



(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.)

LEASE UPDATES AND SUSTAINABILITY COLLABORATION WITH THE UK GOVERNMENT'S DEPARTMENT FOR WORK AND PENSIONS

1. LEASE RE-GEARING

Further to the announcement dated 28 February 2022 on lease updates, Elite Commercial REIT Management Pte. Ltd., as manager of Elite Commercial REIT (the "**Manager**"), is pleased to announce that Elite Commercial REIT, through its wholly-owned subsidiaries, has entered into separate agreements with The Secretary of State for Levelling Up, Housing and Communities of the United Kingdom ("**UK**") (the "**Tenant**") to remove the lease break clause from another **eight** assets in Elite Commercial REIT's portfolio that have a lease break option in March 2023.

This brings the total to 108 out of 117 assets occupied by the Department for Work and Pensions ("**DWP**") with a March 2023 lease break clause removed, translating to 83.2% of the portfolio by GRI¹ with a stable lease profile until March 2028 without any lease break options. The outcome further enhances the income visibility and lease stability of Elite Commercial REIT for the next six years.

For the avoidance of doubt, the terms of these leases remain intact except for the removal of the lease break clause, and they continue to enjoy the built-in inflation-linked rental escalation to start in April 2023. The rental uplift is based on the UK Consumer Price Index, subject to an annual minimum increase of 1.0% and maximum of 5.0% on an annual compounding basis from 1 April 2018 to 31 March 2023.

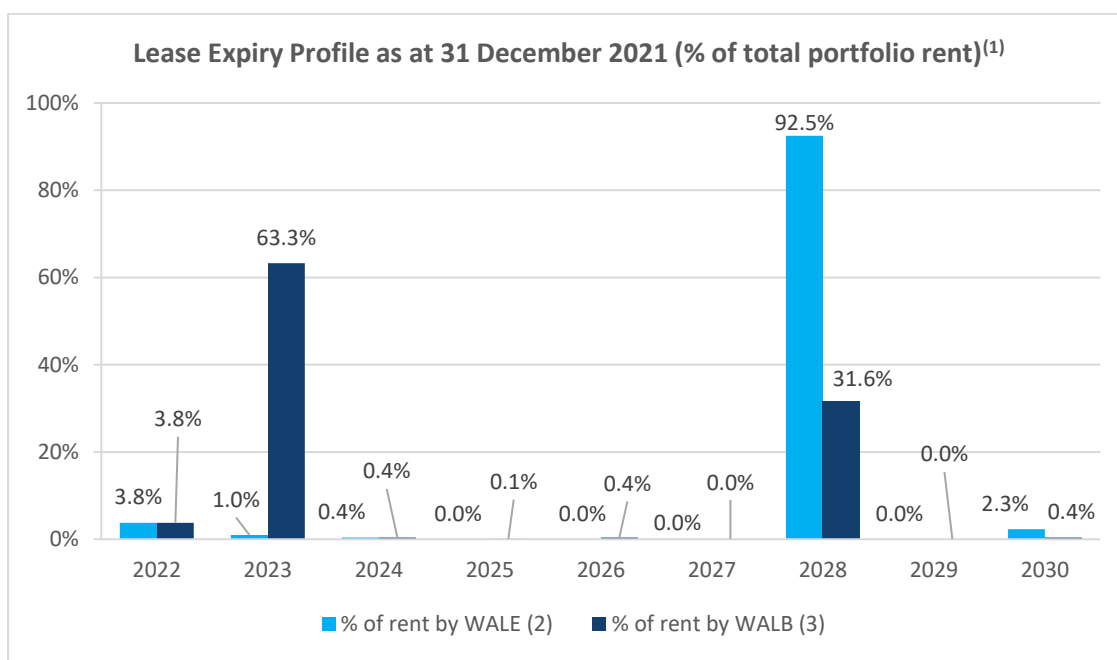
Till date, the Manager has received break option notice for one out of remaining nine assets occupied by DWP with a March 2023 lease break clause.

The Manager will continue to engage DWP on the remaining eight assets with a March 2023 lease break clause and will update the market in due course.

The WALE of Elite Commercial REIT's portfolio will remain stable at 6.0 years following this latest update.

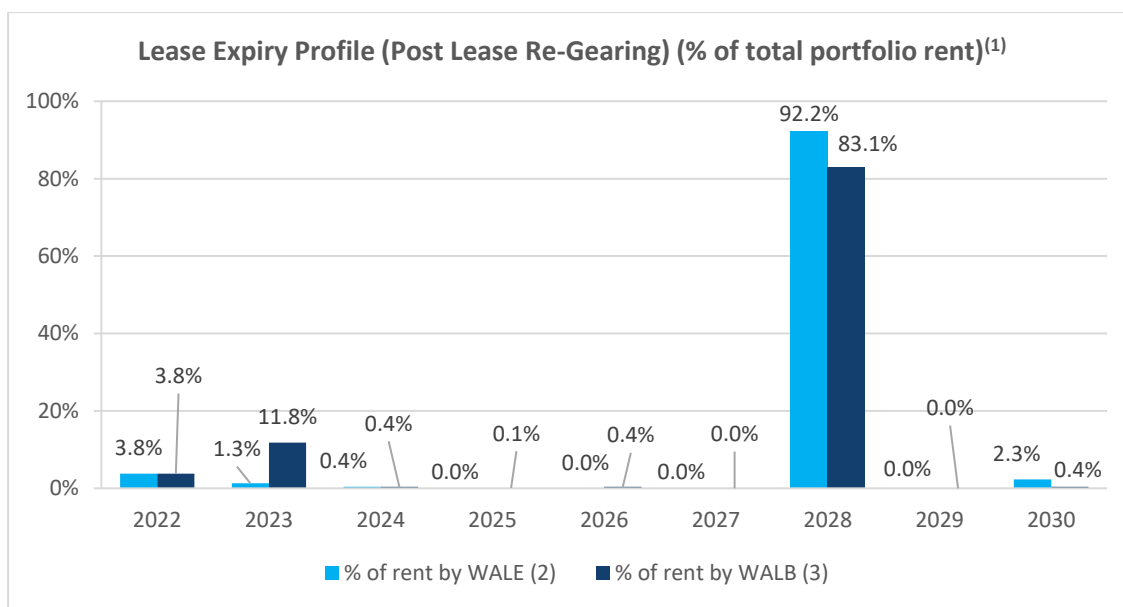
¹ Based on annualised gross rental income ("**GRI**") as at 31 December 2021, taking into account the portfolio maiden acquisition completed on 9 March 2021.

1.1 Before the Lease Re-Gearing:



After the Lease Re-Gearing

(taking into account the removal of lease break options from 108 DWP-occupied assets and break notice received on one DWP-occupied asset):



Notes:

- (1) Discrepancies between the listed figures and totals thereof are due to rounding.
- (2) Percentage of rent by WALE (Weighted Average Lease to Expiry) – Based on the final termination date of the lease agreement (assuming the tenant does not terminate the lease on the permissible break dates)
- (3) Percentage of rent by WALB (Weighted Average Lease to Break) – Based on the next permissible break date at the tenant's election or the expiry of the lease, whichever is earlier.

2. SUSTAINABILITY COLLABORATION

Further to the Sustainability Collaboration with DWP announced on 28 February 2022, the Manager came to an agreement with the DWP over the removal of the break clause for another eight properties. The Manager agreed to increase the Sustainability Contribution by another £2.17 million towards agreed upon asset enhancement works on DWP-occupied assets in Elite Commercial REIT's portfolio over three years.

Discussions between DWP and the Manager over the Sustainability Contribution has since concluded, which brings the aggregate Sustainability Contribution by the landlord to a final position of £14.67 million². The REIT has sufficient internal resources to meet the funding requirements for the Sustainability Contribution.

This Sustainability Collaboration is part of the Manager's proactive strategy to ensure that the properties remain relevant and to enhance the long-term value of Elite Commercial REIT by integrating sustainability considerations into its overall business strategy.

This innovative collaboration with Elite Commercial REIT's primary occupier, DWP, marks a commitment by both the landlord and the occupier to achieve sustainability goals such as the UK Government's commitment to achieve net zero carbon emissions by 2050³.

By Order of the Board
Shaldine Wang
Chief Executive Officer

Elite Commercial REIT Management Pte. Ltd.
(Registration Number: 201925309R)
(as manager of Elite Commercial REIT)

11 March 2022

IMPORTANT NOTICE

This announcement is for information only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for units in Elite Commercial REIT ("**Units**") in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by Elite Commercial REIT, the Manager or any of their respective affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. The Unitholders have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

² To be disbursed over three years in the following manner: 50% on 1 April 2022, 25% on 1 April 2023 and 25% on 1 April 2024.

³ Source: Gov.UK, HM Government, Net Zero Strategy: Build Back Greener, October 2021.