
Less: Amount retained for general corporate and working capital ("Retention")	(870)	-	(1,804)	-
Amount available for distribution to unitholders	<u>16,270</u>	<u>23,118</u>	<u>27,096</u>	<u>36,460</u>



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Distributions to unitholders:

Distribution of GBP 2.80 pence for the period from 1 July 2021 to 31 December 2021	-	-	-	(13,342)
Distribution of GBP 2.56 pence for the period from 1 January 2022 to 30 June 2022	-	(12,261)	-	(12,261)
Distribution of GBP 2.25 pence for the period from 1 July 2022 to 31 December 2022	-	-	(10,826)	-
Distribution of GBP 1.74 pence for the period from 1 January 2023 to 30 June 2023	(8,389)	-	(8,389)	-
	<u>(8,389)</u>	<u>(12,261)</u>	<u>(19,215)</u>	<u>(25,603)</u>

Amount available for distribution to unitholders (after retention) at end of the period

7,881	10,857	7,881	10,857
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Distribution per Unit (before retention) (pence) (Note B)

1.48	2.25	3.42	4.81
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Distribution per Unit (after retention) (pence) (Note B)

1.33	2.25	3.07	4.81
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Note A

Distribution adjustments relate to the following items:

Amortisation of transaction costs relating to loans and borrowings	479	618	999	1,140
Deferred tax credit	(2,169)	(3,903)	(2,169)	(1,630)
Dilapidation settlements, net	(4,439)	-	(6,323)	-
Fair value loss/(gain) on financial derivative	1,534	886	(416)	441
Gain on disposals of investment properties	(124)	-	(124)	-
Net change in fair value of investment properties	43,787	51,584	47,827	41,372
Effect of recognising rental income on a straight-line basis over the lease term	685	-	317	-
Trustee's fee	54	55	109	106
Others	(1)	-	(7)	(1)
Distribution adjustments	39,806	49,240	40,213	41,428

Note B

The Manager has included the 103,355,000 Preferential Offering Units issued on 18 January 2024 (Note 25) in the computation of distribution per Unit for the 6 months and year ended 31 December 2023 on the basis that the Trust will make the interim distribution for the period from 1 July 2023 to 31 December 2023 to these Preferential Offering unitholders.

21. Related party transactions

In the normal course of the operations of the Group, the Manager's management fee and the Trustee's fee have been paid or are payable to the Manager and Trustee respectively.

Other than as disclosed elsewhere in the financial statements, there were the following significant related party transactions during the period.

	6 months ended 31/12/2023	6 months ended 31/12/2022	Year ended 31/12/2023	Year ended 31/12/2022
	£'000	£'000	£'000	£'000
Property management fee paid/payable to a related corporation of the Manager	129	119	257	261
Lease management fee paid/payable to the Manager	124	116	244	231
Lease commission fee paid/payable to the Manager	-	-	23	-
Lease commission fee paid/payable to a related corporation of the Manager	19	2	67	2
Divestment fee paid/payable to a related corporation	17	-	17	-



22. Financial assets and financial liabilities

Accounting classifications and fair values

The carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The fair value disclosure of lease liabilities is also not required.

Group	Carrying amount				Fair value			
	Financial assets at amortised cost £'000	At fair value through profit or loss ("FVTPL") £'000	Other financial liabilities £'000	Total carrying amount £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31 December 2023								
Financial asset measured at fair value								
Financial derivatives	-	483	-	483	-	483	-	483
Financial assets not measured at fair value								
Trade and other receivables*	2,368	-	-	2,368				
Cash and cash equivalents	20,816	-	-	20,816				
	<u>23,184</u>	<u>-</u>	<u>-</u>	<u>23,184</u>				
Financial liabilities not measured at fair value								
Trade and other payables [^]	-	-	(3,472)	(3,472)				
Loans and borrowings	-	-	(220,312)	(220,312)	-	(207,993)	-	(207,993)
	<u>-</u>	<u>-</u>	<u>(223,784)</u>	<u>(223,784)</u>				
31 December 2022								
Financial asset measured at fair value								
Financial derivatives	-	67	-	67	-	67	-	67
Financial assets not measured at fair value								
Trade and other receivables*	11,307	-	-	11,307				
Cash and cash equivalents	7,444	-	-	7,444				
	<u>18,751</u>	<u>-</u>	<u>-</u>	<u>18,751</u>				
Financial liabilities not measured at fair value								
Trade and other payables [^]	-	-	(3,111)	(3,111)				
Loans and borrowings	-	-	(220,270)	(220,270)	-	(208,429)	-	(208,429)
	<u>-</u>	<u>-</u>	<u>(223,381)</u>	<u>(223,381)</u>				

* Excluding VAT & GST receivables, and prepayments

[^] Excluding VAT payables



	Carrying amount				Fair value			
	Financial assets at amortised cost £'000	At fair value through profit or loss ("FVTPL") £'000	Other financial liabilities £'000	Total carrying amount £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Trust								
31 December 2023								
Financial assets not measured at fair value								
Notes receivable	192,029	-	-	192,029	-	177,515	-	177,515
Trade and other receivables*	27,041	-	-	27,041				
Cash and cash equivalents	442	-	-	442				
	<u>219,512</u>	<u>-</u>	<u>-</u>	<u>219,512</u>				
Financial liabilities not measured at fair value								
Trade and other payables	-	-	(650)	(650)				
Loans and borrowings	-	-	(11,165)	(11,165)	-	(11,165)	-	(11,165)
	<u>-</u>	<u>-</u>	<u>(11,815)</u>	<u>(11,815)</u>				
31 December 2022								
Financial assets not measured at fair value								
Notes receivable	201,133	-	-	201,133	-	189,830	-	189,830
Trade and other receivables*	7,501	-	-	7,501				
Cash and cash equivalents	2,028	-	-	2,028				
	<u>210,662</u>	<u>-</u>	<u>-</u>	<u>210,662</u>				
Financial liabilities not measured at fair value								
Trade and other payables	-	-	(265)	(265)				

* Excluding VAT & GST receivables, and prepayments

^ Excluding VAT payables

Measurement of fair value

The following table shows the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique
Loans and borrowings, and Notes receivable	Discounted cash flows: The fair value is based on the present value of future payments, discounted at the market rate of interest at the measurement date.
Financial derivatives – interest rate swaps	Market comparison technique: The fair values are based on bank quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

23. Financial ratios

	Group	
	31/12/2023 £'000	31/12/2022 £'000
Leverage ratio (%)	50.0%	45.8%
Interest coverage ratio (times)	<u>3.1</u>	<u>4.6</u>



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The interest coverage ratio is computed by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties and foreign exchange translation) ("EBITDA"), over the trailing 12 months interest expense and borrowing related fees (excluding interest expense on lease liabilities). Interest expense on lease liabilities is excluded as it does not reflect the serviceability of loans and does not have any impact on the Group's debt servicing ability.

24. Commitments

At the reporting date, the Group had the following commitment:

	Group	
	31/12/2023 £'000	31/12/2022 £'000
Capital expenditure on investment properties	3,669	7,337

25. Subsequent event

On 18 December 2023, the Manager launched a preferential offering of new units in the Trust to raise gross proceeds of approximately £28.0 million by way of a fully underwritten *pro rata* and non-renounceable preferential offering of 103,355,000 new Units on the basis of 214 Preferential Offering Units for every 1,000 existing Units at an issue price of £0.27 per Preferential Offering Unit. The net proceeds raised from the preferential offering will be used to repay bank loans and reduce gearing of the Group.

The Preferential Offering Units have been fully subscribed, issued and listed on the Mainboard of SGX-ST on 18 January 2024. As a result of the Preferential Offering, the total number of Units in issue is 586,321,000.

The Preferential Offering Units issued will rank *pari passu* in all respects with the existing Units in issue on the day immediately prior to the date on which the Preferential Offering Units were issued, including the right to any distributions out of the Group's distributable income from the date of issuance, as well as all distributions thereafter.



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(II) Other Information Required By Listing Rule Appendix 7.2

1. Overview

The condensed interim consolidated financial statements comprise the condensed interim statement of financial position of Elite Commercial REIT and its subsidiaries (“the Group”) and statement of financial position of Elite Commercial REIT (“the Trust”) as at 31 December 2023 and the related condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of movements in unitholders’ funds and condensed consolidated interim statement of cash flows for the year then ended and certain explanatory notes.

The condensed interim consolidated financial statements have not been audited or reviewed by the auditors.

The Manager will make the valuation report available for inspection after the external financial audit is completed, and will announce the date from which the valuation report is available for inspection. Inspection of the valuation report may be made by prior appointment at the Manager’s registered office during normal business hours for three months from the date of such announcement.

Elite Commercial REIT Management Pte. Ltd. is the manager of Elite Commercial REIT (the “Manager”) and Perpetual (Asia) Limited is the trustee of Elite Commercial REIT (the “Trustee”).

The REIT commenced trading on the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 6 February 2020 (“Listing Date”) with an initial portfolio of 97 commercial buildings located across the UK (the “Initial Portfolio”). On 9 March 2021, the Group completed its acquisition of 58 properties located across the United Kingdom (the “New Properties”).

As at 31 December 2023, the Group’s portfolio comprised of a total of 150 commercial buildings located across the UK, of which 144 of them are currently occupied, with over 99% of the Group’s revenue derived from the current leases with the UK Government via Secretary of State for Levelling Up, Housing and Communities and other government departments.

On 18 December 2023, the Manager launched a preferential offering of new units in the Trust to raise gross proceeds of approximately £28.0 million by way of a fully underwritten *pro rata* and non-renounceable preferential offering of 103,355,000 new Units on the basis of 214 Preferential Offering Units for every 1,000 existing Units at an issue price of £0.27 per Preferential Offering Unit. The Preferential Offering Units have been fully subscribed, issued and listed on the Mainboard of SGX-ST on 18 January 2024. The net proceeds raised from the preferential offering will be used to repay bank loans and reduce gearing of the Group.

The Group has been in discussions with financial institutions since Q4 2023 to part refinance its outstanding bank loans which include the £126.6 million due for repayment in November 2024. The Group expects to obtain committed term sheets from financial institutions prior to the issuance of the audited financial statements for the year ended 31 December 2023.



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2. Review of performance of the Group

2.1 Year ended 31 December 2023 (“FY2023”) vs Year ended 31 December 2022 (“FY2022”) 6 months period ended 31 December 2023 (“2H2023”) vs 6 months period ended 31 December 2022 (“2H2022”)

	Note	FY2023 £'000	FY2022 £'000	Variance %	2H2023 £'000	2H2022 £'000	Variance %
Revenue	(a)	37,637	37,075	1.5	18,539	18,367	0.9
Other income	(b)	7,569	-	n.m.	5,327	-	n.m.
Property operating expenses	(c)	(3,842)	(1,334)	(188.0)	(2,499)	(728)	(243.3)
Net property income		41,364	35,741	15.7	21,367	17,639	21.1
Manager's management fee	(d)	(1,804)	(2,310)	21.9	(870)	(1,086)	19.9
Trustee's fee		(109)	(106)	(2.8)	(54)	(55)	1.8
Other trust expenses	(e)	(1,205)	(1,373)	12.2	(585)	(605)	3.3
Finance income		431	-	n.m.	15	-	n.m.
Finance costs		(12,356)	(7,417)	(66.6)	(7,953)	(4,950)	(60.7)
Net finance costs	(f)	(11,925)	(7,417)	(60.8)	(7,938)	(4,950)	(60.4)
Gain on disposals of investment properties		124	-	n.m.	124	-	n.m.
Net change in fair value of investment properties	(g)	(47,827)	(41,372)	(15.6)	(43,787)	(51,584)	15.1
Loss before tax		(21,382)	(16,837)	(27.0)	(31,743)	(40,641)	21.9
Tax (expense)/credit	(h)	(788)	(1,495)	47.3	640	2,253	(71.6)
Loss after tax		(22,170)	(18,332)	(20.9)	(31,103)	(38,388)	19.0
Amount available for distribution to unitholders (after retention) at end of the period		7,881	10,857	(27.4)	7,881	10,857	(27.4)
Distribution per Unit (after retention) (pence)		3.07	4.81	(36.2)	1.33	2.25	(40.9)

(a) Revenue

Revenue is contracted rental income from leasing of the office spaces of the Initial Portfolio and New Properties and the effect of recognising rental income on a straight-line basis over the lease term of £0.3 million (2H2023: £0.6 million).

(b) Other income

Included in other income were £6.9 million (2H2023: £5.0 million) of dilapidation settlements and £0.4 million (2H2023: Nil) of lease surrender premium.

(c) Property operating expenses

Property operating expenses includes the following items:

	FY2023 £'000	FY2022 £'000	Variance %	2H2023 £'000	2H2022 £'000	Variance %
Property management fee	708	669	(5.8)	349	323	(8.0)
Lease management fee	244	231	(5.6)	124	116	(6.9)
Property insurance expenses	247	242	(2.1)	125	126	0.8
Other property expenses	2,643	192	n.m.	1,901	163	n.m.
	3,842	1,334	(188.0)	2,499	728	n.m.

n.m. denotes not meaningful

Other property operating expenses increased by £2.5 million (2H2023: £1.7million) when compared to the financial year of 2022 (2H2022). This was mainly attributed to the increase in property expenses incurred by the Group which were previously borne by the tenants when the properties were leased out.

Property management fee is the fee payable to the Property Manager of the Group. The property manager of the Initial Portfolio is Jones Lang LaSalle Limited while the New Properties are currently managed by Elite Real Estate Services UK Limited (“ERESUK”), a related corporation of the Manager.



Property management fee incurred by the Initial Portfolio's properties includes the following:

- a property management fee to be paid either directly (by the Trustee) or indirectly (by the entity which is held by the Trust) out of the Deposited Assets (as defined in the Trust Deed).

Property management fee incurred by the New Properties includes the following:

- a property management fee of 2.0% per annum of the gross revenue income of the New Properties
- a lease management fee of 1.0% per annum of the gross revenue income of the New Properties
- market services commissions for procuring or renewing leases, which range from 0.5 to 2.0 months' gross revenue income of the New Properties if there is no third party agent involvement; and
- a property management services fee for the development or redevelopment of the New Properties, which ranges from 1.5% to 3.0% of the construction cost.

(d) Manager's management fee

Manager's management fee relates to the base fee which is calculated based on 10% of the income available for distribution. The decrease in manager's management fee was in line with the decreased income available for distribution to unitholders.

(e) Other trust expenses

Other trust expenses consist mainly statutory fees such as audit fees, tax agent fees and corporate secretarial fees, valuation expenses and other trust related expenses.

(f) Net finance costs

Net finance costs consist of amortisation of transaction costs relating to loans and borrowings, commitment fee, net change in fair value of financial derivative, interest expense on lease liabilities, and interest expense on borrowings. Increased net finance costs was in line with the rising interest costs on borrowings.

(g) Net change in fair value of investment properties

Fair value loss on investment properties for the year of £47.8 million (2H2023 of £43.8 million) arose from the changes in the fair value of investment properties between 1 January 2023 and 31 December 2023 (2H2023: 1 July 2023 and 31 December 2023).

(h) Tax (expense)/credit

The decrease in tax expenses for the financial year of 2023 was mainly attributed to the reversal of deferred tax liabilities recognised on the fair value gains for certain properties, upon a decrease in the fair value of investment properties in 2023. The lower withholding tax expenses are in line with the lower income mandatorily distributable by the property rental business of EUKCH and its subsidiaries to the REIT.

The decrease in 2H2023 tax credit was mainly attributed to the lower reversal of deferred tax liabilities previously recognised on the fair value gains for certain properties, upon a decrease in the fair value of investment properties in 2023 compared to 2H2022 and the effect of lower withholding tax expenses, which in line with the lower income mandatorily distributable by the property rental business of EUKCH and its subsidiaries to the REIT.

2.2 Review of statement of financial position

Investment properties for the Group decreased to \$413.7 million as at 31 December 2023 from £460.0 million as at 31 December 2022, due to i) lower valuation on investment properties as at 31 December 2023, which is aligned with the worsened general macroeconomic environment in the UK as at the financial year end and ii) disposals of 5 vacant properties during the financial year which is aligned with the Group's asset management strategy, partially offset by the capital expenditure incurred on sustainability enhancement works for certain properties.

During 2023, the Group has disbursed additional sustainability contribution of £3.7 million, which have been included as prepayment for capital expenditure.

Included in trade and other receivables as at 31 December 2023 of £2.9 million (31 December 2022: £11.9 million) are mainly i) receivables from the property manager in respect of advance rental collected by the property manager on behalf of the Group from tenants of £1.7 million (31 December 2022: £10.1 million) which have been subsequently received by the Group, ii) total transaction costs of approximately £0.2 million (31 December 2022: £0.2 million) incurred by the Trust for setting up a multicurrency debt issuance programme during the financial year 2022, which have been included as prepayments and iii) prepaid property expenses to the relevant UK authority which were previously borne by the tenants when the properties were leased out.



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During 2023, the Group partially repaid £12.1 million of its loan facilities and drew down £11.2 million from its new revolving credit facility. As a result, loans and borrowings as at 31 December 2023 approximates that as at 31 December 2022.

The decrease in deferred tax liabilities is mainly due to the reversal of deferred tax provision on the fair value gains on certain properties, upon a decrease in the fair value of investment properties in 2023.

Included in trade and other payables of £4.8 million as at 31 December 2023 (31 December 2022: £4.8 million) are mainly i) bank interest payable amounting £1.4 million (31 December 2022: £1.3 million), ii) accrued operating expenses of £1.7 million (31 December 2022: £1.8 million) and iii) other payables of £1.3 million (31 December 2022: £1.7 million), which mainly consist of VAT payable to HMRC.

2.3 Review of statement of cashflows

Net cash generated from operating activities for the year ended 31 December 2023 amounted to £44.6 million, being £16.7 million higher when compared to £27.9 million for the year ended 31 December 2022. This was driven partly by i) £6.9 million dilapidation settlements and £0.4 million lease surrender premium and ii) decrease in trade and other receivables by £9.0 million.

Net cash used in investing activities for the financial year ended 31 December 2023 of £0.5 million was mainly from i) disbursement of another 25% of the total agreed Sustainability Contribution to the DWP and the MOD amounting to £3.7 million and ii) net proceeds of £3.2 million received from the disposals of properties in 2023.

Included in net cash used in financing activities of £33.9 million were i) a total of £18.5 million distribution to unitholders for 2H2022 and 1H2023, which were both paid in 2023, ii) partial repayment of the Group's loan facilities amounting to £12.1 million, iii) drawdown of £11.2 million from the new revolving credit facility, iv) payment of bank loans interest of £11.2 million and v) increase in restricted cash of £3.2 million.

2.4 Variance between actual results and projection statement

There was no forecast or prospect statement previously disclosed to unitholders for the financial year ended 31 December 2023.



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3. Commentary on the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Macro Environment

UK GDP is estimated to have fallen by 0.3% in Q4 2023, following an unrevised fall of 0.1% in the previous quarter¹. While the economy has now decreased for two consecutive quarters, GDP is estimated to have increased by 0.1% across 2023 compared with 2022.

UK's inflation, as measured by Consumer Price Index ("CPI"), rose by 4.0% in the 12 months to January 2024. While remaining the same as in December 2023, the CPI rate was substantially down from the peak of 11.1% in October 2022².

Bank of England ("BoE") maintained the Bank Rate at 5.25% and updated its projections for a market-implied path for the bank rate to decline to 3.9% by 1Q 2025³.

Growth in employment has slowed over the year, and unemployment rate stood at 3.8% with a higher proportion of people economically inactive or long-term sick⁴.

Claimant count for people claiming unemployment-related benefits in the month of January 2024 stood at around 1.58 million, an increase of 4.0% from a year ago⁵. With the higher claimant count, this further supports the fact that DWP's services remain essential and integral in supporting UK's social fabric and infrastructure.

The Manager is expected to continue providing a stable income to its Unitholders as it continues to collect close to 100% of its rent a quarter in advance, despite ongoing macroeconomic uncertainties.

¹ Office for National Statistics, GDP first quarterly estimate, UK: October to December 2023, 15 February 2024.

² Office for National Statistics, Consumer Price Inflation, UK: January 2024, 14 February 2024.

³ Bank of England, Monetary Policy Summary, February 2024, 1 February 2024.

⁴ Office for National Statistics, Labour market overview, UK: February 2024, 13 February 2024.

⁵ Office for National Statistics, CLA01: Claimant Count (Experimental Statistics), 13 February 2024.



ELITE COMMERCIAL REIT

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4. Distribution information

4(a) Current financial period

Any distribution declared for the current period? Yes.

Name of distribution: Interim distribution for the period from 1 July 2023 to 31 December 2023

Distribution type: Tax-exempt income

Distribution rate: 1.33 pence per Unit
(being 90.0% of the total amount available for distribution to unitholders at end of the period)

Tax Rate: Tax exempt income distribution
Tax-exempt income distribution is exempt from Singapore income tax in the hands of all Unitholders. No tax will be deducted from such distribution.

4(b) Corresponding period of the immediately preceding financial year

Any distributions declared for the corresponding period of the immediately preceding financial year? Yes

4(c) Notice of Record Date: 27 February 2024

4(d) Date Payable: 28 March 2024

5. If the Group has obtained a general mandate from Unitholders for IPTs, the aggregate value of each transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No general mandate had been obtained from Unitholders for Interested Person Transactions.

6. Confirmation pursuant to Rule 720(1) of the Listing Manual

Tan Hai Peng Micheal and Victor Song Chern Chean, Non-Independent Non-Executive Directors, on behalf of the board of directors of the Manager, confirm that the Manager has procured undertakings from all its directors and executive officers in the form as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

7. Negative confirmation pursuant to Rule 705(5) of the Listing Manual

Tan Hai Peng Micheal and Victor Song Chern Chean, Non-Independent Non-Executive Directors, on behalf of the board of directors of the Manager confirmed that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Manager which may render the unaudited financial results of Elite Commercial REIT for the period from 1 January 2023 to 31 December 2023 to be false or misleading in any material aspect.

8. Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual of Singapore Exchange Securities Trading Limited, the REIT Manager confirm that there is no person occupying managerial position in the REIT Manager who is a relative of a director, chief executive officer, substantial shareholder of the Company or substantial Unitholder of Elite Commercial REIT.



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Certain statements in this release constitute “forward-looking statements”. This release also contains forward-looking financial information. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding the Manager’s present and future business strategies and the environment in which the Group will operate in the future. Because these statements and financial information reflect the current views of the Manager concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information. You should not place any reliance on these forward-looking statements and financial information.

By Order of the Board

Liaw Liang Huat Joshua
Chief Executive Officer

Elite Commercial REIT Management Pte. Ltd.
(Company Registration Number: 201925309R)
As Manager of Elite Commercial REIT

19 February 2024