



ELITE UK REIT

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

**Unaudited Condensed Interim Consolidated Financial Statements and
Dividend Announcement for the Six Months ended 30 June 2024**

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ELITE UK REIT

Elite UK REIT and its subsidiaries
Condensed Interim Financial Statements
Six Months ended 30 June 2024

(I) Unaudited Condensed Interim Consolidated Financial Statements

A. Condensed interim statements of financial position

| | Note | Group | | Trust | |
|---|------|--------------------|---------------------|--------------------|---------------------|
| | | 30/6/2024 £'000 | 31/12/2023 £'000 | 30/6/2024 £'000 | 31/12/2023 £'000 |
| Non-current assets | | | | | |
| Investment properties | 5 | 416,180 | 413,719 | - | - |
| Investments in subsidiaries | 6 | - | - | - | - |
| Financial derivatives | | 417 | 483 | - | - |
| Notes receivable | 7 | - | - | 189,763 | 192,029 |
| | | 416,597 | 414,202 | 189,763 | 192,029 |
| Current assets | | | | | |
| Prepayment for capital expenditure | 5 | 8,260 | 6,152 | - | - |
| Trade and other receivables | 8 | 5,092 | 2,873 | 63,591 | 27,260 |
| Tax recoverable | | 548 | - | 548 | - |
| Cash and cash equivalents | 9 | 15,887 | 20,816 | 212 | 442 |
| | | 29,787 | 29,841 | 64,351 | 27,702 |
| Total assets | | 446,384 | 444,043 | 254,114 | 219,731 |
| Non-current liabilities | | | | | |
| Loans and borrowings | 10 | 14,972 | 94,024 | 14,972 | 11,165 |
| Lease liabilities | | 1,217 | 1,221 | - | - |
| | | 16,189 | 95,245 | 14,972 | 11,165 |
| Current liabilities | | | | | |
| Loans and borrowings | 10 | 177,830 | 126,288 | - | - |
| Lease liabilities | | 8 | 8 | - | - |
| Trade and other payables | 12 | 3,966 | 4,758 | 354 | 650 |
| Deferred income | 13 | 9,052 | 8,860 | - | - |
| Current tax liabilities | | 1,446 | 1,642 | - | - |
| | | 192,302 | 141,556 | 354 | 650 |
| Total liabilities | | 208,491 | 236,801 | 15,326 | 11,815 |
| Net assets | | 237,893 | 207,242 | 238,788 | 207,916 |
| Represented by: | | | | | |
| Units in issue | 14 | 336,442 | 308,337 | 336,442 | 308,337 |
| Unit issue costs | | (6,330) | (5,903) | (6,330) | (5,903) |
| Accumulated losses | | (92,219) | (95,192) | (91,324) | (94,518) |
| Unitholders' funds | | 237,893 | 207,242 | 238,788 | 207,916 |
| Number of Units in issue ('000) | 14 | 587,086 | 482,966 | 587,086 | 482,966 |
| Net asset value per Unit attributable to unitholders (£) | 15 | 0.41 | 0.43 | 0.41 | 0.43 |

B. Condensed interim consolidated statement of comprehensive income

| | Note | 6 months ended 30/6/2024 £'000 | 6 months ended 30/6/2023 £'000 |
|---|------|--------------------------------------|--------------------------------------|
| Revenue | 16 | 18,097 | 19,098 |
| Other property income | 17 | 1,496 | 2,242 |
| Property operating expenses | | (1,376) | (1,343) |
| Net property income | | 18,217 | 19,997 |
| Manager's management fee | | (919) | (934) |
| Trustee's fee | | (53) | (55) |
| Other trust expenses | | (854) | (620) |
| Finance income | | 94 | 1,950 |
| Finance costs | | (5,683) | (5,937) |
| Net finance costs | 18 | (5,589) | (3,987) |
| Net change in fair value of investment properties | 5 | 1,417 | (4,040) |
| Profit before tax | | 12,219 | 10,361 |
| Tax expense | 19 | (1,448) | (1,428) |
| Profit after tax | | 10,771 | 8,933 |
| Earnings per Unit (pence) | | | |
| Basic | 20 | 1.87 | 1.85 |
| Diluted | 20 | 1.87 | 1.85 |

C. Condensed interim statement of movements in unitholders' funds

| Group | Units in issue £'000 | Unit issue costs £'000 | Accumulated losses £'000 | Total £'000 |
|--|-------------------------|---------------------------|--------------------------------|-----------------|
| At 1 January 2024 | 308,337 | (5,903) | (95,192) | 207,242 |
| <u>Total comprehensive income for the period</u> | | | | |
| Profit for the period | - | - | 10,771 | 10,771 |
| Total comprehensive income for the period | - | - | 10,771 | 10,771 |
| <u>Transactions with unitholders, recognised directly in unitholders' funds</u> | | | | |
| Units issued under preferential offering | 27,906 | - | - | 27,906 |
| Unit issue costs | - | (427) | - | (427) |
| Units issued under distribution reinvestment plan | 199 | - | - | 199 |
| Distribution to unitholders | - | - | (7,798) | (7,798) |
| Total transactions with unitholders for the period | 28,105 | (427) | (7,798) | 19,880 |
| At 30 June 2024 | 336,442 | (6,330) | (92,219) | 237,893 |
| At 1 January 2023 | 307,611 | (5,903) | (53,807) | 247,901 |
| <u>Total comprehensive income for the period</u> | | | | |
| Profit for the period | - | - | 8,933 | 8,933 |
| Total comprehensive income for the period | - | - | 8,933 | 8,933 |
| <u>Transactions with unitholders, recognised directly in unitholders' funds</u> | | | | |
| Units issued under distribution reinvestment plan | 492 | - | - | 492 |
| Distribution to unitholders | - | - | (10,826) | (10,826) |
| Total transactions with unitholders for the period | 492 | - | (10,826) | (10,334) |
| At 30 June 2023 | 308,103 | (5,903) | (55,700) | 246,500 |



ELITE UK REIT

Elite UK REIT and its subsidiaries
Condensed Interim Financial Statements
Six Months ended 30 June 2024

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

| Trust | Units in issue £'000 | Unit issue costs £'000 | Accumulated losses £'000 | Total £'000 |
|--|-------------------------|---------------------------|--------------------------------|-----------------|
| At 1 January 2024 | 308,337 | (5,903) | (94,518) | 207,916 |
| <u>Total comprehensive income for the period</u> | | | | |
| Profit for the period | - | - | 10,992 | 10,992 |
| Total comprehensive income for the period | - | - | 10,992 | 10,992 |
| <u>Transactions with unitholders, recognised directly in unitholders' funds</u> | | | | |
| Units issued under preferential offering | 27,906 | - | - | 27,906 |
| Unit issue costs | - | (427) | - | (427) |
| Units issued under distribution reinvestment plan | 199 | - | - | 199 |
| Distribution to unitholders | - | - | (7,798) | (7,798) |
| Total transactions with unitholders for the period | 28,105 | (427) | (7,798) | 19,880 |
| At 30 June 2024 | 336,442 | (6,330) | (91,324) | 238,788 |
| At 1 January 2023 | 307,611 | (5,903) | (54,112) | 247,596 |
| <u>Total comprehensive income for the period</u> | | | | |
| Profit for the period | - | - | 5,605 | 5,605 |
| Total comprehensive income for the period | - | - | 5,605 | 5,605 |
| <u>Transactions with unitholders, recognised directly in unitholders' funds</u> | | | | |
| Units issued under distribution reinvestment plan | 492 | - | - | 492 |
| Distribution to unitholders | - | - | (10,826) | (10,826) |
| Total transactions with unitholders for the period | 492 | - | (10,826) | (10,334) |
| At 30 June 2023 | 308,103 | (5,903) | (59,333) | 242,867 |

D Condensed interim consolidated statement of cash flows

| | Note | 6 months ended 30/6/2024 £'000 | 6 months ended 30/6/2023 £'000 |
|--|------|--------------------------------------|--------------------------------------|
| Cash flows from operating activities | | | |
| Profit before tax | | 12,219 | 10,361 |
| Adjustments for: | | | |
| Effect of recognising rental income on a straight-line basis over the lease term | | 515 | (368) |
| Finance income | | (94) | (1,950) |
| Finance costs | | 5,683 | 5,937 |
| Net change in fair value of investment properties | | (1,417) | 4,040 |
| Unrealised foreign exchange loss | | 1 | 1 |
| Operating income before working capital changes | | 16,907 | 18,021 |
| Changes in: | | | |
| Trade and other receivables | | (2,220) | (2,224) |
| Trade and other payables | | (521) | 916 |
| Deferred income | | 192 | (46) |
| Cash generated from operating activities | | 14,358 | 16,667 |
| Tax paid | | (2,192) | (2,012) |
| Interest received | | 94 | - |
| Net cash generated from operating activities | | 12,260 | 14,655 |
| Cash flows from investing activity | | | |
| Prepayment for capital expenditure on investment properties | | (3,668) | (3,668) |
| Net cash used in investing activity | | (3,668) | (3,668) |
| Cash flows from financing activities | | | |
| Net proceeds from units issued under preferential offering | | 27,479 | - |
| Interest paid | | (5,330) | (5,285) |
| Proceeds from bank loans | | 3,800 | 7,000 |
| Repayment of bank loans | | (31,721) | (5,200) |
| Payment of transaction costs related to loans and borrowings | | (146) | (136) |
| Distribution to unitholders | | (7,599) | (10,334) |
| Payment of lease liabilities | | (4) | (4) |
| Increase in restricted cash | | (1,348) | (1,538) |
| Net cash used in financing activities | | (14,869) | (15,497) |
| Net decrease in cash and cash equivalents | | (6,277) | (4,510) |
| Cash and cash equivalents at beginning of the period | | 15,610 | 5,444 |
| Cash and cash equivalents at end of the period ⁽¹⁾ | 9 | 9,333 | 934 |

⁽¹⁾ Cash and cash equivalents at the end of the period exclude restricted cash balance of £6,554,000 (2023: £5,206,000)

Significant non-cash transactions

For the period ended 30 June 2024, approximately 765,000 Units, amounting to approximately £199,000 were issued as payment for distributions under the distribution reinvestment plan.

For the period ended 30 June 2023, approximately 1,010,000 Units, amounting to approximately £492,000 were issued as payment for distributions under the distribution reinvestment plan.

E Notes to the unaudited condensed interim consolidated financial statements

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

1. Entity information

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

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

On 16 May 2024 and 24 June 2024, the name of the Trust has changed from "Elite Commercial REIT" to "Elite UK REIT" and the name of a wholly owned subsidiary has changed from "Elite UK Commercial Holdings Limited" to "Elite REIT Holdings Limited", respectively, to align with the expansion of investment strategy of the Group effective from 15 May 2024.

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

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

2. Basis of preparation

The condensed interim financial statements for the period ended 30 June 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2023. The condensed interim financial statements do not include all the information required for complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

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

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

Going concern basis of accounting

As at 30 June 2024, the Group had net current liabilities of £162.5 million. The net current liability position was mainly attributable to bank loans of £114.4 million ("Loan A") and £64.0 million ("Loan B") which are due for repayment in November 2024 and January 2025, respectively.

Notwithstanding the above, the directors of the Manager consider that it is appropriate for the Group to prepare its financial statements on a going concern basis, having considered the following:

- (i) On 18 January 2024, the Group has successfully completed a preferential offering and raised gross proceeds of approximately £28.0 million by way of issuance of 103,355,000 new units. The proceeds raised have been used for repayment of bank loans and reduced leverage (refer Note 14).
- (ii) On 15 July 2024, the Group entered into a facilities agreement with financial institutions for a 3.25-year term and revolving facilities sum up to £135.0 million to refinance Loan A and to finance working capital requirement. On 31 July 2024, £120.0 million of the facilities have been drawn down to repay the £114.4 million of Loan A and the associated fees and expenses incurred for the new facilities (refer Note 26);
- (iii) On 23 July 2024, the Group entered into a facilities agreement with financial institutions for a 3.25-year term and revolving facilities sum up to £80.0 million to refinance Loan B and to finance working capital requirement. On 30 July 2024 and 31 July 2024, £65.0 million and £15.0 million of the facilities have been drawn down to repay the £64.0 million of Loan B and the £15.0 million revolving credit facilities of the Trust (refer Note 26), respectively; and

- (iv) As a result of the above refinancing and repayments, the maturity of the Group's loans and borrowings have been extended to October 2027.

2.1 New and amended standards adopted by the Group

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

2.2 Use of estimates and judgements

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

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

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

Measurement of fair values

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

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

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

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

3. Seasonal operations

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

4. Segment reporting

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

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

5. Investment properties

| | Group | |
|--|--------------------|---------------------|
| | 30/6/2024 £'000 | 31/12/2023 £'000 |
| At beginning of the period | 413,719 | 459,975 |
| Disposals during the period | - | (3,065) |
| Capital expenditure | 1,559 | 4,953 |
| Effect of recognising rental income on a straight-line basis over the lease term | (515) | (317) |
| Net change in fair value recognised in profit or loss | 1,417 | (47,827) |
| At end of the period | 416,180 | 413,719 |

Measurement of fair value

The carrying values of the investment properties as at 30 June 2024 and 31 December 2023 were based on an independent external professional valuation undertaken by CBRE Limited ("CBRE").

The fair values of the investment properties as at 30 June 2024 and 31 December 2023 were based primarily on the income capitalisation method. The valuation method used in determining the fair value involves certain estimates including the yield rate. The specific risks inherent in each of the properties are taken into consideration in arriving at the property valuation. In relying on the valuation report, the Manager has exercised its judgment and is satisfied that the valuation method and estimates used are reflective of market conditions prevailing at the end of the financial period/year.

(i) Fair value hierarchy

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

| | Group | |
|--|--------------------|---------------------|
| | 30/6/2024 £'000 | 31/12/2023 £'000 |
| Fair value of investment properties (based on valuation reports) | 414,955 | 412,490 |
| Add: Carrying amount of lease liabilities | 1,225 | 1,229 |
| Carrying amount of investment properties | 416,180 | 413,719 |

(ii) Valuation technique and significant unobservable inputs

| Valuation method | Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|------------------------------|--|---|
| Income capitalisation method | Equivalent yield rate: 2024: 4.81% to 12.96% 2023: 4.81% to 12.96% | The estimated fair value would increase (decrease) if the yield rate is lower (higher). |

Security

As at 30 June 2024, 55 (2023: 55) properties with a carrying value of £157.8 million (2023: £158.3 million) were pledged as security to secure a credit facility (Note 10).

Prepayment for capital expenditure

The Group has agreed to make a sustainability contribution to its tenants, the Department for Work and Pensions and UK Government's Ministry of Defence. The prepayment relates to the amount disbursed by the Group which has not been utilised yet. Amounts incurred are capitalised and included in the carrying value of investment properties. As at 30 June 2024, the Group has agreed to make a total sustainability contribution of £14.7 million (2023: £14.7 million), of which £14.7 million (2023: £11.1 million) has been disbursed and £6.5 million (2023: £5.0 million) has been incurred as capital expenditure.

6. Investments in subsidiaries

| | Trust | |
|-------------------------------------|--------------------|---------------------|
| | 30/6/2024 £'000 | 31/12/2023 £'000 |
| At cost | 88,900 | 88,900 |
| Less: Accumulated impairment losses | | |
| At beginning of the period | (88,900) | (52,103) |
| Impairment losses recognised | - | (36,797) |
| At end of the period | (88,900) | (88,900) |
| | - | - |

During the period, the Trust undertook an assessment of impairment indicators for its investments in subsidiaries. The recoverable amount was determined using the fair value less costs to sell approach, taking into consideration the fair values of the underlying assets and fair values of the liabilities to be settled. The fair value measurement was categorised as a Level 3 fair value based on the inputs to the valuation technique used. As at 30 June 2024, an impairment loss of Nil (2023: £36.8 million) was recognised in profit or loss.

7. Notes receivable

| | Trust | |
|-----------------------------------|--------------------|---------------------|
| | 30/6/2024 £'000 | 31/12/2023 £'000 |
| Notes receivable | 201,133 | 201,133 |
| Less: Accumulated impairment loss | | |
| At beginning of the period | (9,104) | - |
| Impairment losses recognised | (2,266) | (9,104) |
| At end of the period | (11,370) | (9,104) |
| | 189,763 | 192,029 |

Notes receivable relates to loan notes issued by a subsidiary, Elite REIT Holdings Limited ("ERHL"), subscribed by the Trust.

On 16 November 2023, the Series 1 loan note was fully redeemed through the issuance of additional Series 2 loan note with a principal amount of £111.7 million in lieu of cash payment. The Series 2 loan note of £201.1 million (2023: £201.1 million) will mature on 25 October 2025.

The notes are unsecured and carry interest at a fixed interest rate of 5% (2023: 5%) per annum.

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

As at 30 June 2024, an impairment loss of £2.3 million (2023: £9.1 million) was recognised on the notes receivable as a result of the decline in the values of the underlying assets of ERHL. The impairment loss was estimated using the lifetime expected credit losses approach.

8. Trade and other receivables

| | Group | | Trust | |
|------------------------------|--------------------|---------------------|--------------------|---------------------|
| | 30/6/2024 £'000 | 31/12/2023 £'000 | 30/6/2024 £'000 | 31/12/2023 £'000 |
| Trade receivables | 3,376 | 2,268 | - | - |
| Other receivables | 100 | 100 | - | - |
| Amount due from a subsidiary | - | - | 63,313 | 27,041 |
| | <u>3,476</u> | <u>2,368</u> | <u>63,313</u> | <u>27,041</u> |
| VAT & GST receivables | 112 | 47 | 104 | 42 |
| Prepayments | 1,504 | 458 | 174 | 177 |
| | <u>5,092</u> | <u>2,873</u> | <u>63,591</u> | <u>27,260</u> |

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

As at 30 June 2024, amount due from a subsidiary includes dividend receivable from the subsidiary of approximately £22.4 million (2023: £17.6 million), interest receivable on the notes issued by the subsidiary of approximately £5.0 million (2023: £4.2 million) and £34.4 million (2023: £3.7 million) loans advanced to the subsidiary. The loans advanced to the subsidiary are unsecured, interest-free and repayable on demand.

Included in prepayments as at the reporting date are approximately £170,000 (2022: £170,000) transaction costs incurred by the Trust on its multicurrency debt issuance programme set up in 2022 (Note 9) and property expenses of £1,075,000 (2023: Nil) prepaid by the Group that were previously borne by the tenant when the properties were leased out.

9. Cash and cash equivalents

| | Group | | Trust | |
|--|--------------------|---------------------|--------------------|---------------------|
| | 30/6/2024 £'000 | 31/12/2023 £'000 | 30/6/2024 £'000 | 31/12/2023 £'000 |
| Cash at banks | 15,887 | 20,816 | 212 | 442 |
| Restricted cash | (6,554) | (5,206) | - | - |
| Cash and cash equivalents in the statement of cash flows | <u>9,333</u> | <u>15,610</u> | <u>212</u> | <u>442</u> |

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

10. Loans and borrowings

| | Group | | Trust | |
|-------------------------------------|--------------------|---------------------|--------------------|---------------------|
| | 30/6/2024 £'000 | 31/12/2023 £'000 | 30/6/2024 £'000 | 31/12/2023 £'000 |
| Secured bank loans | 193,394 | 221,315 | 15,000 | 11,200 |
| Less: Unamortised transaction costs | (592) | (1,003) | (28) | (35) |
| | <u>192,802</u> | <u>220,312</u> | <u>14,972</u> | <u>11,165</u> |
| Current | 177,830 | 126,288 | - | - |
| Non-current | 14,972 | 94,024 | 14,972 | 11,165 |
| Total | <u>192,802</u> | <u>220,312</u> | <u>14,972</u> | <u>11,165</u> |

At the reporting date, the Group has the following loan facilities:

£140.0 million term loan and bridge loan facilities

- A £114.4 million (2023: £125.0 million) secured term loan facility. At the reporting date, £114.4 million (2023: £125.0 million) was drawn down and is due for repayment in November 2024.
- A £15.0 million (2023: £15.0 million) bridge loan facility. The bridge loan facility can be drawn down under multiple tranches, and each tranche is to be repaid within the earlier of one year from drawn down date, and five years after the first drawn down date (where the amount is drawn down in multiple tranches). As at 31 December 2023, £3.2 million was drawn down and repayable in March 2024. As at 30 June 2024, the bridge loan facility has been fully repaid.

The shares of a subsidiary, Elite Gemstones Properties Limited, which holds 95 (2023: 95) properties with carrying values amounting to £258.4 million as at 30 June 2024 (2023: £256.2 million), were pledged to secure the facilities.

£94.0 million term loan and revolving credit facilities

- A £64.0 million (2023: £76.0 million) secured term loan facility. At the reporting date, £64.0 million (2023: £76.0 million) was drawn down and is due for repayment in January 2025.
- A £18.0 million (2023: £18.0 million) revolving credit facility. As at 31 December 2023, £7.5 million was drawn down and is due for repayment in January 2025. As at 30 June 2024, the revolving credit facility has been fully repaid.

The shares of two subsidiaries, Elite Amphora Limited and Elite Cask Limited, and the 55 (2023: 55) properties held by these entities with carrying values amounting to £157.8 million as at 30 June 2024 (2023: £157.5 million), were pledged to secure the facilities (Note 5).

£15.0 million revolving credit facilities

- A £15.0 million green revolving credit facility was obtained in November 2022. At the reporting date, £15.0 million (2023: £11.2 million) was drawn down and is due for repayment in May 2026.

\$S\$300.0 million multicurrency debt issuance programme

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

11. Deferred tax liabilities

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

| Group | At 1/1/2023 £'000 | Recognised in profit or loss £'000 | At 31/12/2023 £'000 | Recognised in profit or loss (Note 18) £'000 | At 30/6/2024 £'000 |
|---------------------------------|-------------------------|---|---------------------------|--|--------------------------|
| Deferred tax liabilities | | | | | |
| Investment properties | (1,984) | 1,984 | - | - | - |
| Lease liabilities | (185) | 185 | - | - | - |
| | <u>(2,169)</u> | <u>2,169</u> | <u>-</u> | <u>-</u> | <u>-</u> |



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12. Trade and other payables

| | Group | | Trust | |
|----------------------------|--------------------|---------------------|--------------------|---------------------|
| | 30/6/2024 £'000 | 31/12/2023 £'000 | 30/6/2024 £'000 | 31/12/2023 £'000 |
| Trade payables | 943 | 275 | 27 | 254 |
| Bank interest payable | 1,156 | 1,430 | 31 | 10 |
| Accrued operating expenses | 1,359 | 1,738 | 296 | 386 |
| Other payables | 508 | 1,315 | - | - |
| | <u>3,966</u> | <u>4,758</u> | <u>354</u> | <u>650</u> |

Trade payables comprise mainly property expenses on the vacant units during the year.

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

13. Deferred income

Deferred income relates to the advance rental received from tenants.

14. Units in issue

| | 30/6/2024 | | 31/12/2023 | |
|---|----------------------------|----------------|----------------------------|----------------|
| | Number of Units '000 | £'000 | Number of Units '000 | £'000 |
| Group and Trust Units issued | | | | |
| At beginning of the period | 482,966 | 308,337 | 481,128 | 307,611 |
| - Preferential offering | 103,355 | 27,906 | - | - |
| - Distribution reinvestment plan | 765 | 199 | 1,838 | 726 |
| At end of the period | <u>587,086</u> | <u>336,442</u> | <u>482,966</u> | <u>308,337</u> |

On 18 December 2023, the Trust launched a preferential offering of new units ("Preferential Offering Units") and raised gross proceeds of approximately £28.0 million by way of a fully underwritten pro rata and non-renounceable preferential offering of 103,355,000 new Units on the basis of 214 Preferential Offering Units for every 1,000 existing Units at an issue price of £0.27 per Preferential Offering Unit. The Preferential Offering Units were fully subscribed, issued and listed on the Mainboard of SGX-ST on 18 January 2024. The Preferential Offering Units issued rank pari passu in all respects with the existing Units in issue on the day immediately prior to the date on which the Preferential Offering Units were issued, including the right to any distributions out of the Group's distributable income from the date of issuance, as well as all distributions thereafter.

The Group and the Trust do not hold any treasury units as at 30 June 2024 and 31 December 2023.

15. Net asset value per Unit

| | Group | | Trust | |
|---|--------------------|---------------------|---------------------|---------------------|
| | 30/6/2024 £'000 | 31/12/2023 £'000 | 31/12/2023 £'000 | 31/12/2023 £'000 |
| Net asset value per Unit is based on: | | | | |
| Net assets attributable to unitholders | <u>237,893</u> | <u>207,242</u> | <u>238,788</u> | <u>207,916</u> |
| Total issued Units at the of period ('000) (Note 14) | <u>587,086</u> | <u>482,966</u> | <u>587,086</u> | <u>482,966</u> |
| Net asset value per Unit (£) | <u>0.41</u> | <u>0.43</u> | <u>0.41</u> | <u>0.43</u> |

16. Revenue

Revenue mainly relates to rental income derived from leasing of the Group's investment properties recognised on straight-line basis over the lease terms.

Over 99% (2022: 99%) of the contracted rental income under the current leases is derived from the UK Government via various government agencies which includes The Secretary of State for Housing, Communities and Local Government (with the Department of Works and Pensions ("DWP") occupying each property under a group sharing arrangement).

17. Other property income

| | 6 months ended 30/6/2024 £'000 | 6 months ended 30/6/2023 £'000 |
|-----------------------|---|---|
| Dilapidation income | 1,445 | 1,884 |
| Other property income | 51 | 358 |
| | <u>1,496</u> | <u>2,242</u> |

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

18. Finance income and finance costs

| | 6 months ended 30/6/2024 £'000 | 6 months ended 30/6/2023 £'000 |
|--|---|---|
| Finance income:- | | |
| - Interest income | 94 | - |
| - Fair value gain on financial derivative | - | 1,950 |
| | <u>94</u> | <u>1,950</u> |
| Finance costs:- | | |
| - Fair value loss on financial derivative | 66 | - |
| - Interest expense on: | | |
| - loans and borrowings | 5,037 | 5,384 |
| - lease liabilities | 19 | 19 |
| - Amortisation of transaction costs relating to loans and borrowings | 557 | 520 |
| - Commitment fee | 4 | 14 |
| | <u>5,683</u> | <u>5,937</u> |
| Net finance costs recognised in statement of comprehensive income | <u>(5,589)</u> | <u>(3,987)</u> |

19. Tax expense

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

| | 6 months ended 30/6/2024 £'000 | 6 months ended 30/6/2023 £'000 |
|-------------------------|---|---|
| Withholding tax expense | <u>1,448</u> | <u>1,428</u> |

20. Earnings per Unit

Basic earnings per Unit

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

| | 6 months ended 30/6/2024 £'000 | 6 months ended 30/6/2023 £'000 |
|---|---|---|
| Profit for the year attributable to unitholders | 10,771 | 8,933 |
| Weighted average number of Units: | | |
| - Units issued at the beginning of the period | 482,966 | 481,128 |
| - Effect of Units issued under preferential offering | 93,701 | - |
| - Effect of Units issued under distribution reinvestment plan | 399 | 519 |
| Weighted average number of Units | 577,066 | 481,647 |

Diluted earnings per Unit

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

For the 6 months ended 30 June 2024 and 30 June 2023, the diluted earnings per Unit is the same as the basic earnings per Unit as there are no outstanding dilutive Units at the end of the reporting periods.

21. Amount available for distribution

| | 6 months ended 30/6/2024 £'000 | 6 months ended 30/6/2023 £'000 |
|--|---|---|
| Amount available for distribution at beginning of the period | 7,881 | 10,857 |
| Profit for the period | 10,771 | 8,933 |
| Distribution adjustments (Note A) | (1,588) | 407 |
| | 9,183 | 9,340 |
| Less: Amount retained for general corporate and working capital ("Retention") | (918) | (934) |
| Amount available for distribution to unitholders | 16,146 | 19,263 |
| Distributions to unitholders: | | |
| Distribution of GBP 2.25 pence for the period from 1 July 2022 to 31 December 2022 | - | (10,826) |
| Distribution of GBP 1.33 pence for the period from 1 July 2023 to 31 December 2023 | (7,798) | - |
| | (7,798) | (10,826) |
| Amount available for distribution to unitholders (after retention) at end of the period | 8,348 | 8,437 |
| Distribution per Unit (before retention) (pence) | 1.56 | 1.94 |
| Distribution per Unit (after retention) (pence) | 1.40 | 1.74 |



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| | |
|-------------------------------------|-------------------------------------|
| 6 months ended 30/6/2024 | 6 months ended 30/6/2023 |
| £'000 | £'000 |

Note A

Distribution adjustments relate to the following items:

| | | |
|--|----------------|------------|
| Amortisation of transaction costs relating to loans and borrowings | 557 | 520 |
| Dilapidation settlements, net | (1,358) | (1,884) |
| Fair value loss/(gain) on financial derivative | 66 | (1,950) |
| Net change in fair value of investment properties | (1,417) | 4,040 |
| Effect of recognising rental income on a straight-line basis over the lease term | 515 | (368) |
| Trustee's fee | 53 | 55 |
| Others | (4) | (6) |
| Distribution adjustments | (1,588) | 407 |

22. Related party transactions

In the normal course of the operations of the Group, the Manager's management fee and the Trustee's fee have been paid or are payable to the Manager and Trustee respectively. Other than as disclosed elsewhere in the financial statements, there were the following significant related party transactions during the period.

| | | |
|--|-------------------------------------|-------------------------------------|
| | 6 months ended 30/6/2024 | 6 months ended 30/6/2023 |
| | £'000 | £'000 |
| Property management fee paid/payable to a related corporation of the Manager | 120 | 128 |
| Lease management fee paid/payable to the Manager | 122 | 120 |
| Lease commission fee paid/payable to the Manager | 33 | 23 |
| Lease commission fee paid/payable to a related corporation of the Manager | - | 48 |

23. Financial assets and financial liabilities

Accounting classifications and fair values

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

| | Carrying amount | | | | Fair value | | | |
|--|-----------------------------------|---|--------------------------------------|--------------------------------|------------------|------------------|------------------|----------------|
| | Financial assets at cost £'000 | At fair value through profit or loss ("FVTPL") £'000 | Other financial liabilities £'000 | Total carrying amount £'000 | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
| Group | | | | | | | | |
| 30 June 2024 | | | | | | | | |
| Financial asset measured at fair value | | | | | | | | |
| Financial derivatives | - | 417 | - | 417 | - | 417 | - | 417 |
| Financial assets not measured at fair value | | | | | | | | |
| Trade and other receivables* | 3,476 | - | - | 3,476 | | | | |
| Cash and cash equivalents | 15,887 | - | - | 15,887 | | | | |
| | 19,363 | - | - | 19,363 | | | | |



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| | Carrying amount | | | | Fair value | | | |
|---|---|---|------------------------------------|------------------------------|-------------------|----------------|----------------|--------------|
| | Financial assets at amortised cost | through profit or loss ("FVTPL") | Other financial liabilities | Total carrying amount | Level 1 | Level 2 | Level 3 | Total |
| Group | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| 30 June 2024 | | | | | | | | |
| Financial liabilities not measured at fair value | | | | | | | | |
| Trade and other payables [^] | - | - | (3,458) | (3,458) | | | | |
| Loans and borrowings | - | - | (192,802) | (192,802) | - | (186,888) | - | (186,888) |
| | - | - | (196,260) | (196,260) | | | | |
| 31 December 2023 | | | | | | | | |
| Financial asset measured at fair value | | | | | | | | |
| Financial derivatives | - | 483 | - | 483 | - | 483 | - | 483 |
| Financial assets not measured at fair value | | | | | | | | |
| Trade and other receivables [*] | 2,368 | - | - | 2,368 | | | | |
| Cash and cash equivalents | 20,816 | - | - | 20,816 | | | | |
| | 23,184 | - | - | 23,184 | | | | |
| Financial liabilities not measured at fair value | | | | | | | | |
| Trade and other payables [^] | - | - | (3,472) | (3,472) | | | | |
| Loans and borrowings | - | - | (220,312) | (220,312) | - | (207,993) | - | (207,993) |
| | - | - | (223,784) | (223,784) | | | | |

* Excluding VAT & GST receivables, and prepayments

[^] Excluding VAT payables



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| | Carrying amount | | | | Fair value | | | |
|---|---|---|--------------------------------------|--------------------------------|------------------|------------------|------------------|----------------|
| | Financial assets at amortised cost £'000 | At fair value through profit or loss ("FVTPL") £'000 | Other financial liabilities £'000 | Total carrying amount £'000 | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
| Trust | | | | | | | | |
| 30 June 2024 | | | | | | | | |
| Financial assets not measured at fair value | | | | | | | | |
| Notes receivable | 189,763 | - | - | 189,763 | - | 184,514 | - | 184,514 |
| Trade and other receivables* | 63,313 | - | - | 63,313 | | | | |
| Cash and cash equivalents | 212 | - | - | 212 | | | | |
| | <u>253,288</u> | <u>-</u> | <u>-</u> | <u>253,288</u> | | | | |
| Financial liabilities not measured at fair value | | | | | | | | |
| Trade and other payables | - | - | (354) | (354) | | | | |
| Loans and borrowings | - | - | (14,972) | (14,972) | - | (14,972) | - | (14,972) |
| | <u>-</u> | <u>-</u> | <u>(15,326)</u> | <u>(15,326)</u> | | | | |
| 31 December 2023 | | | | | | | | |
| Financial assets not measured at fair value | | | | | | | | |
| Notes receivable | 192,029 | - | - | 192,029 | - | 177,515 | - | 177,515 |
| Trade and other receivables* | 27,041 | - | - | 27,041 | | | | |
| Cash and cash equivalents | 442 | - | - | 442 | | | | |
| | <u>219,512</u> | <u>-</u> | <u>-</u> | <u>219,512</u> | | | | |
| Financial liabilities not measured at fair value | | | | | | | | |
| Trade and other payables | - | - | (650) | (650) | | | | |
| Loans and borrowings | - | - | (11,165) | (11,165) | - | (11,165) | - | (11,165) |
| | <u>-</u> | <u>-</u> | <u>(11,815)</u> | <u>(11,815)</u> | | | | |

* Excluding VAT & GST receivables, and prepayments

^ Excluding VAT payables

Measurement of fair value

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

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

24. Financial ratios

| | Group | |
|---------------------------------|------------------|-------------------|
| | 30/6/2024 | 31/12/2023 |
| | £'000 | £'000 |
| Leverage ratio (%) | 43.4% | 50.0% |
| Interest coverage ratio (times) | 3.0 | 3.1 |

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

25. Commitments

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

| | Group | |
|--|------------------|-------------------|
| | 30/6/2024 | 31/12/2023 |
| | £'000 | £'000 |
| Capital expenditure on investment properties | - | 3,669 |

26. Subsequent events

- (i) On 15 July 2024, the Group entered into a facilities agreement with financial institutions for a 3.25-year term and revolving facilities sum up to £135.0 million to refinance Loan A and to finance working capital requirement. On 31 July 2024, £120.0 million of the facilities have been drawn down to repay the £114.4 million of Loan A and the associated fees and expenses incurred for the new facilities.
- (ii) On 23 July 2024, the Group entered into a facilities agreement with financial institutions for a 3.25-year term and revolving facilities sum up to £80.0 million to refinance Loan B and to finance working capital requirement. On 30 July 2024 and 31 July 2024, £65.0 million and £15.0 million of the facilities have been drawn down to repay the £64.0 million of Loan B and the £15.0 million revolving credit facilities of the Trust, respectively.

(II) Other Information Required By Listing Rule Appendix 7.2

1. Overview

The condensed interim consolidated financial statements comprise the condensed interim statement of financial position of Elite UK REIT and its subsidiaries (“the Group”) and statement of financial position of Elite UK REIT (“the Trust”) as at 30 June 2024 and the related condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of movements in unitholders’ funds and condensed consolidated interim statement of cash flows for the period then ended and certain explanatory notes.

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

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

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

As at 30 June 2024, the Group’s portfolio comprised of a total of 150 commercial buildings located across the UK, of which 143 of them are currently occupied, with over 99% of the Group’s revenue derived from the current leases with the UK Government via Secretary of State for Levelling Up, Housing and Communities and other government departments.

On 16 January 2024, the Group completed a preferential offering of new units (“Preferential Offering Units”) and raised gross proceeds of approximately £28.0 million by way of a fully underwritten pro rata and non-renounceable preferential offering of 103,355,000 new Units on the basis of 214 Preferential Offering Units for every 1,000 existing Units at an issue price of £0.27 per Preferential Offering Unit. The Preferential Offering Units were fully subscribed, issued and listed on the Mainboard of SGX-ST on 18 January 2024.

On 15 May 2024, the Group has revised its investment strategy to encompass a wider scope of real estate and real estate related assets to enhance the diversification of its portfolio, allowing for latent value to be unlocked and position the Group for future growth. In line with the expansion of investment strategy, the name of the Trust has changed from “Elite Commercial REIT” to “Elite UK REIT” and the name of a wholly owned subsidiary has changed from “Elite UK Commercial Holdings Limited” to “Elite REIT Holdings Limited” on 16 May 2024 and 24 June 2024, respectively.

On 15 July 2024, the Group entered into a facilities agreement with financial institutions for a 3.25-year term and revolving facilities sum up to £135.0 million, with a 2-year extension option subject to certain conditions, to refinance its existing bank loans of £114.4 million and to finance working capital requirement. On 31 July 2024, £120.0 million of the facilities have been drawn down to repay the £114.4 million bank loans and the associated fees and expenses incurred for the new facilities.

On 23 July 2024, the Group entered into a facilities agreement with financial institutions for a 3.25-year term and revolving facilities sum up to £80.0 million, with a 2-year extension option subject to certain conditions, to refinance its existing bank loans of £64.0 million and to finance working capital requirement. On 30 July 2024 and 31 July 2024, £65.0 million and £15.0 million of the facilities have been drawn down to repay the £64.0 million bank loans and the £15.0 million revolving credit facilities of the Trust, respectively.

2. Review of performance of the Group

2.1 Period ended 30 June 2024 (“1H 2024”) vs Period ended 30 June 2023 (“1H 2023”)

| | Note | 6 months ended 30/6/2024 £'000 | 6 months ended 30/6/2023 £'000 | Variance % |
|--|------|--------------------------------------|--------------------------------------|---------------|
| Revenue | (a) | 18,097 | 19,098 | (5.2) |
| Other income | (b) | 1,496 | 2,242 | (33.3) |
| Property operating expenses | (c) | (1,376) | (1,343) | (2.5) |
| Net property income | | 18,217 | 19,997 | (8.9) |
| Manager's management fee | (d) | (919) | (934) | 1.6 |
| Trustee's fee | | (53) | (55) | 3.6 |
| Other trust expenses | (e) | (854) | (620) | (37.7) |
| Finance income | | 94 | 1,950 | n.m. |
| Finance costs | | (5,683) | (5,937) | 4.3 |
| Net finance costs | (f) | (5,589) | (3,987) | (40.2) |
| Net change in fair value of investment properties | (g) | 1,417 | (4,040) | n.m. |
| Profit before tax | | 12,219 | 10,361 | 17.9 |
| Tax expense | (h) | (1,448) | (1,428) | (1.4) |
| Profit after tax | | 10,771 | 8,933 | 20.6 |
| Amount available for distribution to unitholders (after retention) at end of the period | | | | |
| | | 8,348 | 8,437 | (1.1) |
| Distribution per Unit (after retention) (pence) | | | | |
| | | 1.40 | 1.74 | (19.5) |

n.m. denotes not meaningful

(a) Revenue

Revenue is contracted rental income from leasing of the office spaces of the Initial Portfolio and New Properties and the effect of recognising rental income on a straight-line basis over the lease term of £0.5 million (1H2023: £0.4 million).

(b) Other income

Included in other income were £1.4 million (1H2023: £1.9 million) of dilapidation settlements and Nil (1H2023: £0.4 million) of lease surrender premium.

(c) Property operating expenses

Property operating expenses includes the following items:

| | 6 months ended 30/6/2024 £'000 | 6 months ended 30/6/2023 £'000 | Variance % |
|-----------------------------|--------------------------------------|--------------------------------------|---------------|
| Property management fee | 349 | 359 | 2.8 |
| Lease management fee | 122 | 120 | (1.7) |
| Property insurance expenses | 124 | 122 | (1.6) |
| Other property expenses | 781 | 742 | (5.3) |
| | 1,376 | 1,343 | (2.5) |

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

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

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

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

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

(d) Manager's management fee

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

(e) Other trust expenses

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

(f) Net finance costs

Net finance costs consist of amortisation of transaction costs relating to loans and borrowings, commitment fee, net change in fair value of financial derivative, interest expense on lease liabilities, and interest expense on borrowings. Decreased in net finance costs was due to lower loan quantum because of repayments, offset by the rising interest costs on borrowings.

(g) Net change in fair value of investment properties

Fair value gain on investment properties for the period of £1.4 million arose from the valuation conducted for the Group's investment properties as of 30 June 2024.

(h) Tax expense

Tax expense of the Group comprised withholding tax expenses on distribution received/receivable from overseas subsidiaries. Increased in tax expense is in line with the higher income mandatorily distributable by the property rental business of ERHL and its subsidiaries to the REIT.

2.2 Review of statement of financial position

Investment properties of the Group increased from £413.7 million as at 31 December 2023 to £416.2 million as at 30 June 2024 mainly due to capital expenditure incurred during the period of £1.5 million and revaluation gain.

During 2024, the Group has disbursed additional sustainability contribution of £3.7 million, which has been included as prepayment for capital expenditure.

Included in trade and other receivables as at 30 June 2024 of £3.4 million (2023: £2.9 million) are mainly i) receivables from the property manager in respect of advance rental collected by the property manager on behalf of the Group from tenants of £1.7 million (2023: £1.7 million) which have been subsequently received by the Group, ii) total transaction costs of approximately £0.2 million (2023: £0.2 million) incurred by the Trust for setting up a multicurrency debt issuance programme during the financial year 2022, which have been included as prepayments and iii) prepaid property expenses of £1.1 million (2023: Nil) to the relevant UK authority which were previously borne by the tenants when the properties were leased out.

During 2024, the Group partially repaid £31.7 million of its loan facilities using mainly proceeds from preferential offering and drawn down £3.8 million from its new revolving credit facility.

Included in trade and other payables of £4.0 million as at 30 June 2024 (2023: £4.8 million) are mainly i) bank interest payable amounting £1.2 million (2023: £1.4 million), ii) accrued operating expenses of £1.4 million (2023: £1.7 million) and iii) other payables of £0.5 million (2023: £1.3 million), which mainly consist of VAT payable to HMRC.

During 2024, the Group raised net proceeds of £27.5 million through issuance of preferential offering units.

2.3 Review of statement of cashflows

Net cash generated from operating activities for the period ended 30 June 2024 amounted to £12.3 million, being £2.4 million lower when compared to £14.7 million for the period ended 30 June 2023. This was driven partly by (i) lower amount of dilapidation receipts in 2024 and (ii) decrease in trade and other payables.

Net cash used in financing activities for the period ended 30 June 2024 amounted to £14.9 million, being £0.6 million lower when compared to £15.5 million for the period ended 30 June 2023. This was driven by (i) £27.5million net proceeds raised from the preferential offering completed in January 2024, (ii) draw down of revolving credit facility of £3.8 million and (iii) lower distribution to unitholders, offset by repayment of loans of £31.7 million made during the period.

2.4 Variance between actual results and projection statement

There was no forecast or prospect statement previously disclosed to unitholders for the financial period ended 30 June 2024.

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

Elite Gemstones Properties Limited, a wholly owned subsidiary of Elite UK REIT, has on 15 July 2024 entered into a facilities agreement in relation to a 39 months' term and revolving facilities of up to £135,000,000. On 23 July 2024, Elite Amphora Limited and Elite Cask Limited, wholly owned subsidiaries of Elite UK REIT, entered into a facilities agreement in relation to a 39 months' term and revolving facilities of up to £80,000,000. The funds from both facilities will be used for *inter alia* the refinancing of Elite UK REIT's existing loan facilities. Following the completion of the refinancing in advance of maturities for all debts, there are no refinancing risk until 2027.

On 5 July 2024, the Manager secured a lease renewal for Units 1-2 Dallas Court, Salford, with about 30.3% rental reversion for the next 10 years¹, extending the lease expiry to June 2034. Meanwhile, the lease for Newport Road, Cardiff has been extended to March 2025. Following these developments, the Manager has dealt with all lease expiries in FY2024 and continues to pursue proactive asset management and active tenant engagement.

Macro Environment

UK's gross domestic product ("GDP") is estimated to have grown by 0.4% in May 2024 after showing no growth in April 2024². Real GDP is estimated to have grown by 0.9% in the three months to May 2024, compared with the three months to February 2024, marking the strongest three-monthly growth since January 2022.

UK's inflation, as measured by Consumer Price Index, rose by 2.0% in the 12 months to June 2024, and well below its peak of 11.1% in October 2022³.

In its Monetary Policy Committee meeting ending on 31 July 2024, the Bank of England lowered the Bank Rate to 5.00% from a 16-year high, marking the first cut since the start of the pandemic in March 2020⁴.

The labour market continues to show signs of cooling, with falling vacancies and rising unemployment. The unemployment rate was estimated at 4.4% in March to May 2024⁵, above estimates of a year ago, and increased in the latest quarter.

Claimant count for people claiming unemployment-related benefits in June 2024 stood at around 1.663 million, around 8.3% increase from a year ago⁶. This illustrates the DWP's pivotal role in supporting the UK's social fabric and infrastructure by implementing support programmes and plans to help people, especially those with disabilities or employment challenges, to either return to employment for those who need it, or to enjoy their deserved retirement.

The 2024 United Kingdom general election took place on 4 July 2024, with the Labour Party returning to power after 14 years. The new UK Government has outlined its key priorities for the next five years, one of which is to boost growth through a planning system reform to allow for more homebuilding and infrastructure projects. It also plans to restructure employment support, which includes bringing Jobcentre Plus and the National Careers Service together to help people get employment.

The Manager expects its primary occupier, the DWP, to continue to play a key role in delivering essential public services to the community. Elite UK REIT's portfolio of assets serve as critical social infrastructure that support the DWP in executing the UK's welfare, pensions and child maintenance policy, as well as in administering the state pension and a range of working age, disability and ill health benefits. Nearly 90% of Elite UK REIT's assets are used as public-facing Jobcentre Plus to serve the local communities, especially those who need financial assistance and career guidance.

The UK Government's Back to Work Plan comprises of three pillars, namely a new national jobs and career service to help get more people into work, and on in their work; new work, health and skills plans for the economically inactive, led by Mayors and local areas; as well as a youth guarantee where all young people aged 18 to 21 will have more opportunities for training, an apprenticeship or help to find work⁷.

The Manager is expected to continue providing a stable income to its Unitholders as it continues to collect 100% of its rent a quarter in advance, despite ongoing macroeconomic and political uncertainties. Elite UK REIT's fit-for-purpose portfolio of assets are leased on a triple net basis⁸ and supported by a stable government-backed income stream with AA-rated sovereign credit strength.

¹ Lease renewal for 10 years commencing in June 2024 and maturing in June 2034.

² Office for National Statistics, GDP monthly estimate, UK: May 2024, 11 July 2024.

³ Office for National Statistics, Consumer Price Inflation, UK: June 2024, 17 July 2024.

⁴ Bank of England, Monetary Policy Summary, 31 July 2024, 1 August 2024.

⁵ Office for National Statistics, Labour market overview, UK: July 2024, 18 July 2024.

⁶ Office for National Statistics, CLA01: Claimant Count (Experimental Statistics), 18 July 2024.

⁷ Gov.UK, Press release: Back to Work Plan will help drive economic growth in every region, 11 July 2024.

⁸ Known as a full repairing and insuring lease, the responsibility for the repair of the external and internal parts as well as the structure of the property is placed with the tenant for occupied assets.

4. Distribution information

4(a) Current financial period

Any distribution declared for the current period? Yes.

Name of distribution: Interim distribution for the period from 1 January 2024 to 30 June 2024

Distribution type: Tax-exempt income

Distribution rate: 1.40 pence per Unit
(being 90.0% of the total amount available for distribution to unitholders at end of the period)

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

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

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

4(c) Notice of Record Date: 16 August 2024

4(d) Date Payable: 23 September 2024

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

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

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

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

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

Tan Hai Peng Micheal and Victor Song Chern Chean, Non-Independent Non-Executive Directors, on behalf of the board of directors of the Manager confirmed that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Manager which may render the unaudited financial results of Elite UK REIT for the period from 1 January 2024 to 30 June 2024 to be false or misleading in any material aspect.

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

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



*Elite UK REIT and its subsidiaries
Other Information Required By Listing Rule Appendix 7.2
Six Months ended 30 June 2024*

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

BY ORDER OF THE BOARD

ELITE UK REIT MANAGEMENT PTE. LTD.
(Company Registration Number: 201925309R)
(as Manager of Elite UK REIT)

Liaw Liang Huat Joshua
Chief Executive Officer
7 August 2024