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.)

Oversea-Chinese Banking Corporation Limited and UBS AG, Singapore Branch are the Joint Issue Managers for the initial public offering of units in Elite Commercial REIT. Oversea-Chinese Banking Corporation Limited, UBS AG, Singapore Branch, CGS-CIMB Securities (Singapore) Pte. Ltd. and China International Capital Corporation (Singapore) Pte. Limited are the Joint Bookrunners and Underwriters for the initial public offering of units in Elite Commercial REIT.

THE PROPOSED ACQUISITION OF 58 PROPERTIES LOCATED ACROSS THE UNITED KINGDOM

1. INTRODUCTION

1.1 Background to the transaction

Elite Commercial REIT Management Pte. Ltd., in its capacity as manager of Elite Commercial REIT (the "**Manager**"), is pleased to announce the following:

(i) Elite UK Commercial Holdings Limited ("**UK TopCo**"), which is a wholly-owned subsidiary of Elite Commercial REIT, has incorporated a wholly-owned subsidiary, Elite Kist Limited (the "**Elite Buyer**"), in connection with the Proposed Acquisition (as defined herein);

(ii) Elite Commercial REIT, through the Elite Buyer, entered into a conditional share purchase agreement ("**Share Purchase Agreement**") with Elite Bushel Holding Limited (the "**Vendor**") to acquire 100.0% of the share capital in Elite Amphora Limited and Elite Cask Limited (collectively, the "**Target SPVs**"), which hold 58 commercial buildings located across the United Kingdom ("**UK**"), from the Vendor (the "**Proposed Acquisition**");

(iii) to part-finance the Proposed Acquisition, the Manager proposes to issue new units of Elite Commercial REIT ("**Units**" and the new Units, the "**New Units**") up to £89.4 million to Elite UK Commercial Fund II (being the Vendor Nominee (as defined herein)) as consideration for the Proposed Acquisition ("**Consideration Units**")[1]; and

(iv) to part-finance the Proposed Acquisition, the Manager may issue New Units

1 Elite UK Commercial Fund II, upon receipt of the Consideration Units, will do a distribution *in specie* of such Consideration Units to its investors, including PartnerRE (as defined below), all of whom are unrelated third parties.

pursuant to an equity fund raising (the "**Equity Fund Raising**").

1.2 Interested Person Transaction pursuant to the Listing Manual and Interested Party Transaction pursuant to the Property Funds Appendix

The Vendor is a wholly-owned subsidiary of Elite UK Commercial Fund II. Elite UK Commercial Fund II had during the time of the initial public offering of Elite Commercial REIT granted a right of refusal over the 62 assets held by Elite UK Commercial Fund II. On completion of the Proposed Acquisition (the "**Completion**"), Elite Commercial REIT will still hold a right of first refusal over the four remaining assets held by Elite UK Commercial Fund II and all the assets held by Elite UK Commercial Fund III.

Elite UK Commercial Fund II is a fund managed by Elite Partners Capital Pte. Ltd. ("**EPC**"), which is in turn a wholly owned subsidiary of Elite Partners Holdings Pte. Ltd. ("**EPH**"). As at the date of this announcement, EPH holds an interest in 68.0% of the total number of issued shares in the Manager and is accordingly a "controlling shareholder" of the Manager. As such, EPH is considered (under Chapter 9 of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**")) an "interested person" and (under Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore ("**Property Funds Appendix**")) an "interested party".

The Proposed Acquisition, will constitute an "interested person transaction" as defined under Chapter 9 of the Listing Manual and an "interested party transaction" as defined under the Property Funds Appendix, and will be subject to, *inter alia*, the approval of the unitholders of Elite Commercial REIT ("**Unitholders**") at an extraordinary general meeting of Elite Commercial REIT ("**EGM**"). This interested person/party relationship is due to the fact that Elite Partners Capital Pte Ltd, a wholly owned subsidiary of Elite Partners Holdings Pte Ltd (which is a sponsor of the Elite Commercial REIT), is the manager of Elite UK Commercial Fund II.

Further details of the Proposed Acquisition and the issue of New Units will be set out in the circular to be issued in connection with the EGM (the "**Circular**") in due course.

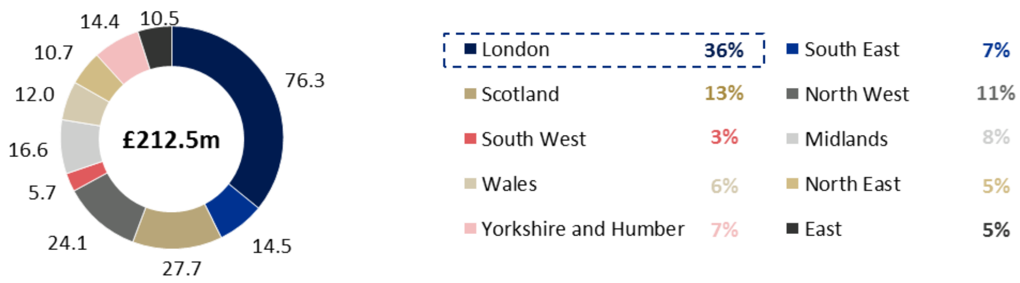
2. INFORMATION ON THE NEW PROPERTIES

The 58 commercial buildings held by the Target SPVs (the "**New Properties**"), which have a total net internal area ("**NIA**") of 1,307,064 square feet ("**sq ft**"), are well located in London and across other major cities in the UK and are located within city centres, town centres and city suburbs. With 99% of the leases entered into with the UK Government via various government agencies, the New Properties provide attractive and recession-proof yields underpinned by sovereign tenants. Similar to Elite Commercial REIT's existing property portfolio, majority of the leases under the New Properties (that is, 82% of the leases) are entered into with the Secretary of State for Communities & Local Government (Department of Work and Pensions ("**DWP**")), thus creating synergy within Elite Commercial REIT's enlarged property portfolio. Other government tenants include the UK Ministry of Defence, National Records of Scotland, HM Courts and Tribunals Service, Natural Resources Wales and the Environmental Agency.

Out of the 58 New Properties, 54 New Properties are freehold and the other New Properties are on a long leasehold tenure ranging between 83 and 983 years.

The spread of the New Properties across the UK is set out in the chart and table below.

New Properties valuation breakdown by location (£m)



Region	No. of Assets	NIA (sq ft)	Portfolio % by NIA	Gross Rental Income per annum (£m)	Valuation[1] (£m)	Portfolio % by Valuation
London	9	165,603	12.7%	3.2	76.3	35.9%
Scotland	7	243,175	18.6%	2.7	27.7	13.0%
North West	9	227,972	17.4%	1.9	24.1	11.3%
Midlands	8	131,962	10.1%	1.3	16.6	7.8%
Yorkshire	8	146,680	11.2%	1.2	14.4	6.8%
South East	3	76,751	5.9%	0.9	14.5	6.8%
Wales	6	105,305	8.1%	1.0	12.0	5.6%
North East	3	97,892	7.5%	0.8	10.7	5.0%
Eastern	2	63,734	4.9%	0.7	10.5	5.0%
South West	3	47,991	3.7%	0.4	5.7	2.7%
Total	**58**	**1,307,064**	**100.0%**	**14.1**	**212.5**	**100.0%**

Note:

(1) Based on the valuation report prepared by Colliers International Valuation UK LLP dated 14 August 2020. The valuation of the New Properties by the Independent Valuers (as defined herein), where referred to in this Announcement, represents the aggregate of the individual values of the New Properties and the fact that the New Properties are held within an SPV.

(See **Appendix A** for details of the individual valuations and the agreed value of each New Property.)

3. THE PROPOSED ACQUISITION

3.1 Purchase Consideration and Valuation

The purchase consideration is based on the consolidated net asset value ("**NAV**") of the Target SPVs as at Completion, which is currently estimated to be £58.5 million ("**Purchase Consideration**"). The Purchase Consideration takes into account, among other things, the agreed value of the New Properties of £212.5 million, which was negotiated on a willing-buyer and willing-seller basis and takes into account the independent valuations of the New Properties. The Purchase Consideration will be subject to post-completion adjustments.

The Manager has commissioned an independent property valuer, Colliers International Valuation UK LLP ("**Colliers**"), and the Trustee has commissioned an independent property valuer, BNP Paribas Real Estate Advisory & Property Management UK Limited ("**BNP Paribas**", together with Colliers, the "**Independent Valuers**"), to value the New Properties. Colliers, in its report dated 14 August 2020, stated that the open market value of the New Properties is £212.5 million (based on the income capitalisation approach). BNP Paribas, in its report dated 14 August 2020, stated that the open market value of the New Properties is £205.2 million (based on the income capitalisation approach).

3.2 Estimated Total Acquisition Outlay

The estimated total acquisition outlay of the Proposed Acquisition (the "**Total Acquisition Outlay**") is approximately £218.5 million[1], comprising:

3.2.1 the Purchase Consideration of £58.5 million, payable partly in Consideration Units, with the balance sum which is not satisfied by the issue of Consideration Units payable in cash;

3.2.2 the existing shareholders' loans of £40.2 million owed by the Target SPVs to the Vendor, to be transferred to the Elite Buyer by way of novation on Completion (the "**Existing Shareholders Loans**");

3.2.3 the existing bank loan of £113.8 million owed by the Target SPVs to certain financial institutions (the "**External Bank Loan**"), out of which £19.8 million will be repaid on Completion (the "**Repaid Bank Loan**")[2], and the remaining £94.0 million will not be discharged on Completion and will remain on the books of the Target SPVs after Completion (the "**Subsisting Bank Loan**");

3.2.4 the acquisition fee ("**Acquisition Fee**") of approximately £2.1 million payable in Units to the Manager ("**Acquisition Fee Units**")[3]; and

3.2.5 the estimated professional and other fees and expenses[4] of approximately £3.8 million[1] incurred or to be incurred by Elite Commercial REIT in connection with the Proposed Acquisition.

3.3 Establishment of Subsidiary

In connection with the Proposed Acquisition, Elite Commercial REIT has, through the UK

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1 The Manager's primary objective is to pursue an Equity Fund Raising. Should the market conditions be non-conducive, the Manager may decide in the best interest of Unitholders to fund the Total Acquisition Outlay (save for the Acquisition Fee) through issuance of the Consideration Units, a drawdown of loan facilities and the Vendor's Loan, without the Equity Fund Raising. For illustrative purposes only, assuming the Equity Fund Raising is not undertaken and the total consideration, loan transaction costs and Acquisition Fee remain the same, the professional fees and expenses will be £3.3 million and the Total Acquisition Outlay will be £218.0 million.

2 A portion of the External Bank Loan will be repaid on Completion to keep to the Manager's target aggregate leverage level for Elite Commercial REIT.

3 As the Proposed Acquisition will constituted an "interested party transaction" under the Property Funds Appendix, the acquisition fee shall be payable in units and shall not be sold one year from the date of issuance in accordance with the Property Funds Appendix.

4 Such fees and expenses include due diligence costs, equity fund raising costs and acquisition costs such as legal expenses, loan related expenses, expenses relating to the appointment of the independent financial adviser and other professional costs.

TopCo, established Elite Kist Limited[1].

3.4 Share Purchase Agreement

On 17 October 2020, the Elite Buyer entered into the Share Purchase Agreement with the Vendor to acquire 100.0% of the share capital in the Target SPVs.

The principal terms of the Share Purchase Agreement include, among others, the following:

(i) the Share Purchase Agreement is subject to conditions precedent including but not limited to:

(a) Elite Commercial REIT having obtained the approval of the Unitholders for the Proposed Acquisition and the issuance of the Consideration Units;

(b) Elite Commercial REIT completing its debt raising to enable it to raise sufficient debt in order to fund the Elite Buyer to complete its obligations under the Share Purchase Agreement; and

(c) receipt by the solicitors of the Elite Buyer of satisfactory due diligence search results or satisfactory placing of risk on indemnity insurance on terms satisfactory to the Elite Buyer (acting reasonably) providing for cover for any adverse matter up to Completion;

(ii) part of the Purchase Consideration shall be satisfied on Completion by the issue of one or more series of promissory notes ("**Promissory Notes**") for up to the value of £89.4 million[2], with the final value of the Promissory Notes to be issued determined based on the sole discretion of the Manager, in the following manner:

(a) the Elite Buyer shall issue to the Vendor on Completion the Promissory Notes; and

(b) the Vendor shall transfer the Promissory Notes to the Vendor Nominee, and Consideration Units shall be issued to the Vendor Nominee in full satisfaction of the Promissory Notes;

(iii) in the event that the issuance of Consideration Units in a single tranche will result in the Vendor Nominee holding, in aggregate with the Manager and parties acting in concert with it (the "**Concert Parties**"), more than 30% of the voting rights of Elite Commercial REIT and thereby triggering the requirement under the Singapore Code on Take-overs and Mergers (the "**Code**") for the Manager and its Concert Parties to make a mandatory general offer for units in Elite Commercial REIT not already owned or controlled by the Manager and its Concert Parties (the "**MGO Requirement**"), the Consideration Units shall be issued to the Vendor Nominee in tranches in the following manner so as not to trigger the MGO Requirement:

(a) a first tranche of Consideration Units shall be issued equal to such number of Consideration Units as is permissible under the Code without triggering the MGO Requirement; and

(b) further subsequent tranches of Consideration Units shall be issued only

1 Elite Kist Limited is a UK limited liability company under English law with nominal equity of £1.

2 The Promissory Notes will be used to pay the Purchase Consideration and part of the Existing Shareholders Loan.

after the Vendor Nominee has completed a distribution *in specie* of the prior tranche of the Consideration Units to its investors, each such tranche consisting of such number of Consideration Units as is permissible under the Code without triggering the MGO Requirement.

The number of Consideration Units to be issued would depend on the issue price of the Consideration Units and the net proceeds raised from the Equity Fund Raising. The aggregate number of Consideration Units to be issued will be derived in the following manner:

No. of Consideration Units = Y ÷ Consideration Unit Issue Price

Where:

"**Y**" means up to £89.4 million (as determined by the Manager in its sole discretion), being the portion of the Purchase Consideration due to the Vendor in Units.

"**Consideration Unit Issue Price**" means the price of each Consideration Unit computed based on:

(i) (in the event that no capital is raised from the Equity Fund Raising to finance the Proposed Acquisition) the volume weighted average price for a Unit for all trades on the SGX-ST for the period of 10 Business Days immediately preceding the date of the issue of the Consideration Units (the "**VWAP Price**"), provided that in the event that:

   (a) the VWAP Price is less than 68 pence, the Consideration Unit Issue Price shall be 68 pence; and

   (b) the VWAP Price is more than 76 pence, the Consideration Unit Issue Price shall be 76 pence.

(ii) (in the event that capital is raised from the Equity Fund Raising to finance the Proposed Acquisition) the issue price of the Units in such equity fund raising, provided that in the event that the issue price of the Units in such equity fund raising is more than 76 pence, the Unit Price shall be 76 pence.

The Consideration Unit Issue Price range of between 68 pence and 76 pence has been selected on the basis that the initial public offering price was 68 pence and the highest the Units have been traded on the SGX-ST is 76 pence.

The Consideration Units, when issued, will be fully paid. The Consideration Units shall be issued on the Completion Date and the number of Consideration Units issued shall be rounded downwards to the nearest board lot.

Based on an illustrative issue price of £0.68 per Consideration Unit (the "**Illustrative Price**") and assuming 100% of the Purchase Consideration is satisfied with the issue of Consideration Units, the aggregate unitholding of Elite UK Commercial Fund II will increase from 0% to approximately 25%, immediately after the issue of the Consideration Units. Elite UK Commercial Fund II will thus become a controlling Unitholder, in respect of which approval of Unitholders is required pursuant to Rule 803 of the Listing Manual.

Elite UK Commercial Fund II, upon receipt of the Consideration Units, will do a distribution *in specie* of such Consideration Units to its investors, which would result in the largest investor of Elite UK Commercial Fund II, being Partner Reinsurance Company Ltd ("**PartnerRE**")[1], holding up to 24% of the Units in issue.[2] Each of the remaining investors of Elite UK Commercial Fund II will, upon receiving its respective proportion of Consideration Units, hold less than 5% of the Units in issue. All the investors of Elite UK Commercial Fund II, including PartnerRE, are unrelated third parties.

PartnerRE has provided an undertaking to the Manager to restrict its dealing in the Units held by it following the distribution *in specie* of the Consideration Units in relation to 100% of the Units held by it during the period commencing from its receipt of Consideration Units until the date falling six months after the date of receipt of Consideration Units (both dates inclusive) and 50% of the Units held by it from the day immediately following the end of the First Lock-up Period until the date falling six months after the First Lock-up Period (both dates inclusive).

3.5 Property Manager in respect of the New Properties

The New Properties are currently managed by Elite Real Estate Services Pte. Ltd. pursuant to the terms of the property management agreements entered into between Elite Real Estate Services Pte. Ltd. and Elite UK Commercial Fund II (the "**Property Management Agreements**"). Upon Completion, Elite Real Estate Services Pte. Ltd. will continue to be the property manager in respect of the New Properties (the "**Property Manager**") and provide property management (including lease management) and marketing services in respect of the New Properties. As the Property Manager would be performing lease management services in relation to the New Properties, the Manager would not be receiving any lease management in relation to the New Properties for so long as the Property Management Agreements are in force. The Property Management Agreements are valid for a period of five years expiring in August 2025.

The Property Manager has outsourced some of the property management services in relation to the New Properties to Jones Lang LaSalle Limited. For the avoidance of doubt, the cost of such outsourcing of property management services will be borne by the Property Manager out of the fees payable to the Property Manager as set out below.

Pursuant to the Property Management Agreements, the Property Manager is entitled to be paid the following fees in relation to each of the New Properties (each, a "**New Property**"):

(i) a property management fee of 2.0% per annum of the gross revenue income of the New Property;

(ii) a lease management fee of 1.0% per annum of the gross revenue income of the New Property;

(iii) market services commissions for procuring or renewing leases, which range from 0.5 to 2.0 months' gross revenue income of the New Property; and

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1 PartnerRE is an indirect wholly-owned subsidiary of Exor N.V.. Exor N.V. is listed Milan Stock Exchange, and the companies it holds other than PartnerRE includes, Ferrari, Fiat, Juventus and The Economist. Exor N.V. is controlled by the Italian Agnelli family through their privately held company, Giovanni Agnelli B.V. (52.99% interest in EXOR N.V.). PartnerRE is a leading global diversified reinsurance firm A+/A1/A+ rated (S&P/Moody's/Fitch).

2 For illustrative purposes only, assuming that the Total Acquisition Outlay (save for the Acquisition Fee) is funded by a £30.0 million Equity Fund Raising, PartnerRE will hold approximately 21% of the Units in issue upon receipt of the Consideration Units.

(iv) a property management services fee for the development or redevelopment of the New Property, which ranges from 1.5% to 3.0% of the construction cost.

As the Property Manager is a wholly-owned subsidiary of EPH, which is a "controlling shareholder" of the Manager, for the purposes of Chapter 9 of the Listing Manual, the Property Manager is an "interested person" of Elite Commercial REIT.

4. METHOD OF FINANCING

The Manager intends to finance the Total Acquisition Outlay (save for the Acquisition Fee) with (i) the issue of Consideration Units to the Vendor or the Vendor Nominee, (ii) net proceeds from the Equity Fund Raising and/or (iii) external bank borrowings.

In addition, pursuant to the terms of the Share Purchase Agreement, the Elite Buyer has the option to request the Vendor to provide a loan of £10 million at an interest rate of 7% per annum (the "**Vendor's Loan**"), with the full sum of the Vendor's Loan repayable by the date ending 12 months after the date of Completion or the date on which Elite Commercial REIT has raised sufficient funds from an equity fund raising to repay the Vendor's Loan, whichever is earlier. If the Vendor's Loan is drawn down, it shall be used to pay the Purchase Consideration at Completion.

The final decision regarding the financing to be employed for the purposes of financing the Proposed Acquisition will be made by the Manager at the appropriate time, taking into account the then prevailing market conditions, availability of alternative funding options, the impact on Elite Commercial REIT's capital structure, distribution per Unit and debt expiry profile and the covenants and requirements associated with each financing option.

For the avoidance of doubt, the Manager's primary objective is to pursue an Equity Fund Raising. However, should the market conditions be non-conducive, the Manager may decide in the interest of Unitholders to fund the Total Acquisition Outlay (save for the Acquisition Fee) through issuance of the Consideration Units, a drawdown of loan facilities and the Vendor's Loan, without the Equity Fund Raising. In such instance, Elite Commercial REIT will have sufficient internal resources and financing to complete the Proposed Acquisition.

The Manager will announce the details of the Equity Fund Raising on the SGXNET at the appropriate time when it launches the Equity Fund Raising.

5. RATIONALE FOR AND KEY BENEFITS OF THE PROPOSED ACQUISITION

The Proposed Acquisition demonstrates the commitment of the Manager to execute its stated strategy for growth, by adding a portfolio of quality, predominantly UK Government-leased commercial assets to Elite Commercial REIT's portfolio.

The Manager believes that the Proposed Acquisition will bring the following key benefits to Unitholders:

5.1 Extends the REIT's exposure to UK sovereign credit, whilst diversifying occupier mix

(i) In line with the Manager's strategy, the New Properties are 99% leased to the UK Government[1], with a WALE of 7.4 years[2]

In line with the Manager's strategy, the New Properties are 98.8% leased to the UK Government. The UK Government is rated AA (stable) by S&P (as affirmed in April 2020), justified by "its high income levels, its large diversified economy and financial sector, its developed product and labour markets, and the strength and independence of key institutions". This underscores the resilience of the cash flows from the New Properties even amidst the uncertainty resulting from COVID-19's impact on the UK economy. The enlarged portfolio inclusive of the New Properties have a WALE of 7.5 years[2]

(ii) The New Properties are 82% occupied by the DWP and 17% occupied by other UK Government occupiers[1]

The New Properties also introduce new UK government occupiers to Elite Commercial REIT, diversifying its occupier base whilst maintaining its exposure to the high credit quality of the UK Government. New tenants include:

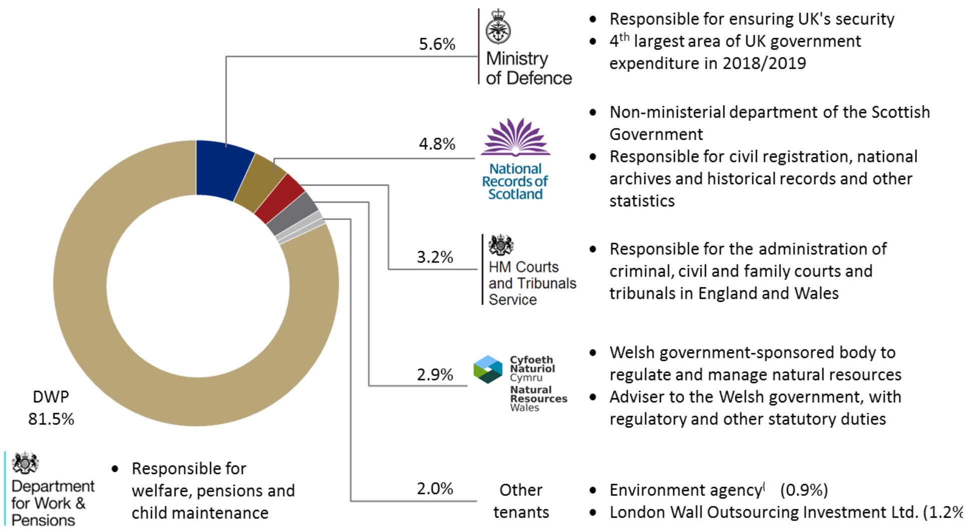
- UK Ministry of Defence, the fourth largest area of UK Government expenditure in FY2018/2019;
- National Records of Scotland, a non-ministerial department of the Scottish Government. It is responsible for civil registration, the census in Scotland, demography and statistics, family history and the national archives and historical records;
- HM Courts and Tribunals Service, responsible for the administration of criminal, civil and family courts and tribunals in England and Wales;
- Natural Resources Wales, the Welsh government-sponsored body in charge of regulating and managing natural resources; and
- Environment Agency, a non-departmental public body sponsored by the United Kingdom government's Department for Environment, Food and Rural Affairs. Its overall responsibility is the protection and enhancement of the environment in England.

New Acquisitions tenant breakdown by GRI[3]

1 By GRI

2 Weighted average lease to expiry ("**WALE**") of 7.4 years and weighted average lease to break of 4.4 years as at 14 August 2020, weighted by GRI. The existing REIT portfolio has a WALE of 7.6 years and weighted average lease to break of 4.1 years. The enlarged portfolio has a WALE of 7.5 years and weighted average lease to break of 4.2 years.

3 Annual Gross Rental Income



Tenants in the New Properties	NIA (sqft)	% of NIA	GRI (£m)[1]	% of GRI
DWP[1]	1,070,509	81.9%	11.5	81.5%
Ministry of Defence	89,179	6.8%	0.8	5.6%
National Records of Scotland	54,622	4.2%	0.7	4.8%
HM Courts and Tribunals Service	37,649	2.9%	0.5	3.2%
Natural Resources Wales	33,749	2.6%	0.4	2.9%
Environment Agency	12,054	0.9%	0.1	0.9%
London Wall Outsourcing Investment. Ltd[2]	9,302	0.7%	0.2	1.2%
Total	**1,307,064**	**100.0%**	**14.1**	**100.0%**

5.2 Stable cashflows and Consumer Price Index ("CPI")-linked growth from uniquely counter-cyclical occupier

(i) The New Properties provide stable cashflows and attractive yield amidst economic uncertainty

In response to COVID-19's impact on the economy, the Bank of England lowered its base rate by 65bps in March 2020, from 0.75% to 0.10%. The UK Government's 10-year bond yield has also fallen approximately 45bps from 0.62% to 0.17%, between Elite Commercial REIT's listing date on 6 February 2020 and 16 October 2020.

The Manager believes that the New Properties' stable cash flows, backed by the UK Government, are increasingly attractive in the context of this low interest rate environment.

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1 Leased to the Secretary of State for Communities & Local Government; occupied by the DWP

2 Non-UK government tenant lease assigned from Trillium (Prime) Property GB Ltd

In addition, 100% of the leases within the New Properties are on a full repairing and insuring ("**FRI**") basis, and 80% of the leases by GRI within the New Properties have CPI-linked rental escalations (cap and collared between 1% and 5%), contributing to Elite Commercial REIT's organic rental growth.

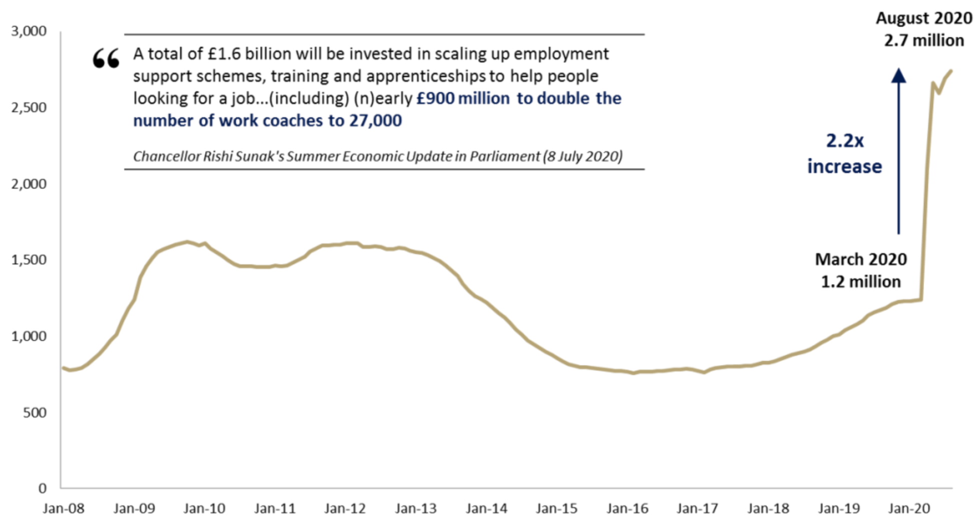
(ii) **Increased unemployment has increased the long-term need for DWP and Jobcentre Plus locations**

As a result of COVID-19, the number of people claiming unemployment benefits from the DWP – between March to August 2020, the UK unemployment claimant count for unemployment benefits increased by 2.2 times, from 1.2 million to 2.7 million.

In July 2020, the UK Chancellor of the Exchequer Rishi Sunak announced that £1.6 billion will be invested into scaling up employment support schemes, including nearly £900 million to approximately double the number of work coaches (JobCentre Plus staff) to from 13,000 to 27,000.

The Manager believes this will further increase the usage and central importance of properties leased to DWP, thereby reducing the re-leasing risk of both Elite Commercial REIT's existing assets as well as that of the New Properties.

UK unemployment claimant count (Jan 2008 – Aug 2020) ('000 claimants)



5.3 Increased exposure to London

(i) 36% of the New Properties are located in London[1], bringing London's overall contribution to Elite Commercial REIT's portfolio to 14%[2]

The 58 New Properties have a total valuation of £212.5 million (based on Collier's valuation) as of 14 August 2020 and is geographically diversified across the UK,

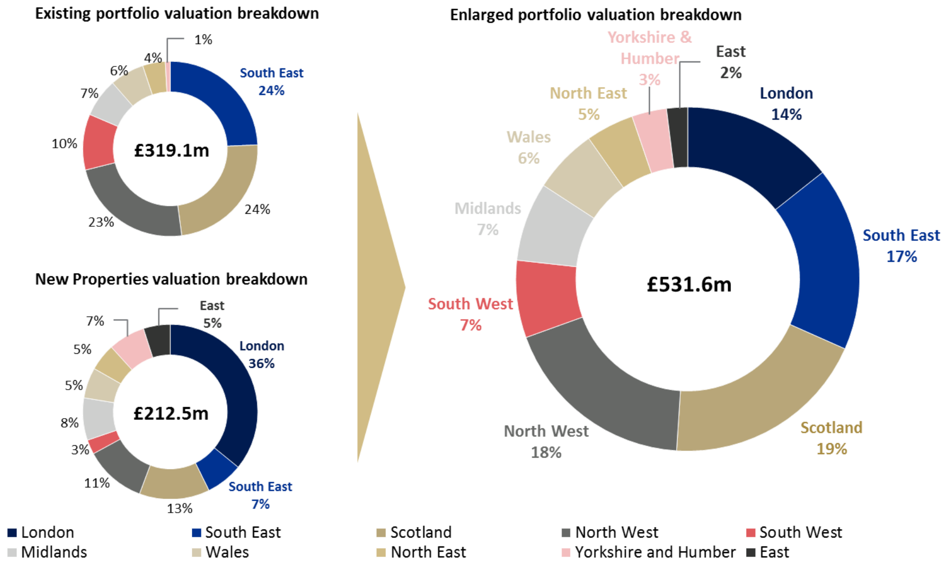
1 Based on the valuation of the New Properties by Colliers as of 14 August 2020.

2 Based on the valuation of the New Properties by Colliers mentioned in the footnote above and the valuation of the Existing Portfolio by Colliers. Colliers are of the opinion that the aggregate market value, as at 31 August 2019 (reconfirmed as at 31 December 2019), of the Existing Portfolio is £319,055,000.

with a strong concentration of assets in London. London properties represent 35.9% of the New Properties by valuation, while properties in Scotland and the North West account for 13.0% and 11.3% respectively. Assets in other regions, including the South East, the South West, Midlands, Wales, the North East, Yorkshire and Humber and the East, comprise the remaining 39.8% of the valuation of the New Properties. In particular, the portfolio also includes assets located in other major UK cities including Manchester, Edinburgh, Liverpool and Cardiff.

From January 2020 to August 2020, London saw its number of Universal Credit claimants (which includes unemployment claimants as well as other claimants) increase by 128.8%, the highest of any other region in the UK, thereby underpinning the continued need for Jobcentres and DWP in London.

Portfolio valuation breakdown by region



(ii) London properties have higher potential for rental and capital growth, as well as redevelopment

London is the UK's capital, largest city and economic engine. The Manager believes that London has the most liquid real estate investing and office leasing market, with the largest pool of potential tenants in the UK. The Manager further believes this could lead to attractive rental and capital growth rates for its London properties, as well as strong re-leasing opportunities, which would in turn benefit Elite Commercial REIT's long-term rental and capital growth profile.

According to Colliers, London office properties have demonstrated strong capital value growth relative to the UK average over the last 10 years from 2010-2019, with the average capital value increase across all UK offices at 5.4%, compared to the 7.7% increase in the City of London, and 8.1% in London West-End.

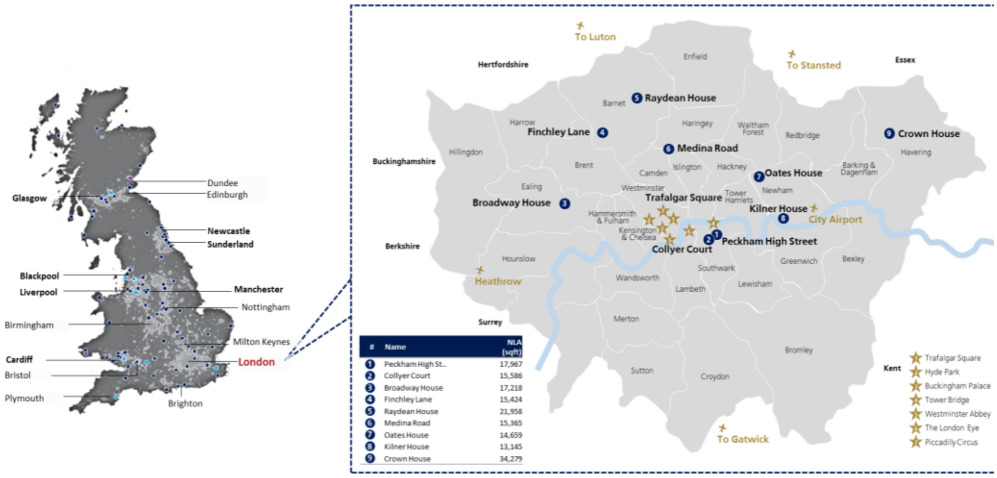
The Manager believes that the New Properties located in London will also benefit from strong redevelopment potential as a result of their good locations. In particular, the assets located in affluent areas close to Central London have a strong potential for change of use or redevelopment into higher density schemes.

The New Properties located in London are also 100% freehold, thereby ensuring the long-term capital growth potential of the assets.

New Properties located in London

Name	Address	Location	Zone
Medina Road	52-53 Medina Road, Finsbury Park, N7 7JX	15min walk to Arsenal's Emirates Stadium. 7 min walk to Finsbury Park Station, 7min to King's Cross Station	Zone 2
Oates House	Oates House, 1 Tramway Avenue, Stratford, E15 4PN	Opposite Westfield Stratford and Stratford Station (17min to Liverpool Street Station)	Zone 2
Kilner House	Kilner House, 197-199 Freemasons Road, Canning Town, E16 3PD	c.2 miles to London City Airport	Zone 2
Collyer Court	Collyer Court, Collyer Place, Peckham, SE15 5DL	Along the high street in Peckham, 29min to Charing Cross Station	Zone 2
Peckham High Street	Peckham High Street, 24-26 High Street, Peckham, SE15 5DS	Along the high street of Peckham, 29min to Charing Cross Station	Zone 2
Broadway House	Broadway House, 86-92 Uxbridge Road, Ealing, W13 8RA	Along the high street of West Ealing, 10min to Paddington Station	Zone 3
Finchley Lane	10 Finchley Lane, Hendon, NW4 1DP	Close to Middlesex University and Hendon Central Station, 19min from King's Cross Station	Zone 3
Raydean House	Raydean House, 15-17 Western Parade, Barnet, EN5 1AH	Along the high street in High Barnet, 29min to King's Cross Station	Zone 5
Crown House	Crown House, 30 Main Road, Romford, RM1 3HH	32min to Liverpool Street Station	Zone 6

Map of Greater London



Case study – Medina Road

For example, the asset located at 52-53 Medina Road, Finsbury Park, is located just a 7 minute commute away from London King's Cross, just 0.3 miles from Finsbury Park underground, and 0.7 miles away from Arsenal Football Club's Emirates Stadium. The property's excellent connectivity, coupled with its closed proximity to local retail and leisure amenities provides it with strong re-leasing potential as well as redevelopment potential.

52-53 Medina Road (Finsbury Park N7 7JX)

Property details

NLA	15,365 sqft
Site area	0.21 ha
Tenure	Freehold
Passing rent	£18.0 psf pm
London Travel Zone	Zone 2
Specifications	Suspended ceilings, CAT II recessed lighting, solid floors, air conditioning (in part), passenger lift, EPC rating D(87)

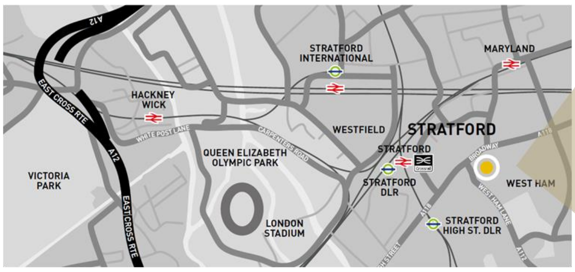
- **0.3 miles** to Finsbury Park - Piccadilly underground(1)
- **0.7 miles** to Arsenal's Emirates Stadium(2)
- **7 mins** to London King's Cross (from Finsbury Park rail station)

Notes:
(1) 0.5km
(2) 1.1km

Case study – Oates House

Another example of an asset with strong re-leasing potential and redevelopment potential is the Oates House asset located at 1 Tramway Avenue, in Stratford. The property has excellent connectivity and is accessible by underground and rail services to Stratford station located just 0.4 miles away. Further improving the strategic connectivity of the property is the pending opening of the new Stratford station of the Crossrail service (Elizabeth Line). The Crossrail service currently under development, will run from Reading and Heathrow in the west through London, across to Shenfield and Abbey Wood in the east, further improving rail connectivity. The property is also conveniently located near to London City Airport, just 3.8 miles away.

Oates House, 1 Tramway Avenue, London, E15 4PN



Property details

NLA	14,659 sqft
Site area	0.07 ha
Tenure	Freehold
Passing rent	£24.0 psf pm
London Travel Zone	Zone 2/3
Specifications	Suspended ceilings, CAT II recessed lighting, raised floors, air conditioning, passenger lift, EPC rating D(95)

- **0.4 miles** to Stratford – Central & Jubilee underground(2)
- **3.8 miles** to London City Airport(3)
- **New Crossrail Service** – expected to open in 2022

(iii) In addition to London, the portfolio also includes assets located in other major UK cities including Manchester, Edinburgh, Liverpool and Cardiff

In addition to the new properties added in London, the portfolio also adds geographically diversified assets located in major English cities including Manchester and Liverpool, as well as Edinburg and Cardiff, the respective capitals of Scotland and Wales.

5.4 Increases size, market cap, free float and liquidity

(i) 67% increase in portfolio valuation

The Proposed Acquisition will increase the number of assets in Elite Commercial REIT's portfolio by 59.8% and its portfolio valuation by 66.6%, from £319.1 million[1] to £531.6 million[2] as of 14 August 2020. It will also result in a 59.1% increase in net property income ("**NPI**"). The Managers believe that an increase in the size, number

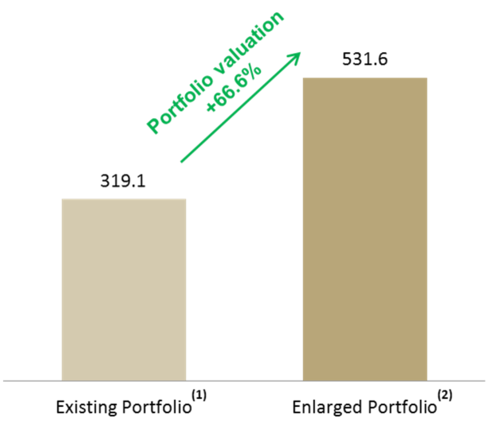
1 Colliers are of the opinion that the aggregate market value, as at 31 August 2019 (reconfirmed as at 31 December 2019), of the Existing Portfolio is £319,055,000. The valuation of the Existing Portfolio, where referred to in this Announcement, represents the aggregate of the individual values of the properties and the fact that the Existing Portfolio is held within an SPV.

2 Comprising valuations of the Existing Portfolio as described herein and valuations of the New Properties by Colliers.

of assets and income of Elite Commercial REIT will diversify its asset base and further contribute to its stability.

The increased portfolio size will also increase Elite Commercial REIT's debt headroom, increasing its scope to pursue further accretive acquisitions.

Portfolio Valuation (£m)



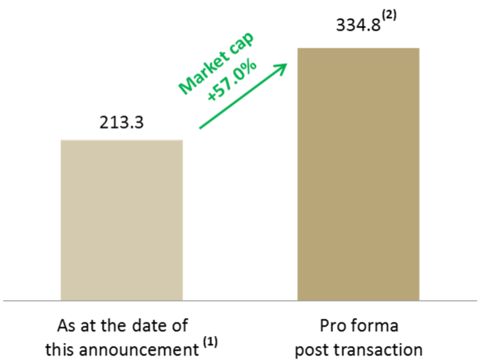
Notes:

(1) Colliers are of the opinion that the aggregate market value, as at 31 August 2019 (reconfirmed as at 31 December 2019), of the initial 97 properties (the "**Existing Portfolio**") is £319,055,000.

(2) Based on the New Properties' valuation by Colliers as of 14 August 2020 and the valuation of the Existing Portfolio as described in note (1) above.

(ii) 57% increase in market capitalisation

Market capitalisation (£m)



Notes:

(1) Market capitalisation based on Elite Commercial REIT's weighted average price of £0.6398 on the market day preceding the date of the Share Purchase Agreement.

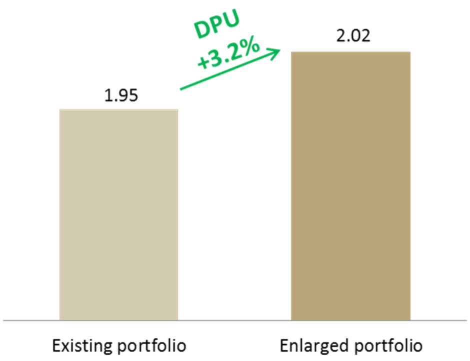
(2) Assuming the Consideration Units are issued at an Illustrative Price of £0.68. The Manager's primary objective is to pursue an Equity Fund Raising. Should the market conditions be non-conducive, the Manager may decide in the best interest of Unitholders to fund the Total Acquisition Outlay (save for the Acquisition Fee) through issuance of the Consideration Units, a drawdown of loan facilities and the Vendor's Loan, without the Equity Fund Raising. For illustrative purposes only, assuming this is funded by a drawdown of loan facilities and the Vendor's Loan totalling £125.5 million, the pro forma market capitalisation post transaction will be £304.9 million, an increase of 42.9% compared to the market capitalisation as of date of this Announcement. The above is purely for illustrative purposes only and depending on the market conditions, the proportion of debt and equity funding may differ which may in turn affect the financial effects of the Proposed Acquisition stated above.

5.5 DPU accretive, with attractive yields relative to Existing Portfolio

(i) 3.2% DPU accretion

3.2% DPU accretion, from 1.95 pence to 2.02 pence, assuming the transaction is financed through the issuance of Consideration Units and with a £30m Equity Fund Raising.[1]

Pro forma DPU (pence) (6 Feb 2020 – 30 June 2020)



(ii) Attractive rental yields relative to Existing Portfolio

The Existing Portfolio provides a rental yield of 7.3% but the Existing Portfolio does not include any properties located in London. The New Properties' portfolio provides a rental yield of 8.0% when the London properties are excluded. On a direct comparison basis, the New Properties provide an average of 70bps higher rental yield to the Existing Portfolio. The New Properties' London assets provide a rental yield of 4.3%[2] and account for 36% of the New Properties' portfolio.

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1 The Manager's primary objective is to pursue an Equity Fund Raising. Should the market conditions be non-conducive, the Manager may decide in the best interest of Unitholders to fund the Total Acquisition Outlay (save for the Acquisition Fee) through issuance of the Consideration Units, a drawdown of loan facilities and the Vendor's Loan, without the Equity Fund Raising. For illustrative purposes only, assuming this is funded by a drawdown of loan facilities and the Vendor's Loan totalling £125.5 million, the DPU accretion will be 8.3%. The above is purely for illustrative purposes only and depending on the market conditions, the proportion of debt and equity funding may differ which may in turn affect the financial effects of the Proposed Acquisition stated above.

2 Rental yield based on GRI per annum divided by valuation.

Existing Portfolio vs New Properties rental yield[1] (%)

Notes:
(1) Rental yield based on GRI per annum divided by portfolio valuation by Colliers

6. DETAILS AND FINANCIAL INFORMATION OF THE PROPOSED ACQUISITION

6.1 Pro Forma Financial Effects of the Proposed Acquisition

The pro forma financial effects of the Proposed Acquisition presented below are strictly for illustrative purposes. Given that Elite Commercial REIT was only listed on 6 February 2020, it does not have any audited financial statements. Accordingly, the pro forma financial effects of the Proposed Acquisition were prepared based on the unaudited financial statements of Elite Commercial REIT ("**1H2020 Unaudited Financial Statements**") and the Target SPVs for the financial period from 6 February 2020 to 30 June 2020, including (but not limited to) the following:

- the restructuring of the Target SPVs, which included the disposal of four properties to a related company of the Vendor, was completed prior to their acquisition by Elite Commercial REIT;
- the Proposed Acquisition took place on 6 February and the New Properties were held for the financial period from 6 February 2020 to 30 June 2020; and
- the Target SPVs had entered into the Property Management Agreements with Elite Real Estate Services Pte Ltd on 6 February 2020.

In addition, the following table sets out the key assumptions in respect of how the Total Acquisition Outlay would be financed.

£'million unless otherwise stated

Financing[1]	
Internal resources	1.0
Borrowings[2]	96.0
Consideration Units[3]	89.4
Acquisition Fee Units[4]	2.1
Equity Fund Raising[3]	30.0
Number of Units Issued (million)	179
Total Acquisition Outlay	
Total consideration[5]	212.5
Acquisition Fee[4]	2.1
Professional fees and expenses[6]	3.8

Notes:

(1) The Manager's primary objective is to pursue an Equity Fund Raising. Should the market conditions be non-conducive, the Manager may decide in the best interest of Unitholders to fund the Total Acquisition Outlay (save for the Acquisition Fee) through issuance of the Consideration Units, a drawdown of loan facilities and the Vendor's Loan, without the Equity Fund Raising. For illustrative purposes only, assuming this is funded by a drawdown of loan facilities and the Vendor's Loan totalling £125.5 million, and by the issue of Consideration Units and Acquisition Fee Units amounting to £89.4 million and £2.1 million respectively, the number of Units issued will be 135 million. The above is purely for illustrative purposes only and depending on the market conditions, the proportion of debt and equity funding may differ which may in turn affect the financial effects of the Proposed Acquisition stated above.

(2) Comprising external bank loans.

(3) Assuming Consideration Units and New Units issued under the Equity Fund Raising are issued at an Illustrative Price of £0.68.

(4) Issued at an Illustrative Price of £0.68.

(5) Comprising Purchase Consideration of £58.5 million, the Existing Shareholders' Loans of £40.2 million, and the External Bank Loan of £113.8 million.

(6) Such fees and expenses include due diligence costs, equity fund raising costs and acquisition costs such as legal expenses, loan related expenses, expenses relating to the appointment of the independent financial adviser and other professional costs

6.1.1 Pro Forma DPU

FOR ILLUSTRATIVE PURPOSE ONLY:

The pro forma financial effects of the Proposed Acquisition on Elite Commercial REIT's DPU for the financial period from 6 February 2020 to 30 June 2020, as if the Proposed Acquisition was completed on 6 February 2020 (being the listing date of Elite Commercial REIT) and Elite Commercial REIT held and operated the New Properties through to 30 June 2020, are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition[1]
Distributable Income (£'000)	6,517[2]	10,345
Issued Units (million)	333[3]	512

	Before the Proposed Acquisition	After the Proposed Acquisition[(1)]
DPU (pence)	1.95	2.02
Annualised DPU Accretion (%)	-	3.2
Annualised DPU Yield based on Illustrative Price (%)	7.2	7.5

Notes:

(1) The Manager's primary objective is to pursue an Equity Fund Raising. Should the market conditions be non-conducive, the Manager may decide in the best interest of Unitholders to fund the Total Acquisition Outlay (save for the Acquisition Fee) through issuance of the Consideration Units, a drawdown of loan facilities and the Vendor's Loan, without the Equity Fund Raising. For illustrative purposes only, assuming this is funded by a drawdown of loan facilities and the Vendor's Loan totalling £125.5 million, and assuming interest of 2.5% and 7.0% per annum is incurred on the External Bank Loan and Vendor's Loan respectively, the Distributable Income will be £9.9 million, the number of issued Units will be 468 million, the DPU will be 2.12 pence, the Annualised DPU Accretion will be 8.3% and the Annualised DPU yield based on Illustrative Price will be 7.8%. The above is purely for illustrative purposes only and depending on the market conditions, the proportion of debt and equity funding may differ which may in turn affect the financial effects of the Proposed Acquisition stated above.

(2) Based on the Distributable Income for the period from 6 February 2020 (being the listing date of Elite Commercial REIT) to 30 June 2020 as stated in the 1H 2020 Unaudited Financial Statements.

(3) Number of issued and issuable Units entitled to distribution as at 30 June 2020 as stated in the 1H 2020 Unaudited Financial Statements.

6.1.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSE ONLY:

The pro forma financial effects of the Proposed Acquisition on the NAV per Unit as at 30 June 2020, as if the Proposed Acquisition was completed on 30 June 2020, are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition[(1) (2)]
NAV (£'000)	203,225[(3)]	313,398[(4)]
Issued Units (million)	333[(5)]	512
NAV per Unit (£)	0.61	0.61

Notes:

(1) Assuming that the Consideration Units and New Units issued under the Equity Fund Raising are issued at an Illustrative Price of £0.68.

(2) The Manager's primary objective is to pursue an Equity Fund Raising. Should the market conditions be non-conducive, the Manager may decide in the best interest of Unitholders to fund the Total Acquisition Outlay (save for the Acquisition Fee) through issuance of the Consideration Units, a drawdown of loan facilities and the Vendor's Loan, without the Equity Fund Raising. For illustrative purposes only, assuming this is funded by a drawdown of loan facilities and the Vendor's Loan totalling £125.5 million, and assuming interest of 2.5% and 7.0% per annum is incurred on the External Bank Loan and Vendor's Loan respectively, the NAV will be £283.8 million, the number of

issued Units will be 468 million and the NAV per Unit will be £0.61. The above is purely for illustrative purposes only and depending on the market conditions, the proportion of debt and equity funding may differ which may in turn affect the financial effects of the Proposed Acquisition stated above.

(3) Based on the NAV as at 30 June 2020 as set out in the 1H 2020 Unaudited Financial Statements and the properties in the Existing Portfolio are stated at their fair values based on the average of the valuations of the properties by Colliers and Knight Frank LLP as at 31 August 2019 based on the price that would be received for the sale of each property, in accordance with the relevant accounting standard.

(4) Based on the NAV as described in note (3) above and the New Properties are stated at their fair values based on the valuations of the New Properties of £203.4 million by Colliers as at 14 August 2020 based on the price that would be received for the sale of each New Property, in accordance with the relevant accounting standard.

(5) Based on number of issued and issuable Units entitled to distribution as at 30 June 2020 as stated in the 1H 2020 Unaudited Financial Statements.

6.1.3 Aggregate Leverage

FOR ILLUSTRATIVE PURPOSE ONLY:

The pro forma financial aggregate leverage of Elite Commercial REIT as at 30 June 2020, assuming that the Proposed Acquisition, issuance of the Consideration Units, issuance of the New Units under the Equity Fund Raising, issuance of the Acquisition Fee Units and drawdown of loan facilities were completed on 30 June 2020, are as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition(1) (2)
Aggregate Leverage (pro forma as at 30 June 2020)	32.6%(3)	37.7%(4)

Notes:

(1) Assuming the Consideration Units and New Units issued under the Equity Fund Raising are issued at an Illustrative Price of £0.68.

(2) The Manager's primary objective is to pursue an Equity Fund Raising. Should the market conditions be non-conducive, the Manager may decide in the best interest of Unitholders to fund the Total Acquisition Outlay (save for the Acquisition Fee) through issuance of the Consideration Units, a drawdown of loan facilities and the Vendor's Loan, without the Equity Fund Raising. For illustrative purposes only, assuming this is funded by a drawdown of loan facilities and the Vendor's Loan totalling £125.5 million, the aggregate leverage will be 43.3%. The above is purely for illustrative purposes only and depending on the market conditions, the proportion of debt and equity funding may differ which may in turn affect the financial effects of the Proposed Acquisition stated above.

(3) As stated in the 1H2020 Unaudited Financial Statements and the Existing Properties are stated at their fair values based on the average of the valuations of the properties in the Existing Portfolio by Colliers and Knight Frank LLP as at 31 August 2019 (reconfirmed as of 31 December 2019) based on the price that would be received for the sale of each property, in accordance with the relevant accounting standard.

(4) Based on the aggregate leverage as described in note (3) above and the New Properties are stated at their fair values based on the valuations of the New Properties of £203.4 million by Colliers as at 14 August 2020 based on the price that would be received for the sale of each New Property, in accordance with the relevant accounting standard.

6.2 Requirement of Unitholders' Approval

6.2.1 Discloseable Transactions

Chapter 10 of the Listing Manual governs the acquisition or disposal of assets, including options to acquire or dispose of assets, by Elite Commercial REIT. Such transactions are classified into the following categories:

(a) non-discloseable transactions;

(b) discloseable transactions;

(c) major transactions; and

(d) very substantial acquisitions or reverse takeovers.

A transaction by Elite Commercial REIT may fall into any of the categories set out above depending on the size of the relative figures computed on the following bases of comparison:

(i) the NAV of the assets to be disposed of, compared with Elite Commercial REIT's NAV;

(ii) the net profits attributable to the assets acquired, compared with Elite Commercial REIT's net profits;

(iii) the aggregate value of the consideration given, compared with Elite Commercial REIT's market capitalisation; and

(iv) the number of Units issued by Elite Commercial REIT as consideration for an acquisition, compared with the number of Units previously in issue.

6.2.2 Relative figures computed on the bases set out in Rule 1006

The relative figures for the Proposed Acquisition using the applicable bases of comparison described in paragraph 6.2.1(ii), 6.2.1(iii) and 6.2.1(iv) above are set out in the table below.

Comparison of:	The Proposed Acquisition	Elite Commercial REIT	Relative figure (%)
Net property income (£ million)(1)	5.4(2)	9.1(3)	59.1%
Consideration and market capitalisation (£ million)	212.5	213.3(4)	99.6%
Consideration Units and number of Units (millions)	179	333(5)	53.6%(6)

Notes:

(1) In the case of a REIT, the NPI is a close proxy to the net profits attributable to its assets.

(2) Based on existing leases of New Properties for the period from 6 February 2020 to 30 June 2020.

(3) Based on the 1H2020 Unaudited Financial Statements.

(4) Market capitalisation based on Elite Commercial REIT's weighted average price of £0.6398 on the market day preceding the date of the Share Purchase Agreement.

(5) Total number of Units in issue as at 30 June 2020 as stated in the 1H 2020 Unaudited Financial Statements.

(6) The Manager's primary objective is to pursue an Equity Fund Raising. Should the market conditions be non-conducive, the Manager may decide in the best interest of Unitholders to fund the Total Acquisition Outlay (save for the Acquisition Fee) through issuance of the Consideration Units, a drawdown of loan facilities and the Vendor's Loan, without the Equity Fund Raising. For illustrative purposes only, assuming this is funded by a drawdown of loan facilities and the Vendor's Loan totalling £125.5 million, and by the issue of Consideration Units and Acquisition Fee Units amounting to £89.4 million and £2.1 million respectively, the number of Units issued will be 135 million and the relative figure will be 40.4%. The above is purely for illustrative purposes only and depending on the market conditions, the proportion of debt and equity funding may differ which may in turn affect the relative figures stated above.

The Manager is of the view that the Proposed Acquisition is in the ordinary course of Elite Commercial REIT's business as it is within the investment policy of Elite Commercial REIT and does not change the risk profile of Elite Commercial REIT. That said, the Proposed Acquisition constitutes an "interested person transaction" under Chapter 9 of the Listing Manual, as well as an "interested party transaction" under the Property Funds Appendix, in respect of which the specific approval of Unitholders is required.

6.2.3 Interested Person Transaction pursuant to the Listing Manual and Interested Party Transaction pursuant to the Property Funds Appendix

Under Chapter 9 of the Listing Manual, where Elite Commercial REIT proposes to enter into a transaction with an interested person (as defined in the Listing Manual) and the value of the transaction (either in itself or when aggregated with the value of other transactions, each of a value equal to or greater than S$100,000, with the same interested person during the same financial year) is equal to or exceeds 5% of Elite Commercial REIT's latest audited net tangible assets ("**NTA**"), Unitholders' approval is required in respect of the transaction.

In addition, Paragraph 5 of the Property Funds Appendix imposes a requirement for Unitholders' approval for an interested party transaction by Elite Commercial REIT whose value exceeds 5% of Elite Commercial REIT's latest audited NAV.

As Elite Commercial REIT was only listed on 6 February 2020, it does not have any audited financial statements. Based on the 1H2020 Unaudited Financial Statements, the NTA and the NAV of Elite Commercial REIT was £203.2 million respectively as at 30 June 2020. Accordingly, if the value of a transaction which is proposed to be entered into in the current financial year by Elite Commercial REIT with an interested person is, either in itself or in aggregation with all other earlier transactions (each of a value equal to or greater than S$100,000) entered into with the same interested person during the current financial year, equal to or in excess of £10.2 million, such a transaction would be subject to Unitholders' approval.

As at the date of this Announcement, EPH holds an interest in 68.0% of the total number of issued shares in the Manager and is accordingly a "controlling shareholder" of the Manager. As such, EPH is considered (under Chapter 9 of the Listing Manual) an "interested person" and (under the Property Funds Appendix) an "interested party".

As the Vendor is held by Elite UK Commercial Fund II, which is managed by a wholly-owned subsidiary of EPH (being EPC), and EPH is in turn a controlling shareholder of the Manager as well as a sponsor of Elite Commercial REIT, the Proposed Acquisition between Elite Commercial REIT and the Vendor (being a fund indirectly managed by EPH) will constitute an "interested person transaction" as defined under Chapter 9 of the Listing Manual and an "interested party transaction" as defined under the Property Funds Appendix .

As the Property Manager is a wholly-owned subsidiary of EPH, which is a "controlling shareholder" of the Manager as well as a sponsor of Elite Commercial REIT, for the purposes of Chapter 9 of the Listing Manual, the Property Manager is an "interested person" of Elite Commercial REIT.

Given that the aggregate of the Purchase Consideration, the Existing Shareholders' Loans and the External Bank Loan is estimated to be approximately £212.5 million, the value of the Property Management Agreements is estimated to be approximately £2.1 million and the 7% interest on the Vendor's Loan (of £10 million) is estimated to be approximately £0.7 million (constituting 106.0% of the NTA and NAV respectively of Elite Commercial REIT as at 30 June 2020), the value of the Proposed Acquisition itself exceeds the said thresholds. Therefore, the approval of Unitholders would be required in relation to the Proposed Acquisition pursuant to Chapter 9 if the Listing Manual and Paragraph 5 of the Property Funds Appendix, respectively.

As at the date of this announcement, other than the Proposed Acquisition, Elite Commercial REIT has not entered into any interested person transactions during the course of the current financial year.

6.3 Interest of Directors and Substantial Unitholders

As at the date of this announcement, Victor Song Chern Chean is both a Director of the Manager and a Director of EPH; Tan Hai Peng Micheal is both a Director of the Manager and a Director of EPH; Tan Dah Ching is both a Director of the Manager and a Director of Jin Leng Investments Pte. Ltd.; and Evan Cheah Yean Shin is both a Director of the Manager and a Director of Sunway RE Capital Pte. Ltd..[1] Further details of the interests in Units of the Directors and Substantial Unitholders[2] are set out below.

Based on the Register of Directors' Unitholdings maintained by the Manager, the Directors and their interests in the Units as at the date of this announcement are as follows:

Name of Director	Direct Interest		Deemed Interest		Total no. of Units held	%(1)
	No. of Units	%(1)	No. of Units	%(1)		
David Lim Teck Leong	500,000	0.15	-	-	500,000	0.15
Nicholas David Ashmore	-	-	-	-	-	-
Koo Tsai Kee	-	-	-	-	-	-

1 The shareholders of the Manager are EPH, Jin Leng Investments Pte. Ltd. and Sunway RE Capital Pte. Ltd.

2 "Substantial Unitholder" means a person with an interest in Units constituting not less than 5.0% of the total number of Units in issue

Name of Director	Direct Interest		Deemed Interest		Total no. of Units held	%(1)
	No. of Units	%(1)	No. of Units	%(1)		
Tan Huay Lim	-	-	-	-	-	-
Evan Cheah Yean Shin	-	-	-	-	-	-
Victor Song Chern Chean(2)	-	-	1,159,712	0.35	1,159,712	0.35
Tan Dah Ching	53	0	-	-	53	0
Tan Hai Peng Micheal(3)	147,095	0.04	37,262,801	11.2	37,409,896	11.2
Tan Kok Heng	-	-	-	-	-	-

Notes:

(1) The percentage interest is based on total issued Units of 333,379,707 as at the date of this announcement.

(2) Victor Song Chern Chean holds 22.5% of the share capital of EPH. EPH holds 68% of the share capital of the Manager, which holds 1,159,712 Units in Elite Commercial REIT. Therefore, Victor Song Chern Chean is deemed to be interested in 1,159,712 Units held by the Manager.

(3) Tan Hai Peng Micheal holds 36.0% of the share capital of Teck Lee Holdings Pte. Ltd. ("**TLH**"). TLH holds 81.25% of the share capital of Ho Lee Group Pte. Ltd. ("**HLG**"). HLG holds 50% of the share capital of EPH. EPH holds 68% of the share capital of the Manager, which holds 1,159,712 Units in Elite Commercial REIT. Therefore, Tan Hai Peng Micheal is deemed to be interested in 1,159,712 Units held by the Manager.Ho Lee Group Trust holds 35,882,406 Units. Further, Tan Hai Peng Micheal is a beneficiary of Ho Lee Group Trust, and therefore is deemed to be interested in the 35,882,406 Units held by Ho Lee Group Trust. Tan Hai Peng Micheal is also deemed interested in 220,683 Units held by his wife, Kan Phui Lin.

Based on the Register of Substantial Unitholders' Unitholdings maintained by the Manager, the Substantial Unitholders and their interests in the Units as at the date of this announcement are as follows:

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total no. of Units held	%(1)
	No. of Units	%(1)	No. of Units	%(1)		
Ho Lee Group Trust	35,882,406	10.8	-	-	35,882,406	10.8
Tan Thuan Teck(2)	-	-	35,882,406	10.8	35,882,406	10.8
Tan Hai Seng Benjamin(3)	-	-	35,882,406	10.8	35,882,406	10.8
Tan Yong Hiang Priscilla(4)	-	-	35,882,406	10.8	35,882,406	10.8
Seow Whye Pheng(5)	-	-	35,882,406	10.8	35,882,406	10.8
Seow Hywe Min(6)	-	-	35,882,406	10.8	35,882,406	10.8
Seow Whye Teck(7)	-	-	35,882,406	10.8	35,882,406	10.8
Seow Hwye Tiong(8)	-	-	35,882,406	10.8	35,882,406	10.8
Loh Guik Kiang(9)	-	-	35,882,406	10.8	35,882,406	10.8
Sunway RE Capital	27,205,965	8.16	-	-	27,205,965	8.16

Name of Substantial Unitholders	Direct Interest		Deemed Interest		Total no. of Units held	%(1)
	No. of Units	%(1)	No. of Units	%(1)		
Pte. Ltd.						
Sunway City Sdn. Bhd.(10)	-	-	27,205,965	8.16	27,205,965	8.16
Sunway Berhad(11)	-	-	27,205,965	8.16	27,205,965	8.16
Sungei Way Corporation Sdn. Bhd.(12)			27,205,965	8.16	27,205,965	8.16
Active Equity Sdn. Bhd.(13)	-	-	27,205,965	8.16	27,205,965	8.16
Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO(14)	-	-	27,205,965	8.16	27,205,965	8.16

Notes:

(1) The percentage interest is based on total issued Units of 333,379,707 as at the date of this announcement.

(2) Tan Thuan Teck is a beneficiary of Ho Lee Group Trust and therefore is deemed to be interested in the Units held by Ho Lee Group Trust.

(3) Tan Hai Seng Benjamin is a beneficiary of Ho Lee Group Trust and therefore is deemed to be interested in the Units held by Ho Lee Group Trust.

(4) Tan Yong Hiang Priscilla is a beneficiary of Ho Lee Group Trust and therefore is deemed to be interested in the Units held by Ho Lee Group Trust.

(5) Seow Whye Pheng is a beneficiary of Ho Lee Group Trust and therefore is deemed to be interested in the Units held by Ho Lee Group Trust.

(6) Seow Hywe Min is a beneficiary of Ho Lee Group Trust and therefore is deemed to be interested in the Units held by Ho Lee Group Trust.

(7) Seow Whye Teck is a beneficiary of Ho Lee Group Trust and therefore is deemed to be interested in the Units held by Ho Lee Group Trust.

(8) Seow Hwye Tiong is a beneficiary of Ho Lee Group Trust and therefore is deemed to be interested in the Units held by Ho Lee Group Trust.

(9) Loh Guik Kiang is a beneficiary of Ho Lee Group Trust and therefore is deemed to be interested in the Units held by Ho Lee Group Trust.

(10) Sunway City Sdn. Bhd.'s deemed interest arises from the interest held by Sunway RE Capital Pte. Ltd., which is 100.0% owned by Sunway City Sdn. Bhd..

(11) Sunway Berhad's deemed interest arises from the deemed interest held by Sunway City Sdn. Bhd., which is 100.0% owned by Sunway Berhad.

(12) Sungei Way Corporation Sdn. Bhd.'s deemed interest arises from its 56.77% shareholding in Sunway Berhad, which wholly owns Sunway City Sdn. Bhd, which in turn wholly owns Sunway RE Capital Pte. Ltd..

(13) Active Equity Sdn. Bhd's deemed interest arises from its 100.0% shareholding in Sungei Way Corporation Sdn. Bhd., which holds an interest in Sunway Berhad, which in turn wholly owns Sunway City Sdn. Bhd., which in turn wholly owns Sunway RE Capital Pte. Ltd..

(14) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling AO's deemed interest arises from his 60.0% shareholding in Active Equity Sdn. Bhd., which wholly owns Sungei Way Corporation Sdn. Bhd., which in turn holds 56.77% interest in Sunway Berhad. Sunway Berhad is wholly owned by Sunway City Sdn. Bhd., which in turn wholly owns Sunway RE Capital Pte. Ltd..

6.4 Directors' Service Contracts

No person is proposed to be appointed as a director of the Manager in connection with the Proposed Acquisition or any other transactions contemplated in relation to the Proposed Acquisition.

7. AUDIT AND RISK COMMITTEE STATEMENT

The audit and risk committee of the Manager will obtain an opinion from Deloitte & Touche Corporate Finance Ltd (the "**IFA**"), which has been appointed as the independent financial adviser, on the Proposed Acquisition before forming its view.

The opinion of the IFA as to whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of Elite Commercial REIT and its minority Unitholders will be disclosed in the Circular.

8. DOCUMENTS FOR INSPECTION

A copy of the following documents is available for inspection during normal business hours at the registered office of the Manager located at 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989 for a period of three months commencing from the date of this announcement, prior appointment would be appreciated:

(i) the Share Purchase Agreement;

(ii) the valuation report on the New Properties issued by Colliers; and

(iii) the valuation report on the New Properties issued by BNP Paribas.

The trust deed constituting Elite Commercial REIT, entered into on 7 June 2018 as may be amended from time to time, will also be available for inspection at the registered office of the Manager for so long as Elite Commercial REIT is in existence.

BY ORDER OF THE BOARD
Shaldine Wang
Chief Executive Officer

Elite Commercial REIT Management Pte. Ltd.
(Company Registration No. 201925309R)
as manager of Elite Commercial REIT

19 October 2020

IMPORTANT NOTICE

This announcement is not for distribution, directly or indirectly, in or into the United States ("U.S.") and is not an offer of securities for sale in the U.S. 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 offer to purchase or subscribe for any securities of Elite Commercial REIT in Singapore, the U.S. 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 the Manager, Perpetual (Asia) Limited (as trustee of Elite Commercial REIT) 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. Unitholders have no right to request that the Manager 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. 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 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 and occupancy, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on the Manager's current view of future events.

Appendix A

	Property	Address	Region	Total Area (sq ft)	Tenure	WAULT[1] (to break) (years)	WAULT[1] (to expiry) (years)	Valuation by Colliers[2] (£m)	Valuation by BNP Paribas[3] (£m)	Agreed New Properties Value (£m)
1	Crown House	Crown House, 30 Main Road, Romford, RM1 3HH	London	34,279	Freehold	7.6	7.6	12.2	11.5	12.2
2	Medina Road	53-53 Medina Road, Finsbury Park, London, N7 7JX	London	15,366	Freehold	7.6	7.6	6.4	6.6	6.4
3	Raydean House	Raydean House, 15 Western Parade, Barnet, EN5 1AH	London	21,958	Freehold	7.6	7.6	8.3	7.9	8.3
4	Oates House	Oates House, 1 Tramway Avenue, London, E15 4PN	London	14,659	Freehold	7.6	7.6	8.6	8.4	8.6
5	Collyer Court	Collyer Court, Collyer Place, Peckham, SE15 5DL	London	15,586	Freehold	7.6	7.6	8.4	8.3	8.4
6	Peckham High Street	24-26 Peckham High Street, SE15 5DS	London	17,967	Freehold	7.6	7.6	9.6	9.5	9.6
7	Broadway House	Broadway House, 86-92 Uxbridge Road, Ealing, London, W13 8RA	London	17,218	Freehold	7.6	7.6	10.9	10.6	10.9
8	Finchley Lane	Crown Building, 10 Finchley Lane, Hendon, London, NW4 1DP	London	15,424	Freehold	7.6	7.6	5.6	5.6	5.6
9	Kilner House	Kilner House, 197 Freemasons Road, London, E16 3PD	London	13,145	Freehold	7.6	7.6	6.3	6.1	6.3
10	Tonbridge Crown Buildings	Crown Buildings, Bradford Street, Tonbridge, TN9 1DU	South East	10,549	Freehold	7.6	7.6	3.0	2.9	3.0
11	Medwyn House	Medwyn House, Mountfield Road, Lewes, BN7 2XR	South East	23,218	Freehold	7.6	7.6	6.0	5.8	6.0
12	Speke Road	Jobcentre Plus, Speke Road, Garston, Liverpool, L19 2JZ	North West	8,317	Freehold	2.6	7.6	0.7	0.7	0.7
13	Openshaw Job Centre	Jobcentre Plus, Cornwall Street, Manchester, M11 2WR	North West	12,925	Freehold	2.6	7.6	0.8	0.8	0.8
14	Premier House	Premier House, 95 Breckfield Road North, Liverpool, L5 4QY	North West	9,476	Freehold	2.6	7.6	0.8	0.7	0.8
15	Station Road	64-66 Station Road, Port Talbot, SA13 1LX	Wales	8,793	Freehold	2.6	7.6	0.8	0.7	0.8
16	Chester Le Street Crown Buildings	Crown Buildings, Station Road, Chester Le Street, DH3 3AB	North East	10,490	Freehold	2.6	7.6	0.9	0.8	0.9
17	Rhyl High Street	Jobcentre Plus, 80 High Street, Rhyl, LL18 1UB	Wales	9,452	Freehold	2.6	7.6	0.9	0.7	0.9
18	South Muirhead Road	3 South Muirhead Road, Cumbernauld, Glasgow, G67 1AX	Scotland	9,097	Freehold	2.6	7.6	0.9	0.9	0.9
19	Washwood Heath Road	Jobcentre Plus, 295 Washwood Heath Road, Birmingham, B8 2XX	Midlands	14,922	Freehold	2.6	7.6	1.0	0.9	1.0
20	Centurion House	Centurion House, Bank Street, Castleford, WF10 1HY	Yorkshire	11,238	Freehold	2.6	7.6	1.0	1.0	1.0
21	Saxon Mill Lane	Jobcentre Plus, 90 Saxon Mill Lane, Tamworth, B79 7JJ	Midlands	10,698	Freehold	2.6	7.6	1.4	1.4	1.4

	Property	Address	Region	Total Area (sq ft)	Tenure	WAULT[1] (to break) (years)	WAULT[1] (to expiry) (years)	Valuation by Colliers[2] (£m)	Valuation by BNP Paribas[3] (£m)	Agreed New Properties Value (£m)
22	George Street	Thoroughsale House, George Street, Corby, NN17 1PH	Midlands	8,847	Freehold	2.6	7.6	1.3	1.3	1.3
23	Great Moore Street	Jobcentre Plus, Great Moor Street, Bolton, BL3 6DT	North West	13,842	Freehold	2.6	7.6	1.3	1.3	1.3
24	Queen's House	Queens House, St Levan Road, Plymouth, PL2 3BD	South West	14,094	Freehold	2.6	7.6	1.4	1.3	1.4
25	Leeds Road	373 Leeds Road, Bradford, BD3 9LT	Yorkshire	22,224	Freehold	2.6	7.6	1.5	1.3	1.5
26	Irish Street	67-75 Irish Street, Dumfries, DG1 2NU	Scotland	12,303	Freehold	2.6	7.6	1.4	1.1	1.4
27	Bilston High Street	Jobcentre Plus, 14 High Street, Bilston, WV14 0DB	Midlands	10,779	Freehold	2.6	7.6	1.7	1.6	1.7
28	Windsor Road	1 Windsor Road, Neath, SA11 1LY	Wales	15,817	Freehold	2.6	7.6	1.5	1.4	1.5
29	Chantry House	Chantry House, Douglas Street, Rotherham, S60 2DL	Yorkshire	20,618	Freehold	2.6	7.6	1.6	1.8	1.6
30	Cardwell Place	33 Cardwell Place, Blackburn, Lancashire, BB2 1LG	North West	15,386	Freehold	2.6	7.6	1.0	1.2	1.0
31	Scotland House	Scotland House, 169 Lower High Street, Stourbridge, DY8 1ES	Midlands	12,452	Freehold	2.6	7.6	1.8	1.7	1.8
32	Afon House	Afron House, The Park, Newtown, SY16 2PZ	Wales	19,160	Freehold	2.6	7.6	1.7	1.4	1.7
33	Brunswick House	Brunswick House, 17-21 Price Street, Birkenhead, CH41 6JN	North West	27,956	Freehold	2.6	7.6	2.1	1.8	2.1
34	Charles Street	2-6 Charles Street, Newport, NP20 1JR	Wales	18,334	Freehold	2.6	7.6	2.2	2.0	2.2
35	Castle House	Jobcentre Plus, 8 Market Street, Huddersfield, HD1 2NE	Yorkshire	20,389	Leasehold (125 years)	2.6	7.6	2.7	2.7	2.7
36	New River House	New Reiver House, Roxburgh Street, Galashiels, TD1 1PD	Scotland	21,216	Freehold	2.6	7.6	2.8	2.2	2.8
37	Bristol Road South	1300 Bristol Road South, Northfield, Birmingham, B31 2TQ	Midlands	18,996	Freehold	2.6	7.6	4.3	4.1	4.3
38	Victoria Road	26 Victoria Road, Kirkcaldy, Fife, KY1 1EA	Scotland	45,884	Freehold	2.6	7.6	4.5	3.2	4.5
39	Blackpool Norcross Lane - Tomlinson House	Tomlinson House, Norcross, Thornton Cleveleys, Blackpool, FY5 3WP	North West	89,179	Freehold	2.6	7.6	10.5	10.2	10.5
40	Bridge House	Bridge House, 28 Wheldon Road, Castleford, WF10 2JD	Yorkshire	12,949	Freehold	2.6	7.6	1.0	0.8	1.0
41	Blackburn House	Blackburn House, 1 Theatre Street, NR2 1RG	Eastern	9,302	Leasehold (83 years)	9.5	9.5	1.5	1.4	1.5
42	Bradmarsh Business Park	Bradmarsh Business Park, Bow Bridge, Rotherham, S60 1BX	Yorkshire	12,054	Freehold	2.7	2.7	1.2	1.4	1.2
43	Chantry House	Chantry House, 55-59 City Road and Crew Street, Chester, CH1 3AQ	North West	34,847	Freehold	2.6	7.7	5.3	4.9	5.3

	Property	Address	Region	Total Area (sq ft)	Tenure	WAULT[1] (to break) (years)	WAULT[1] (to expiry) (years)	Valuation by Colliers[2] (£m)	Valuation by BNP Paribas[3] (£m)	Agreed New Properties Value (£m)
44	Cyppa Court	Cyppa Court, Chippenham, SN15 3LH	South West	12,299	Freehold	2.6	7.6	2.1	1.9	2.1
45	Great Oaks House	Great Oaks House, Great Oaks, Basildon, SS14 1JE	Eastern	54,432	Leasehold (983 years)	7.6	7.6	9.0	8.6	9.0
46	Great Western House	Great Western House, Woodside, Birkenhead, CH41 6DA	North East	80,141	Freehold	7.6	7.6	9.1	7.5	9.1
47	Hanover House	Hanover House, Northgate, Bridgwater, TA6 3HG	South West	21,598	Freehold	2.6	7.6	2.1	2.1	2.1
48	Ladywell House	Ladywell House, Edinburgh EH12 7TF	Scotland	54,622	Freehold	2.5	9.5	7.4	9.3	7.4
49	Lindsay House	Lindsay House, 18-30 Ward Road, Dundee, DD1 1NE	Scotland	38,803	Freehold	2.6	7.6	4.7	4.4	4.7
50	29 Newport Road, Cardiff	Ty Cambria, 29 Newport Road, Cardiff, CF24 0TP	Wales	33,749	Freehold	3.0	8.0	4.9	5.2	4.9
51	Phoenix House	Phoenix House, Rushton Avenue, Leeds Old Road, Bradford, BD3 7BH	Yorkshire	37,649	Freehold	2.2	2.2	4.4	4.5	4.4
52	Portland House	Portland House, West Dyke Road, Redcar, TS10 1DH	Yorkshire	9,559	Freehold	2.6	7.7	0.9	0.8	0.9
53	Sidlaw House	Sidlaw House, Dundee, DD2 1DX	Scotland	61,250	Freehold	1.9	6.9	6.0	5.9	6.0
54	St Katherine's House	St Katherine's House, 21-27 St Katherine's Street, Northampton, NN1 1RS	Midlands	27,745	Freehold	3.4	3.4	2.1	2.5	2.1
55	Temple House	Temple House, Wolverhampton, WV2 4AU	Midlands	27,523	Freehold	2.6	7.6	3.0	3.1	3.0
56	Theatre Buildings	Theatre Buildings, Billingham, TS23 2NA	North East	7,261	Freehold	2.6	7.6	0.7	0.6	0.7
57	Units 1-2 Dallas Court	Units 1-2, Dallas Court, Salford, M50 2GF	North West	16,044	Leasehold (91 years)	3.8	3.8	1.5	1.7	1.5
58	St. Cross House	St Cross House, 18 Bernard Street, Southampton, SO14 3PJ	South East	42,985	Freehold	2.6	7.7	5.5	5.7	5.5

Notes:

(1) As of 14 August 2020.

(2) The aggregate valuation of the New Properties by Colliers is £212,540,000. Any difference between the aggregate valuation and the sum of the figures for each of the New Properties stated in the table is due to rounding to 1 decimal point for each New Property.

(3) The aggregate valuation of the New Properties by BNP Paribas is £205,242,500. Any difference between the aggregate valuation and the sum of the figures for each of the New Properties stated in the table is due to rounding to 1 decimal point for each New Property.