(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.

ADMISSION OF ELITE UK COMMERCIAL HOLDINGS LIMITED ON THE INTERNATIONAL STOCK EXCHANGE

1. INTRODUCTION

Further to the announcement made on 4 June 2021, 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 ("**ECHL**"), a wholly owned subsidiary of Elite Commercial REIT, has been successfully listed [1] on The International Stock Exchange (the "**TISE**") with effect from **26 August 2021**;

(ii) The official Notice under section 523 Corporation Tax Act 2010 ("**CTA 2010**") for ECHL and its subsidiaries to become a group UK Real Estate Investment Trust ("**UK REIT**") under Part 12 CTA 2010 has been submitted; and

(iii) 100% of the shares in ECHL has been transferred from Regal Sheen Investment Limited ("**RSIL**"), a wholly owned subsidiary of Elite Commercial REIT, to Perpetual (Asia) Limited, in its capacity as trustee of Elite Commercial REIT (the "**Trustee**").

2. RATIONALE AND KEY BENEFITS

The admission of ECHL on TISE is a required step for ECHL and its subsidiaries to qualify as a UK REIT group and to enjoy UK corporation tax exemption for its UK property rental business income and gains under the UK REIT regime. The Manager believes that the tax treatment of Elite Commercial REIT will therefore be broadly on par with that of other UK REITs and will bring the following key benefits to Unitholders:

(i) It is expected that any property rental business income of the UK REIT will be

1 The listing of ECHL on TISE is a technical listing and 100% of the shares in ECHL will continue to be held by Elite Commercial REIT.

exempt from UK corporation tax at 19%. Pursuant to the Double Taxation Treaty between the UK and Singapore, any UK withholding tax applicable on UK property income distributed by ECHL to Elite Commercial REIT is expected to be limited to 15%.

(ii) Any future tax on latent capital gains (and its corresponding provision of deferred tax liabilities) of the properties currently held by Elite Commercial REIT is expected to be eliminated.

(iii) Competitive advantage over non-UK REITs for future corporate acquisitions as any unrealised gains (and its corresponding provision of deferred tax liabilities) on the properties is expected to be eliminated on acquisition.

(iv) The elimination of any future tax on gains as mentioned in (ii) and (iii) would better position Elite Commercial REIT for future capital recycling efforts.

(v) Future-proofing the capital structure of Elite Commercial REIT through exemption from UK corporation tax, which is at currently 19% and is expected to rise to 25% from 1 April 2023.

The listing of ECHL on TISE is a technical listing and 100% of the shares in ECHL will continue to be held by Elite Commercial REIT. For the avoidance of doubt, the listing on TISE does **not** involve any divestment or dilution of Elite Commercial REIT's shareholding in ECHL.

RSIL, having to transfer its investment in ECHL to Elite Commercial REIT, is now a stand-alone subsidiary of Elite Commercial REIT. RSIL is undergoing liquidation and the Manager does not expect the liquidation of RSIL to have any material impact to the consolidated net tangible assets or distributable income of Elite Commercial REIT. The elimination and liquidation of RSIL was done to facilitate the technical listing.

3. FINANCIAL INFORMATION

The pro forma financial effects of the listing presented below are strictly for illustrative purposes only. Accordingly, the pro forma financial effects of the listing were prepared based on Elite Commercial REIT's unaudited condensed interim consolidated financial statements and dividend announcement for the six months ended 30 June 2021 ("**1H2021 Unaudited Financial Statements**"), including (but not limited to) the following assumptions:

- The listing of ECHL on TISE was completed as of 1 January 2021;
- The elimination and liquidation of RSIL from the structure of Elite Commercial REIT has taken place as of 1 January 2021;
- RSIL transferred its investment in ECHL to Elite Commercial REIT at cost. There was no gain or loss arising from the transfer;
- The intercompany loan of Elite Gemstones Properties Limited was increased from approximately £13 million to £111 million, at an interest rate of 5%;
- The property rental business income in UK is exempted from UK corporate tax under the UK REIT regime;

- ECHL distributes at least 90% of its rental income profit to Elite Commercial REIT and the distribution is subject to net withholding tax of 15%, pursuant to the Double Taxation Treaty between the UK and Singapore; and
- Elimination of deferred tax provision on latent capital gains for the investment properties held by Elite Commercial REIT upon ECHL's entry into the UK REIT regime.

3.1 Pro Forma DPU
FOR ILLUSTRATIVE PURPOSE ONLY:

The pro forma financial effects of the listing on Elite Commercial REIT's Distribution per Unit ("**DPU**") for the financial period from 1 January 2021 to 30 June 2021, as if the listing was completed on 1 January 2021 are as follows:

	Before Qualification as a UK REIT	After Qualification as a UK REIT	Variance (%)
Tax Expense (£'000)	(3,558)	4,552(1)	n.m.
(Loss)/profit after tax (£'000)	(5,429)(2)	2,635(2)	n.m.
Distributable Income (£'000)	11,161	11,561(3)	3.6%
Distribution per Unit (pence)	2.63	2.71	3.0%

n.m. - not meaningful

Notes:

(1) The change in tax expense from -£3.6 million to £4.5 million is due to the reversal of deferred tax expense provision of £7.7 million and reduction in current tax expenses of £0.4 million.
(2) Included in (loss)/profit after tax is fair value loss on investment properties of £13.1 million.
(3) The increase in distributable income from £11.2 million to £11.6 million is mainly due to reduction in current tax expenses of £0.4 million.

3.2 Pro Forma NAV

FOR ILLUSTRATIVE PURPOSE ONLY:

The pro forma financial effects of the listing on the Net Asset Value ("**NAV**") per Unit as of 30 June 2021, as if the listing was completed on 1 January 2021, are as follow:

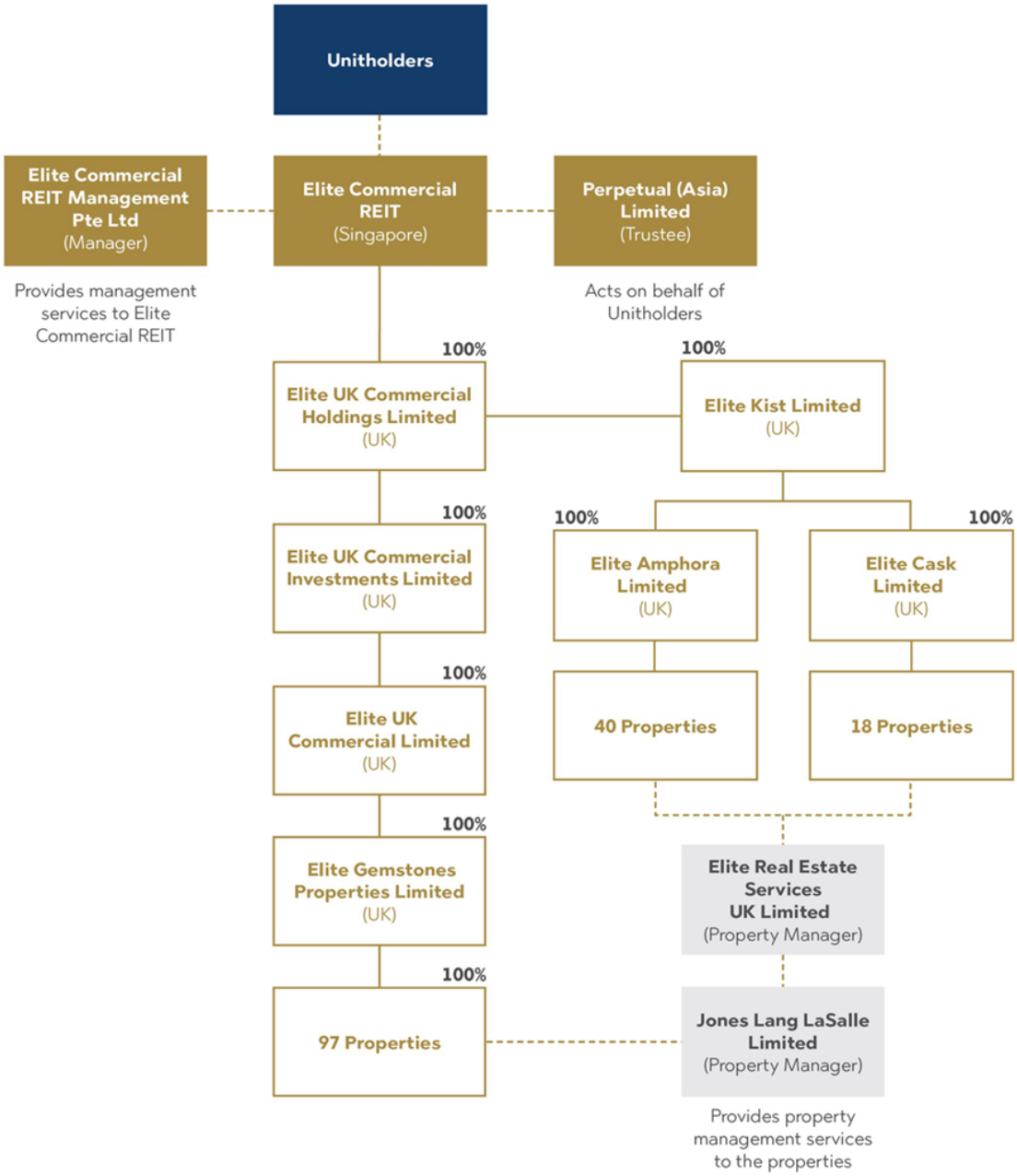
	Before Qualification as a UK REIT	After Qualification as a UK REIT	Variance (%)
Deferred tax liabilities (£'000)	7,702	-	n.m.
NAV (£'000)	293,115	301,219(1)	2.8%
Issued Units ('000)	471,363	471,424(2)	n.m.
NAV per Unit (£)	0.62	0.64	3.2%

n.m. - not meaningful

Notes:

(1) Due to the reversal of deferred tax liabilities of £7.7 million and reduction in current tax expenses of £0.4 million.
(2) Due to the increase in Manager's Management Fees paid in Units which aligns to the increase in Distributable Income.

4. UPDATED TRUST STRUCTURE[1]



1 As of the date of announcement, RSIL, having to transfer its investment in ECHL to Elite Commercial REIT, is a stand-alone subsidiary of Elite Commercial REIT. RSIL is undergoing liquidation and the Manager does not expect the liquidation of RSIL to have any material impact to the consolidated net tangible assets or distributable income of Elite Commercial REIT.

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

27 August 2021

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.