



ELITE COMMERCIAL REIT

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

Distribution Yield¹

7.1%

Forecast Year 2020

FIRST UK-FOCUSED SINGAPORE REIT, OVER 99.0% LEASED TO THE UK GOVERNMENT

PROSPECTUS DATED 28 JANUARY 2020

(Registered with the Monetary Authority of Singapore on 28 January 2020)

OFFERING OF 114,686,200 Units

(subject to the Over-Allotment Option (as defined herein))

OFFERING PRICE: £0.68 per Unit

SINGAPORE PUBLIC OFFER SUBSCRIPTION PRICE: S\$1.21 per Unit²

Elite Commercial REIT Management Pte. Ltd., as manager (the "Manager") of Elite Commercial REIT, is making an offering (the "Offering") of 114,686,200 units representing undivided interests in Elite Commercial REIT ("Units") for subscription at the Offering Price (as defined herein) (the "Offering Units"). The Offering consists of (i) an international placement of 108,951,900 Units to investors, outside the United States of America (the "U.S." or "United States") (the "Placement Tranche") and (ii) an offering of 5,734,300 Units to the public in Singapore (the "Singapore Public Offer").

It is currently expected that the issue price of each Unit under the Offering will be £0.68 per Unit (the "Offering Price"). Investors subscribing for Units under the Singapore Public Offer will pay the Offering Price in Singapore dollars (based on the exchange rate of £1.00 to S\$1.7794). Oversea-Chinese Banking Corporation Limited and UBS AG, Singapore Branch are the joint issue managers for the Offering (collectively, the "Joint Issue Managers"). 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 Offering (collectively, the "Joint Bookrunners and Underwriters" or the "Joint Bookrunners"). The Offering is fully underwritten at the Offering Price by the Joint Bookrunners on the terms and subject to the conditions of the Underwriting Agreement (as defined herein).

The total number of Units in issue as at the date of this Prospectus is 95,000,000 Units, which are currently held by the Private Trust Investors (as defined herein). The exercise of the Over-Allotment Option will not increase the total number of Units in issue.

As soon as practicable after the registration of this Prospectus, the 95,000,000 of the existing Units held by the Private Trust Investors will be sub-divided (the "Sub-division") so that the total number of Units held by the Private Trust Investors is 167,521,580 Units ("Private Trust Units"). After completion of the Sub-division, a number of the Private Trust Units will be redeemed at the Offer Price so that the total number of Units in issue and held by the Private Trust Investors prior to the Offering is 139,705,895 (the "Initial Units").

In addition, concurrently with, but separate from the Offering, each of the Cornerstone Investors (as defined herein) has entered into a separate subscription agreement to subscribe for an aggregate of 77,827,900 Units (the "Cornerstone Units") at the Offering Price conditional upon the Underwriting Agreement having been entered into, and not having been terminated, pursuant to its terms on or prior to the Settlement Date (as defined herein). The total number of outstanding Units immediately after completion of the redemption and Offering will be 332,219,995.

Prior to the Offering, there has been no market for the Units. The offer of Units under this Prospectus will be by way of an initial public offering in Singapore ("IPO"). Application has been made to Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to list on the SGX-ST Main Board (i) all Units to be issued pursuant to the Offering, (ii) the Initial Units, (iii) the Cornerstone Units, (iv) all the Units to be issued to the Manager from time to time in full or part payment of the fees payable to the Manager and (v) Units to be issued to the property managers from time to time in full or part payment of the fees payable to the property managers. Such permission will be granted on the date when Elite Commercial REIT has been admitted to the Official List of the SGX-ST (the "Listing Date"). Acceptance of applications for Units will be conditional upon issue of the Units and upon permission being granted to list the Units. In the event that such permission is not granted or if the Offering is not completed for any other reason, application monies will be returned in full, at each investor's own risk, without interest or any share of revenue or other benefit arising therefrom, and without any right or claim against any of Elite Commercial REIT, the Manager, Perpetual (Asia) Limited, as trustee of Elite Commercial REIT (the "Trustee"), Elite Partners Holdings Pte. Ltd. ("EPH"), Ho Lee Group Pte. Ltd. ("HLG") and Sunway RE Capital Pte. Ltd. ("Sunway"), (EPH, HLG and Sunway collectively, the "Sponsors"), the Joint Issue Managers or the Joint Bookrunners.

Elite Commercial REIT has received a letter of eligibility from the SGX-ST for the listing and quotation of (i) all Units to be issued pursuant to the Offering, (ii) the Initial Units, (iii) the Cornerstone Units, (iv) the Units to be issued to the Manager from time to time in full or part payment of the fees payable to the Manager and (v) Units to be issued to the property managers from time to time in full or part payment of the fees payable to the property managers, on the Official List of SGX-ST Mainboard. Elite Commercial REIT's eligibility to list on the SGX-ST Mainboard does not indicate the merits of the Offering. Elite Commercial REIT, the Manager, the Trustee, the Sponsors, the Joint Issue Managers, the Joint Bookrunners or the Units. The SGX-ST assumes no responsibility for the correctness

of any statements or opinions made or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, Elite Commercial REIT, the Manager, the Trustee, the Sponsors, the Joint Issue Managers, the Joint Bookrunners or the Units.

The collective investment scheme offered in this Prospectus is an authorised scheme under the Securities and Futures Act, Chapter 289 of Singapore (the "Securities and Futures Act" or "SFA"). A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "Authority" or "MAS") on 17 January 2020 and 28 January 2020, respectively. The MAS assumes no responsibility for the contents of the Prospectus. Registration of the Prospectus by the MAS does not imply that the Securities and Futures Act or any other legal or regulatory requirements have been complied with. The MAS has not, in any way, considered the investment merits of the collective investment scheme. This Prospectus will expire on 27 January 2021 (12 months after the date of the registration of this Prospectus).

See "Risk Factors" commencing on page 67 of this Prospectus for a discussion of certain factors to be considered in connection with an investment in the Units. None of the Manager, the Trustee, the Sponsors, the Joint Issue Managers or the Joint Bookrunners guarantees the performance of Elite Commercial REIT, the repayment of capital or the payment of a particular return on the Units.

Investors applying for Units under the Singapore Public Offer by way of Application Forms (as defined herein) or Electronic Applications (both as referred to in Appendix G, "Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore") will have to pay the Offering Price on application, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case without interest or any share of revenue or other benefit arising therefrom), where (i) an application is rejected or accepted in part only, or (ii) if the Offering does not proceed for any reason.

In connection with the Offering, the Joint Bookrunners have been granted an over-allotment option (the "Over-Allotment Option") by Ho Lee Group Trust, Sunway, Kim Seng Holdings Pte Ltd, Tan Hai Peng Michael, Kan Phui Lin and Tan Dah Ching (the "Unit Lenders"), exercisable by UBS AG, Singapore Branch (the "Stabilising Manager") (or any of its affiliates or other persons acting on behalf of the Stabilising Manager), in consultation with the other Joint Bookrunners, in full or in part, on one or more occasions, during the period commencing on the Listing Date but until the earlier of (i) the date falling 30 days from the Listing Date, or (ii) the date when the Stabilising Manager (or its affiliates or other persons acting on behalf of the Stabilising Manager) has bought, on the SGX-ST, an aggregate of 6,617,300 Units, representing approximately 5.8% of the total number of Units in the Offering, to undertake stabilising actions to purchase up to an aggregate of 6,617,300 Units (representing approximately 5.8% of the total number of Units in the Offering), at the Offering Price. The exercise of the Over-Allotment Option will not increase the total number of Units outstanding. In connection with the Offering, the Stabilising Manager (or its affiliates or other persons acting on behalf of the Stabilising Manager) may, in consultation with the other Joint Bookrunners and at its discretion, over-allot or effect transactions which stabilise or maintain the market price of the Units at levels that might not otherwise prevail in the open market. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations. However, there is no assurance that the Stabilising Manager (or its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action. Prospective investors should consult the section "Plan of Distribution – Selling Restrictions" of this Prospectus for a listing of restrictions on Offerings and sales of Units in certain jurisdictions.

Nothing in this Prospectus constitutes an offer for securities for sale in the United States or any other jurisdiction where it is unlawful to do so. The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or the securities law of any other jurisdiction and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Units are being offered and sold only outside the United States in offshore transactions as defined in and in reliance on the exemption from registration provided by Regulation S under the Securities Act ("Regulation S").

For the purposes of the European Alternative Investment Fund Managers Directive (Directive 2011/61/EU) ("AIFMD"), Elite Commercial REIT will constitute a non-EU alternative investment fund ("AIF") whose alternative investment fund manager ("AIFM") is the Manager, itself a non-EU AIFM. Each member state of the European Economic Area (the "EEA") has adopted legislation implementing AIFMD into national law. Under AIFMD, marketing to any investor domiciled or with a registered office in the EEA will be restricted by such laws and no such marketing shall take place except as permitted by such laws. The Units may only be offered and issued in accordance with applicable laws in relevant member states, and potential investors should ensure they are able to subscribe for Units in accordance with those laws. The Units may only be made available for purchase in the EEA by professional investors, being investors that are considered to be a professional client or may, on request, be treated as a professional client, within the meaning of Annex II to Directive 2014/65/EU ("MiFID II").

1 Forecast Year 2020 ("FY2020") refers to financial year from 1 January 2020 to 31 December 2020. The distribution per Unit ("DPU") yield for FY2020 is calculated based on the Offering Price and assumed exchange rates as set out in this Prospectus. Such yield and yield growth will vary accordingly for investors who purchase Units in the secondary market at a market price different from the Offering Price, and according to differences between actual and assumed exchange rates.
2 Based on the exchange rate of £1.00 to S\$1.7794.

SPONSORS



JOINT ISSUE MANAGERS



JOINT BOOKRUNNERS AND UNDERWRITERS

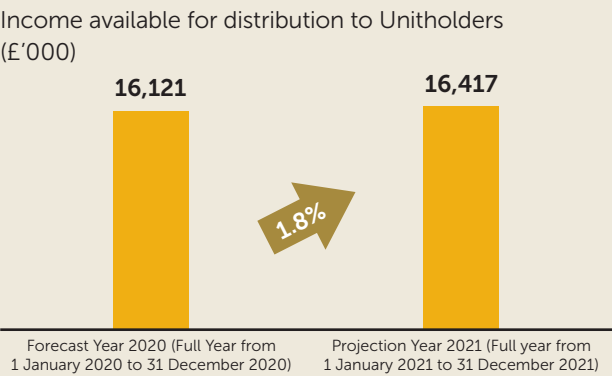


FIRST UK-FOCUSED REIT IN SINGAPORE

About Elite Commercial REIT

- A Singapore real estate investment trust (“REIT”) established with the investment strategy of principally investing, directly or indirectly, in commercial assets and real estate-related assets in the United Kingdom (“UK”)
- The initial portfolio of Elite Commercial REIT (the “IPO Portfolio”), which comprises 97 quality commercial buildings located across the UK, is primarily occupied by the Department for Work and Pensions (“DWP”), the UK Government’s largest public service department that is responsible for crucial welfare, pensions and child maintenance services for approximately 20 million claimants³
- The manager is Elite Commercial REIT Management Pte. Ltd.

Stable and Growing Distribution Income



IPO Portfolio is Over 99.0% Leased to the UK Government



➤ Peel Park, Blackpool



➤ Holborn House, Derby

³ Source: Independent United Kingdom Property Market Research Report.
⁴ As at 31 August 2019.
⁵ 96 properties are freehold properties and one Property is on a long leasehold tenure expiring on 19 May 2255.
⁶ Over 99.0% of gross rental income is derived from the current leases with the UK Government via The Secretary of State for Housing, Communities and Local Government.
⁷ As at 31 August 2019, based on the valuation report prepared by Colliers International Valuation UK LLP.
⁸ Under a full repairing and insuring (triple net) lease, the responsibility for the repair of the external, internal and structural format of the property is placed with the tenant. Elite Commercial REIT, as the landlord, has no repairing or insuring liability and will not be required to bear the costs of material repairs to the Properties, if any.

GEOGRAPHICALLY DIVERSIFIED ACROSS THE UK

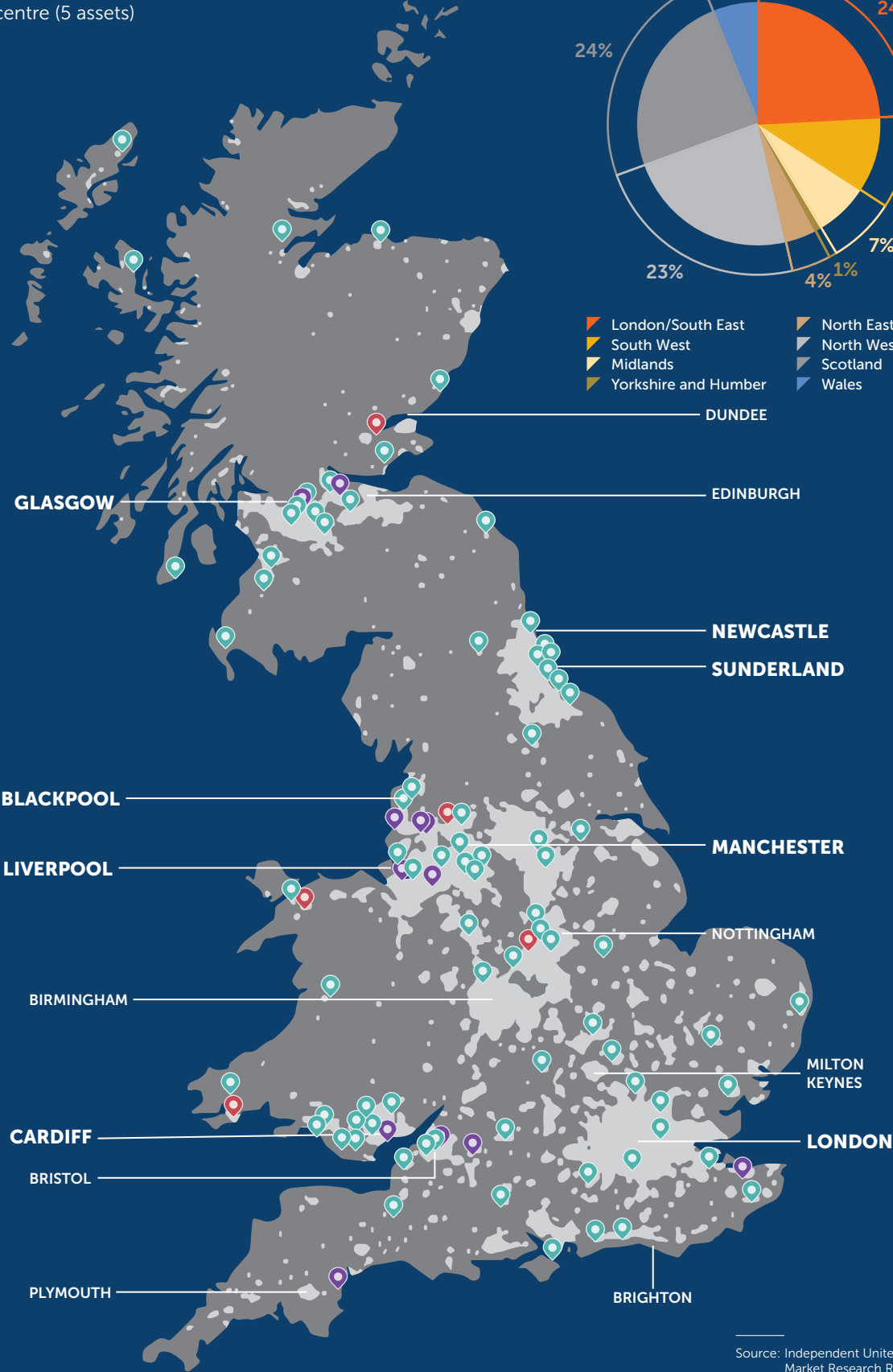
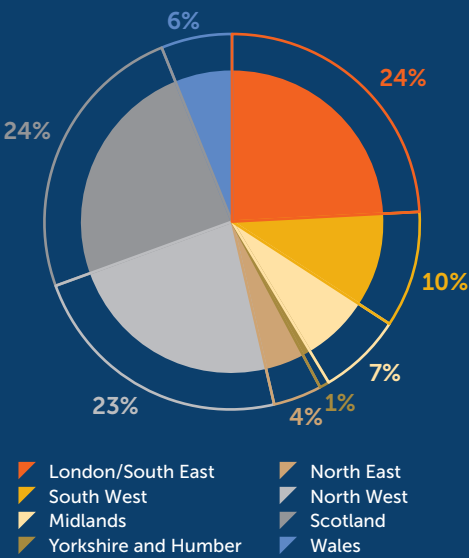
Property Usage

- Jobcentre Plus (80 assets)⁹
- Back office (12 assets)
- Call centre (5 assets)

Population Density

- Densely populated areas
- Less densely populated areas

Geographical Mix by Appraised Value



Source: Independent United Kingdom Property Market Research Report

⁹ Including mixed use properties with a medical centre, back office or retail component in addition to the Jobcentre Plus.

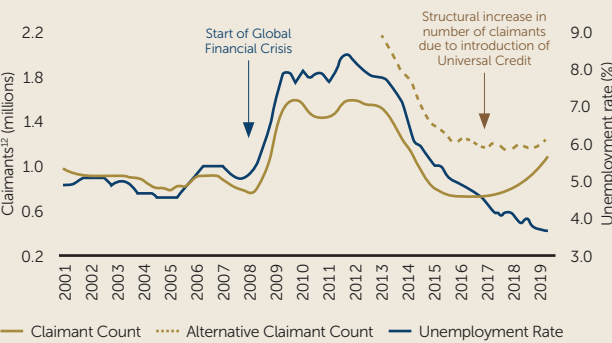
KEY INVESTMENT HIGHLIGHTS

Over 99.0% leased to the UK Government, providing attractive and recession-proof yields

DWP is a Uniquely Counter-cyclical Occupier

- 82.5%¹⁰ of the assets in the IPO Portfolio is used by the DWP to provide key front-of-house services, primarily Jobcentre Plus¹¹ unemployment services
- Claimant counts, job centre footfall and DWP benefit spending are all highly correlated to unemployment

UK Claimant Count vs. Unemployment Rate

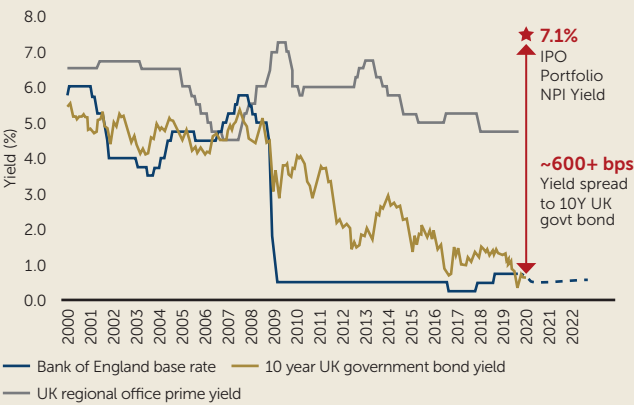


Source: Independent United Kingdom Property Market Research Report

Attractive Risk-adjusted Return

- The IPO Portfolio's Net Property Income ("NPI") yield of 7.1%¹³ represents an attractive ~600+¹⁴ bps yield spread to UK Government 10-year bonds, despite being backed by the same sovereign credit

IPO Portfolio NPI Yield vs. Comparable Benchmarks

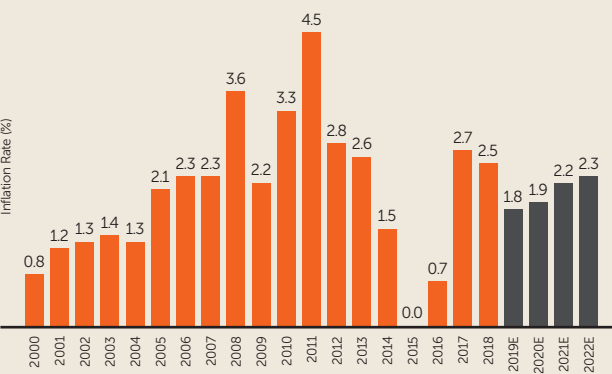


Source: Independent United Kingdom Property Market Research Report

Embedded Rental Growth from Inflation-linked Rental Escalations

- The leases to the UK Government have rent reviews every five years based on the UK Consumer Price Index ("CPI"), subject to an annual minimum increase of 1.0% and maximum of 5.0%
- Provides the IPO Portfolio with a relatively predictable, embedded rental growth profile, with CPI forecast to increase at an average of 2.1% p.a. from 2020 to 2022

Annual Increase in CPI

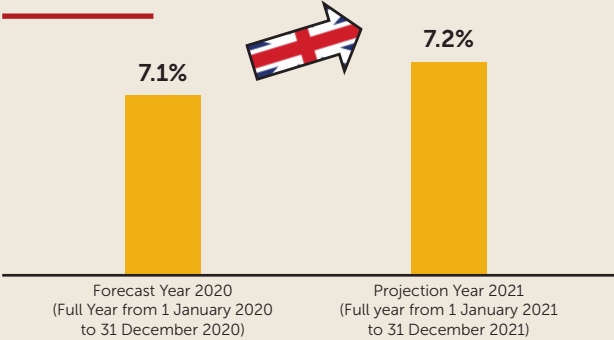


Source: Independent United Kingdom Property Market Research Report

Stable Cash Flow Backed by UK Sovereign Credit

- Over 99.0% of the IPO Portfolio's gross rental income is derived from full repairing and insuring (triple net) leases to the UK Government with a WALE of approximately 8.6 years¹⁵
- UK Government is rated AA and Aa2 by S&P and Moody's respectively¹⁶
- UK Government has one of the lowest debt-to-GDP ratios amongst the G7

Attractive and Recession-proof Distribution Yields



10 Based on number of assets.

11 Jobcentre Plus, which is part of the DWP, is a government-funded employment agency and social security office whose aim is to help people of working age find employment in the UK.

12 Monthly figure; Alternative Claimant Count includes estimates of those additional claimants who would have been searching for work under Universal Credit had it existed over the entire time period from 2013; 2019 figures comprises the average for January 2019 until latest available data for Alternative Claimant Count i.e. May 2019.

13 Based on Forecast Year 2020.

14 As of 31 December 2019.

15 As at 31 August 2019.

16 Source: S&P and Moody's rating dated 26 October and 22 August 2019 respectively. Each of S&P and Moody's has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA), to the inclusion of the credit rating quoted above in this Prospectus and therefore is not liable for such information under Sections 253 and 254 of the SFA (read with Section 302(1) of the SFA). While the Manager has taken reasonable action to ensure that the information from the above credit rating published by S&P and Moody's is reproduced in its proper form and context, and that the information is extracted accurately and fairly, neither the Manager, the Joint Issue Managers, the Joint Underwriters nor any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

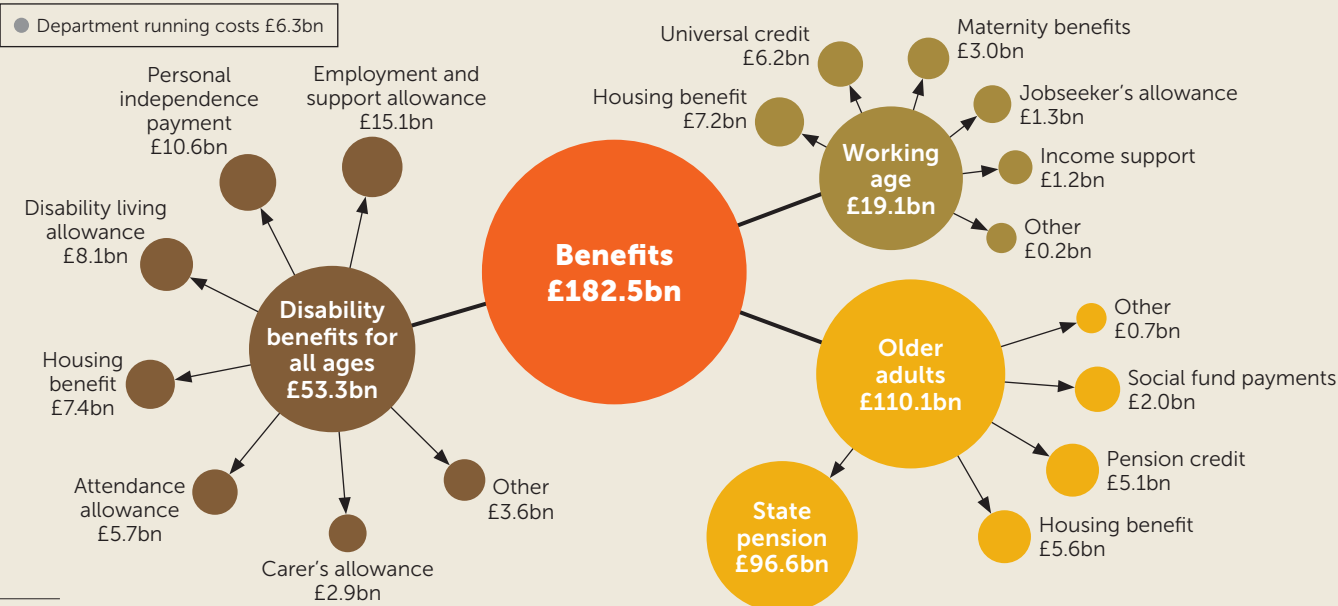
KEY INVESTMENT HIGHLIGHTS

IPO Portfolio is crucial public infrastructure for the provision of DWP services

DWP is the UK Government’s Largest Public Service Department

- Responsible for crucial welfare, pensions and child maintenance services
- Total benefit spent for FY2018/2019 was £182.5 billion
- Approximately 20 million DWP benefits claimants

FY2018/2019 DWP Budget Breakdown

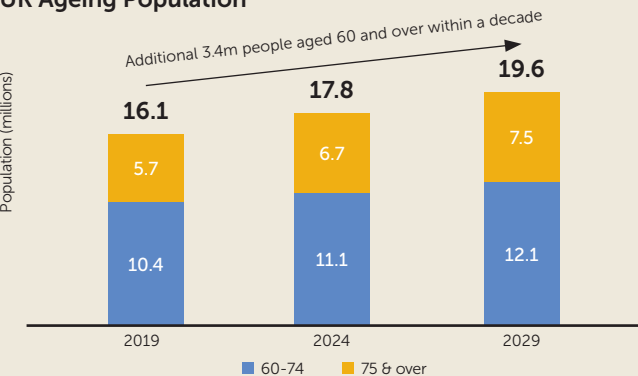


Source: Independent United Kingdom Property Market Research Report

Long-Term Relevance of The IPO Portfolio to DWP

- Renewed new 10-year leases in 2018
- 86.3%¹⁷ of Jobcentre Plus assets in the IPO Portfolio has no alternative Jobcentre Plus within a 3-mile radius (a key metric for the DWP)
- UK's ageing population is driving long-term structural demand growth for pension services

UK Ageing Population



Source: Independent United Kingdom Property Market Research Report

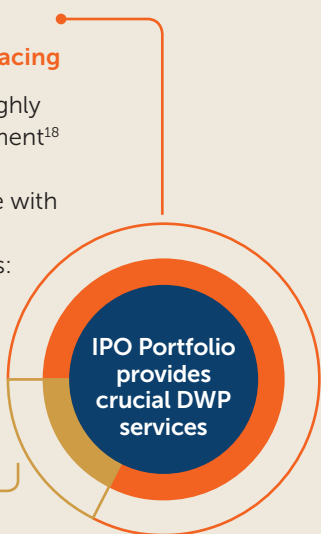
IPO Portfolio Provides Crucial DWP Services

82.5%¹⁷ of assets Front-of-House and Public-Facing

- Jobcentre Plus: usage is highly correlated with unemployment¹⁸
- Pension Services: usage expected to increase in line with ageing population¹⁹
- Child Maintenance Services: stable usage regardless of economic conditions²⁰
- Disability Services: stable usage regardless of economic conditions²¹

17.5%¹⁷ of assets Back-of-House Purposes

- Finance and accounts
- Fraud detection and investigation
- IT support
- Call centres
- Claims processing
- Service roll-out planning (e.g. for Universal Credit²²)



¹⁷ Based on number of assets.

¹⁸ Provide assistance to the working-age unemployed, including career advisory services, arranging for unemployment benefits and providing job-matching services.

¹⁹ Protect low-income pensioners by topping up income to a standard minimum amount, offer IT training for the retirees and handle claimant complaints and queries.

²⁰ Offer impartial information to help separated parents make decisions about child maintenance arrangements and arranging child maintenance on behalf of separated parents.

²¹ Provide onsite medical examination centres as part of the Work Capability Assessment for disability benefit and offer training programmes.

²² Introduced in April 2013, Universal Credit is a monthly benefit payment intended to simplify working-age benefits and incentivise paid work. It replaces the following benefits: child tax credit, housing benefit, income support, income-based jobseeker's allowance, income-related employment and support allowance, and working tax credit. It is being introduced in stages across the UK.

KEY INVESTMENT HIGHLIGHTS

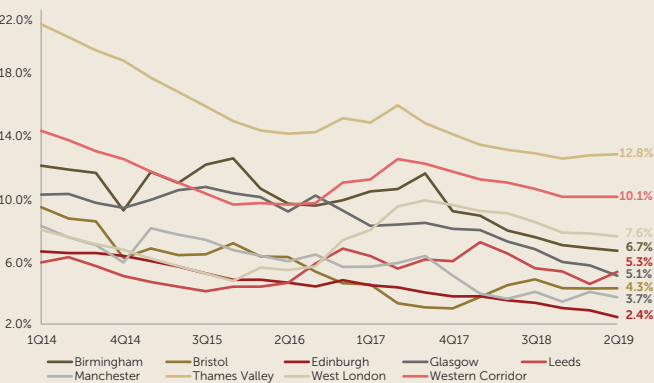
Well-located assets, primarily in town centres close to public transport nodes

- DWP mandates that Jobcentre Plus centres should be easily accessible to the general population via public transport
- **74.2%**²³ of the IPO Portfolio is centrally located in city centres, town centres and city suburbs
- **100.0%**²³ within a 10 minute walk to the nearest bus stop
- **59.8%**²³ within a 15 minute walk to the nearest train station
- Close to key amenities such as supermarkets, Food & Beverage (F&B) outlets, schools, and medical facilities

Strong Office Market Fundamentals Across the UK

- Office fundamentals in the UK remain robust with limited new supply and rising take-up rates
- The IPO Portfolio is generally located in areas with stable demand/supply fundamentals

UK (excluding Central London) office vacancies



Source: Independent United Kingdom Property Market Research Report



St Andrew's House, Hexham



Upper Huntbach Street, Stoke on Trent



Crown House, Grantham



Tannery House, Alfreton

23 By number of properties.

KEY INVESTMENT HIGHLIGHTS

Growth potential from enhancement, redevelopment and acquisition opportunities

Asset Enhancement Potential

- Particularly for assets with under-developed land sites and/or located in regions with regeneration plans
- For example, the Peel Park asset in Blackpool is currently used by DWP as a technology hub
 - Also consists of approximately 75.0% (11.7 ha) of undeveloped grassland, which the Manager believes provides opportunities to either work with the DWP to expand its footprint on the site, or carve out a portion of the land for alternative uses

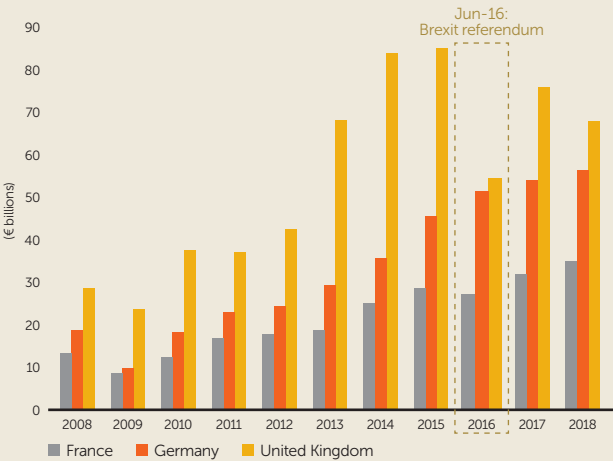


Source: Google Maps

Acquisition Potential

- The UK is consistently the second most traded real estate market in the world
- Represented approximately 30.0% of all European real estate transactions over the last five years
- Sponsors have each provided Elite Commercial REIT a right of first refusal over all future UK commercial acquisitions
- In particular, a right of first refusal has been granted by Elite UK Commercial Fund II, a private trust managed by Elite Partners Capital Pte. Ltd. (a wholly-owned subsidiary of Elite Partners Holdings Pte. Ltd.) with over 62 commercial properties located in the UK, which are primarily long-term leased to the UK Government

Real Estate Investment Volumes in Major European Markets



Source: Independent United Kingdom Property Market Research Report

Highly experienced Sponsors and management team



Elite Partners Holdings Pte. Ltd.

- Investment holding firm for Elite Partners Group
- Established to deliver lasting value for investors based on common interests, long-term perspectives and a disciplined approach
- Backed by a team with proven expertise in private equity and REITs



Ho Lee Group Pte. Ltd.

- Extensive experience across the real estate value chain, from general building construction to industrial and residential development
- One of the major sponsors of Viva Industrial Trust during its IPO in November 2013



Sunway RE Capital Pte. Ltd.

- Wholly-owned subsidiary of Sunway Berhad – one of Malaysia's largest conglomerates with businesses in property development, property investment and REIT, construction, healthcare, hospitality, leisure, quarry, building materials, and trading and manufacturing

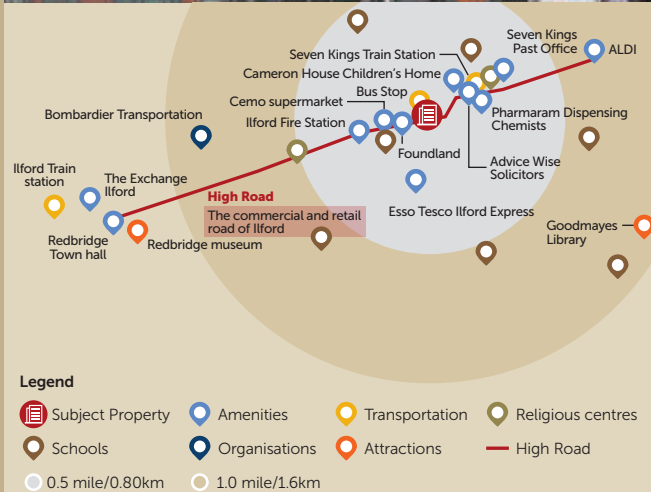
REIT Management Team

- Average of 15 years of relevant experience across UK real estate investment and management, corporate finance, financial management and REITs
- Instrumental in acquiring the IPO Portfolio
- Intimately involved with the asset management and discussions with DWP since the acquisition

CASE STUDIES

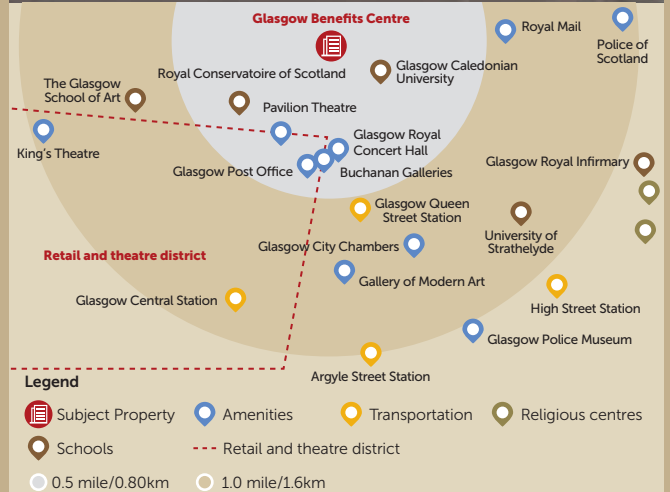
Front-of-House: High Road, Ilford

- Jobcentre Plus on the ground floor
- Situated on High Road; eastern periphery of town centre
- 0.2 miles from Seven Kings Station; frequent connections to London Liverpool Street Station (20 minute journey)



Back-of-House: Glasgow Benefits Centre

- Houses the only Passport Office²⁴ in Scotland
- Situated 0.5 miles north of Glasgow City Centre
- Located in mix of surrounding uses including offices, residential, ground floor retail/leisure and a potential student accommodation site



KEY GROWTH STRATEGIES

- **Acquisition growth strategy supported by a rigorous research driven selection process and an extensive expertise in the UK with strong sourcing capabilities**
 - Portfolio growth through the acquisition of quality income-producing properties across the UK, used mainly for commercial purpose
 - Rigorous selection process focused on long-term sector trends and fundamental real estate qualities
- **Active asset management and enhancement**
 - Drive organic growth in Revenue²⁵ and Net Property Income²⁶ and maintain strong tenant relationships
 - Regularly evaluate Elite Commercial REIT's properties to identify potential property enhancement or redevelopment opportunities
- **Prudent capital management**
 - Appropriate mix of debt and equity in financing acquisitions and asset enhancement
 - Optimise cost of debt financing and utilise interest rate hedging strategies to minimise exposure to market volatility and maximise risk-adjusted returns to Unitholders

INDICATIVE TIMETABLE

28 January 2020, 9.00 p.m.

Opening date and time for the Singapore Public Offer

4 February 2020, 12.00 p.m.

Closing date and time for the Singapore Public Offer

6 February 2020, 2.00 p.m.

Commence trading on a "Ready" basis

HOW TO APPLY

Applications for the Singapore Public Offer may be made through:

- **ATMs and internet banking websites of Oversea-Chinese Banking Corporation Limited, DBS Bank Ltd. (including POSB) and United Overseas Bank Limited**
- **Mobile banking interface of DBS Bank Ltd (including POSB)**
- **Printed White Singapore Public Offer Units Application Form which is part of the Prospectus**

²⁴ Passport Office, which is part of the UK Home Office, is the sole issuer of UK passports and responsible for civil registration services through the General Register Office.

²⁵ "Revenue" means Gross Rental Income and service charge income from tenants.

²⁶ "Net Property Income" means Revenue less property operating expenses.

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NOTICE TO INVESTORS

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of Elite Commercial REIT, the Manager, the Trustee, the Joint Issue Managers, the Joint Bookrunners or the Sponsors. If anyone provides you with different or inconsistent information, you should not rely upon it. The delivery of this Prospectus or any offer, subscription, sale or transfer made pursuant to this Prospectus shall not under any circumstances imply that the information in this Prospectus is correct or constitute a representation that there has been no change or development reasonably likely to involve a material adverse change in the business affairs, conditions and prospects of Elite Commercial REIT, the Manager, the Trustee, the Units or the Sponsors subsequent to the date of this Prospectus. Where such changes occur and are material or required to be disclosed by law, the SGX-ST and/or any other regulatory or supervisory body or agency, or if the Manager otherwise determines, the Manager will make an announcement of the same to the SGX-ST and, if required, lodge and issue an amendment to this Prospectus or a supplementary document or replacement document pursuant to Section 296 or, as the case may be, Section 298 of the Securities and Futures Act and take immediate steps to comply with the said Sections. You should take notice of such announcements and documents and upon release of such announcements and documents, you shall be deemed to have notice of such changes.

In connection with Section 309B of the Securities and Futures Act and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), Elite Commercial REIT has determined the classification of the Units as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The UK Non-Resident Capital Gains Tax (“**UK NRCGT**”) rules were introduced with effect from 5 April 2019, where UK corporation tax is chargeable on capital gains made by non-residents where there is a direct disposal of UK real estate interests or where there is an indirect disposal of UK interests in land. A rebasing will be available to ensure that the new tax regime subjects only the gain accruing post 6 April 2019 to tax.

The definition of “non-residents”, in relation to a corporate entity, is broadly any corporate entity that is both not incorporated in the UK and does not have its central management and control in the UK. For individuals, it refers to any individual who is neither tax resident nor domiciled in the UK.

The applicable UK corporation tax rate for companies is 19.0%. The UK Government had previously announced a change in UK corporation tax rate from 19.0% to 17.0% with effect from 1 April 2020. However, during the campaign for the 2019 UK election, the Conservative Party (which won the election in December 2019) had mentioned that it intended to maintain the UK corporation tax rate at 19.0% and did not intend to proceed with the planned reduction to 17.0% in April 2020. Such change, if any, is likely to be announced in the UK Budget which is due to take place in March 2020. Further details are set out in the section “Taxation”. The Manager has assumed the higher corporation tax rate of 19.0% in preparing the Profit Forecast and Profit Projection. For individuals, the UK NRCGT regime applies at a rate of either 28.0% or 20.0%, depending on the nature of the asset disposed of (residential property at a rate of 28.0% and non-residential property at a rate of 20.0%).

The entities within the group comprising Elite Commercial REIT and its subsidiaries (the “**Elite Commercial REIT Group**” or the “**Group**”) should be classified as “property rich” entities (being entities which derive 75.0% or more of their respective value from UK land) for UK taxation purposes and a disposal of interests in these entities should fall within the scope of the UK

NRCGT rules. Accordingly, gains on the disposal of the Units are subject to UK corporation tax under the UK NRCGT rules, unless the person making the disposal benefits from a specific exemption, or relevant double taxation agreement (“**DTA**”) relief. The capital gains tax charge falls due in the hands of the Unitholders and the UK tax filings and obligations fall on the Unitholders accordingly.

Certain DTAs that the UK has entered into, including the DTA with Singapore, provide an exemption from UK tax on gains arising from disposal of shares traded or quoted on a recognised or approved stock exchange even if such shares are considered shares of “property rich” entities (i.e. “listed shares” exemption). HM Revenue & Customs (“**HMRC**”) clearance has been obtained in this regard and the HMRC clearance confirmed that Article 3 of the DTA between the UK and Singapore requires one to look at the UK domestic legislation for the definition of “shares” where this is not specifically defined in the DTA. In accordance with the UK domestic legislation (i.e. section 3(b) of Schedule 5AAA of Taxation of Chargeable Gains Act 1992 (“**Schedule 5AAA**”), a Collective Investment Vehicle (“**CIV**”) should be treated as a company with shares for the purpose of Schedule 5AAA. Elite Commercial REIT should qualify as a CIV, following the qualification as a Unit Trust Scheme, according to a UK legal opinion provided by Eversheds Sutherland (International) LLP (“**Eversheds Sutherland**”).

It follows that, should any UK DTA not include a “shares” definition, and Article 3 of that DTA (General Definitions) requires one to look to UK domestic legislation for that definition, Unitholders may be exempt from UK NRCGT under the “listed shares” exemption included in the relevant UK DTA (provided those Unitholders have DTA access).

As part of the HMRC clearance process, HMRC has granted clearance on a number of specific UK DTAs (which were identified by the Manager) which do not include a definition of “shares”, that Units are considered to be “shares” for the purposes of interpreting these respective DTAs, under section 3(b) of Schedule 5AAA. These DTAs are as follows:

- Bahrain;
- Hong Kong;
- Japan;
- Malaysia;
- The Netherlands;
- Qatar;
- Singapore;
- South Korea;
- The Republic of China (Taiwan); and
- United Arab Emirates (“**UAE**”).

Accordingly, upon the listing of Elite Commercial REIT, Unitholders which are tax resident in the aforesaid jurisdictions may be exempt from UK NRCGT, provided they have treaty access. All prospective investors (including investors who are resident in a jurisdiction other than those listed above) should seek their own tax advice in order to determine their own tax treatment under the UK NRCGT rules and in their jurisdiction of residence, including any double taxation relief available.

(See “Risk Factors – The UK NRCGT rules introduced from 5 April 2019 may give rise to UK capital gains tax for Unitholders on a disposal of their Units” and “Taxation – UK Tax Overview – UK NRCGT”.)

None of Elite Commercial REIT, the Manager, the Trustee, the Joint Issue Managers, the Joint Bookrunners and the Sponsors or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers is making any representation or undertaking to any purchaser or subscriber of Units regarding the legality of an investment by such purchaser or subscriber under appropriate legal, investment or similar laws. In addition, you should not construe the contents of this Prospectus as legal, business, financial or tax advice. You should be aware that you may be required to bear the financial risks of an investment in the Units for an indefinite period of time. You should consult your professional advisers as to the legal, tax, business, financial and related aspects of an investment in the Units.

Copies of this Prospectus and the Application Forms may be obtained on request, subject to availability, during office hours, from:

Oversea-Chinese Banking Corporation Limited	UBS AG, Singapore Branch	CGS-CIMB Securities (Singapore) Pte. Ltd.	China International Capital Corporation (Singapore) Pte. Limited
65 Chulia Street OCBC Centre Singapore 049513	One Raffles Quay #50-01 North Tower Singapore 048583	CGS-CIMB Securities Investment Centre 50 Raffles Place #01-01 Singapore Land Tower Singapore 048623	6 Battery Road #33-01 Singapore 049909

and, where applicable, from members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore. A copy of this Prospectus is also available on the SGX-ST website: <http://www.sgx.com>.

The distribution of this Prospectus and the offering, subscription, purchase, sale or transfer of the Units in certain jurisdictions may be restricted by law. Elite Commercial REIT, the Manager, the Trustee, the Joint Issue Managers, the Joint Bookrunners and the Sponsors require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions at their own expense and without liability to Elite Commercial REIT, the Manager, the Trustee, the Joint Issue Managers, the Joint Bookrunners and the Sponsors. This Prospectus does not constitute, and the Manager, the Trustee, the Joint Issue Managers, the Joint Bookrunners and the Sponsors are not making, an offer of, or an invitation to subscribe for or purchase, any of the Units in any jurisdiction in which such offer or invitation would be unlawful. You shall not circulate to any other person, reproduce or otherwise distribute this Prospectus or any information herein for any purpose whatsoever nor permit or cause the same to occur.

In connection with the Offering, the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may, in consultation with the other Joint Bookrunners and at its discretion, over-allot or effect transactions which stabilise or maintain the market price of the Units at levels that might not otherwise prevail in the open market. However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action. (See “Plan of Distribution – Over-Allotment and Stabilisation” for further details.)

Personal Data Protection Act

For the purposes of the Personal Data Protection Act 2012 of Singapore (“**PDPA**”), you consent and acknowledge that all Personal Data (as defined in the PDPA) provided by you to the Manager, the Trustee, Elite Commercial REIT, the Joint Issue Managers, the Joint Bookrunners or any of their respective agents, may be collected, used, disclosed or otherwise processed in order for the

Manager, the Trustee, Elite Commercial REIT, the Joint Issue Managers, the Joint Bookrunners or any of their respective agents, to carry out their respective duties and obligations in relation to any investment by the Unitholder into Elite Commercial REIT, for each of the purposes as set out in this section or as may be permitted under the PDPA.

Where any Personal Data relating to any third party individuals has been provided by you to the Manager, the Trustee, Elite Commercial REIT, the Joint Issue Managers, the Joint Bookrunners or any of their respective agents, you warrant and represent that you have:

- (a) informed such individuals that Personal Data relating to them has been or will be disclosed to the Manager, the Trustee, Elite Commercial REIT, the Joint Issue Managers, the Joint Bookrunners or any of their respective agents;
- (b) informed such individuals that their Personal Data will be collected, held, used, disclosed, transferred or otherwise processed by the Manager, the Trustee, Elite Commercial REIT, the Joint Issue Managers, the Joint Bookrunners or any of their respective agents to carry out their respective duties and obligations in relation to any investment by the Unitholder into Elite Commercial REIT, and for each of the purposes as set out in this section or as may be permitted under the PDPA; and
- (c) obtained the consent of all such individuals for the foregoing.

FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus constitute “forward-looking statements”. This Prospectus also contains forward-looking financial information in “Profit Forecast and Profit Projection”. 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 Elite Commercial REIT, the Manager and the Sponsors or industry results, 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 Elite Commercial REIT, the Manager or the Sponsors will operate in the future. Because these statements and financial information reflect the current views of the Manager and the Sponsors 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 undue reliance on these forward-looking statements.

Among the important factors that could cause the actual results, performance or achievements of Elite Commercial REIT, the Manager or the Sponsors to differ materially from those in the forward-looking statements and financial information are the conditions of, and changes in, the domestic, regional and global economies, including, but not limited to, factors such as political, economic and social conditions in Singapore and the United Kingdom (“UK”), changes in government laws and regulations affecting Elite Commercial REIT, competition in the property markets of the UK in which Elite Commercial REIT may invest, industry, currency exchange rates, interest rates, inflation, relations with service providers, relations with lenders, hostilities (including future terrorist attacks), the performance and reputation of Elite Commercial REIT’s properties and/or acquisitions, difficulties in identifying future acquisitions, difficulty in completing and integrating acquisitions, changes in the Manager’s directors and executive officers, risks related to natural disasters, general volatility of the capital markets, general risks relating to the property market in which Elite Commercial REIT may invest and the market price of the Units as well as other matters not yet known to the Manager or not currently considered material by the Manager.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “Risk Factors”, “Profit Forecast and Profit Projection”, and “Business and Properties”. These forward-looking statements and financial information speak only as at the date of this Prospectus. The Manager expressly disclaims any obligation or undertaking to release publicly any updates of or revisions to any forward-looking statement or financial information contained herein to reflect any change in the expectations of the Manager or the Sponsors with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other relevant regulatory or supervisory body or agency.

CERTAIN DEFINED TERMS AND CONVENTIONS

In this Prospectus, references to “S\$”, “SGD” or “Singapore dollars” and “cents” are to the lawful currency of the Republic of Singapore, and references to “£”, “GBP” or “pound sterling” or “pence” are to the lawful currency of the UK.

As the exchange rate used for certain figures in this Prospectus will only be fixed prior to registration of the Prospectus, there may be changes in certain Singapore dollar amounts which have been translated from GBP, as the case may be, in the final Prospectus registered with the MAS. Investors subscribing for Units under the Singapore Public Offer will pay the Offering Price in Singapore dollars (based on the exchange rate of £1.00 to S\$1.7794). The latest practicable date prior to the lodgement of this Prospectus with the MAS is 10 January 2020 (the “**Latest Practicable Date**”).

However, such translations should not be construed as representations that GBP amounts have been, could have been or could be converted into Singapore dollars at that or any other rate (see “Exchange Rate Information”).

Unless otherwise defined, capitalised terms used in this Prospectus shall have the meanings set out in the Glossary.

The forecast and projected distribution per Unit (“**DPU**”) yields are calculated based on the Offering Price and assumed exchange rates as set out in this Prospectus. Such yields and yield growth will vary accordingly for investors who purchase Units in the secondary market at a market price different from the Offering Price, and according to differences between actual and assumed exchange rates.

Any discrepancies in the tables, graphs and charts included in this Prospectus between the listed amounts and totals thereof are due to rounding. Where applicable, figures and percentages are rounded to one decimal place. References to “Appendix” or “Appendices” are to the appendices set out in this Prospectus. All references in this Prospectus to dates and times shall mean Singapore dates and times unless otherwise specified.

All references to the names of the tenants of the IPO Portfolio (as defined herein) are either to the trade names under which the respective tenants carry on business under or its legal denomination.

Unless otherwise specified, all information relating to the Properties (as defined herein) in this Prospectus are as at 31 August 2019. See “Business and Properties” for details regarding the Properties.

For the purposes of this Prospectus:

- References to “**Aggregate Leverage**” means the total borrowings and deferred payments (if any) as a percentage of the Deposited Property (as defined herein);
- References to “**Appraised Value**” means the appraised value based on the valuation report prepared by Colliers International Valuation UK LLP;
- References to “**Deposited Property**” means all the Authorised Investments (as defined herein) of Elite Commercial REIT for the time being held or deemed to be held by Elite Commercial REIT under the Trust Deed (as defined herein);
- References to “**IPO Portfolio**” means the initial portfolio of Elite Commercial REIT as at the Listing Date, which comprises 97 quality commercial buildings located across the UK;

- References to the “**net internal area**” or “**NIA**” means the usable area within a building measured to the internal face of the perimeter walls at each floor level. NIA will include but is not limited to: (i) areas occupied by skirting and perimeter trunking; (ii) kitchens; (iii) any built in units or cupboards occupying usable areas (subject to height exclusion); (iv) non-structural walls subdividing accommodation in sole occupancy; (v) open circulation areas and entrance halls, corridors and atria other than those parts used in common; (vi) areas occupied by ventilation/heating grilles; and (vii) ramps, sloping areas and steps within usable areas. NIA will not take into account areas including but not limited to toilets and car parking areas;
- References to the “**weighted average unexpired lease term**” or “**WAULT**” to break means the average lease term remaining to first break weighted by contracted rent;
- References to the “**weighted average lease expiry**” or “**WALE**” to expiry means the average lease term remaining to expiry weighted by contracted rent; and
- References to the “**Purchase Consideration**” means (i) the aggregate of the market capitalisation of Elite Commercial REIT and the notional loan amount at IPO (ii) less IPO-related transaction expenses and working capital, and in relation to the implied purchase consideration for each individual asset, these have been allocated accordingly.

MARKET AND INDUSTRY INFORMATION

This Prospectus includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information. The Manager has commissioned Jones Lang LaSalle Limited (the “**Independent Market Research Consultant**”) to prepare the “Independent United Kingdom Property Market Research Report”. (See Appendix F, “Independent United Kingdom Property Market Research Report” for further details.) Notwithstanding that the Independent Market Research Consultant is the same entity as the Property Manager, the Manager is of the view that the independence of the Independent Market Research Consultant is not compromised due to, among others, the relatively small amount of the property management fee payable under the property management agreement. While the Manager has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, the Manager has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein. Consequently, none of Elite Commercial REIT, the Manager, the Trustee, the Sponsors, the Joint Issue Managers and the Joint Bookrunners makes any representations as to the accuracy or completeness of such information, and each of them shall not be held responsible in respect of any such information and shall not be obliged to provide any updates on the same.

The Manager and the Trustee have appointed Colliers International Valuation UK LLP (“**Colliers**”) and Knight Frank LLP (“**Knight Frank**”, and together with Colliers, the “**Independent Valuers**”) as the valuers of the Properties respectively. (See Appendix E, “Independent Property Valuation Summary Reports” for further details.)

OVERVIEW

*The following section is qualified in its entirety by, and is subject to, the more detailed information contained or referred to elsewhere in this Prospectus. The meanings of terms not defined in this section can be found in the Glossary or in the trust deed constituting Elite Commercial REIT dated 7 June 2018 (and as may be amended, varied or supplemented from time to time) (the “**Trust Deed**”). A copy of the Trust Deed can be inspected at the registered office of the Manager, which is located at 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989 (prior appointment would be appreciated).*

Statements contained in this section that are not historical facts may be forward-looking statements or are historical statements reconstituted on a pro forma basis. Such statements are based on certain assumptions and are subject to certain risks and uncertainties which could cause actual results of Elite Commercial REIT to differ materially from those forecast or projected (see “Forward-Looking Statements” for further details). Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by Elite Commercial REIT, the Manager, the Trustee, the Joint Issue Managers, the Joint Bookrunners, the Sponsors or any other person or that these results will be achieved or are likely to be achieved. Investing in the Units involves risks. Prospective investors are advised not to rely solely on this section, but to read this Prospectus in its entirety and, in particular, the sections from which the information in this section is extracted and “Risk Factors” to better understand the Offering and Elite Commercial REIT’s businesses and risks.

OVERVIEW OF ELITE COMMERCIAL REIT

Elite Commercial REIT is a Singapore real estate investment trust (“**REIT**”) established with the investment strategy of principally investing, directly or indirectly, in commercial assets and real estate-related assets in the UK.

Key Objectives

Elite Commercial REIT’s key objectives are to provide Unitholders with regular and stable distributions and to achieve long-term growth in DPU and net asset value (“**NAV**”) per Unit, while maintaining an appropriate capital structure.

IPO Portfolio

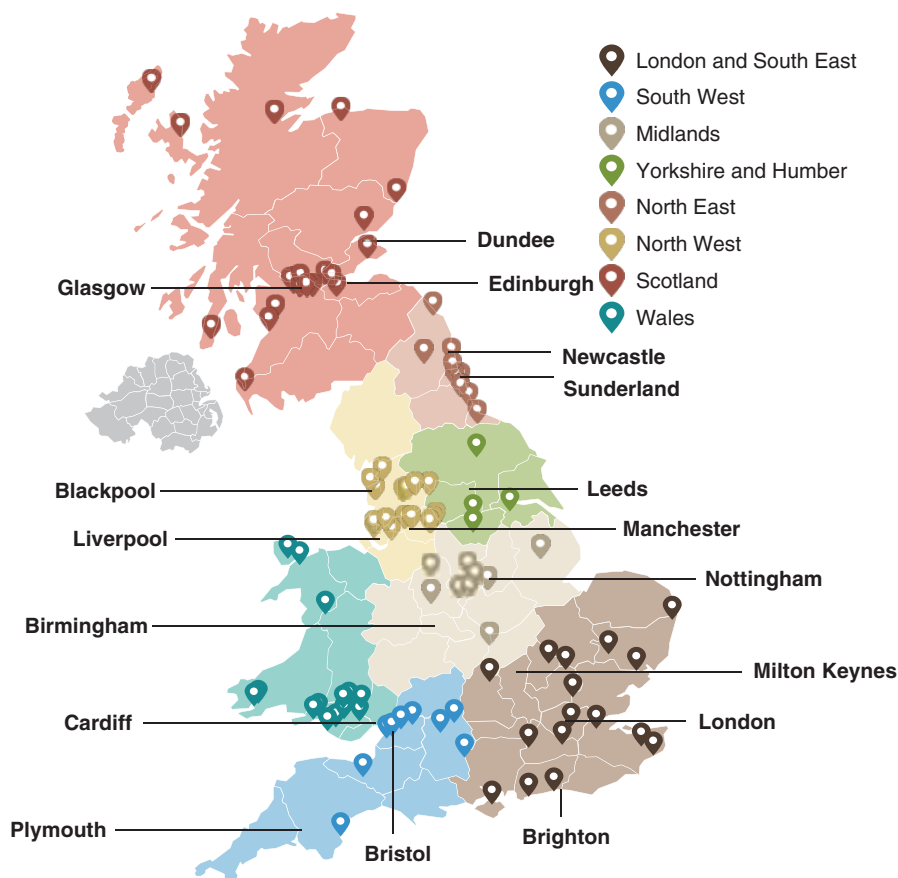
The initial portfolio of Elite Commercial REIT (the “**IPO Portfolio**”) will comprise 97 quality commercial buildings (the “**Properties**”) located across the UK, with a total net internal area of approximately 2.6 million square feet and a total site area of approximately 47 hectares. The IPO Portfolio is predominantly freehold. Of the 97 Properties, 96 Properties are freehold Properties and one Property is on a long leasehold tenure expiring on 19 May 2255. The initial portfolio has an aggregate indicative appraised value (“**Appraised Value**”) of approximately GBP 319.1 million as at 31 August 2019¹. Over 99.0% of the gross rental income is derived from the current leases with the UK Government via The Secretary of State for Housing, Communities and Local Government (with the Department for Work and Pensions (“**DWP**”) occupying each Property under a group sharing arrangement²).

1 Based on the valuation report prepared by Colliers International Valuation UK LLP.

2 Under a “**group sharing arrangement**”, a group of companies, or in the case of the UK Government, the various departments of the UK Government, may share occupation of the tenanted Property pursuant to the tenancy agreement on the basis that (a) no relationship of landlord and tenant is created or allowed to arise between the tenant and occupier; (b) the sharing arrangement ends if the occupier ceases to be a group company; and (c) the tenant notifies the landlord of the identity of the occupier, the area occupied and the date on which such occupation ceases. DWP is a UK Government division under the umbrella of the tenant (The Secretary of State for Housing, Communities and Local Government). Such arrangement does not in any way affect the liability of the tenant under the tenancy contracts and is common practice in the UK. For the avoidance of doubt, in this case, (i) the landlord refers to Elite Commercial REIT, through its indirect wholly-owned subsidiary, Elite Gemstones Properties Limited, (ii) the tenant refers to the UK Government and (iii) the occupier refers to the DWP.

DWP is responsible for welfare, pensions and child maintenance policy. As the UK Government's biggest public service department, it administers the State Pension and a range of working age, disability and ill health benefits for approximately 20 million claimants and customers.

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



The IPO Portfolio has an attractive geographical spread, with approximately 40.0% of the IPO Portfolio by Gross Rental Income situated in London, as well as the South, and the Midlands of the UK.

Region	Number of Properties	Gross Rental Income for Forecast Year 2020 (£'Million)	% of Gross Rental Income for Forecast Year 2020
London and South East	16	4.7	20.3%
South West	9	2.5	10.5%
Midlands	9	1.6	6.8%
Yorkshire and Humber	4	0.3	1.2%
North East	9	1.2	5.2%
North West	16	5.3	22.9%
Scotland	20	5.9	25.4%
Wales	14	1.8	7.7%
Total	97	23.3	100.0%

(See "Business and Properties" for further details.)

KEY INVESTMENT HIGHLIGHTS OF ELITE COMMERCIAL REIT

Unless otherwise stated herein, the statements in this section have been supplemented by and extracted from the Independent Property Market Research Report set out in Appendix F, "Independent United Kingdom Property Market Research Report" which has been prepared by the Independent Market Research Consultant.

The Manager believes that an investment in Elite Commercial REIT offers the following benefits:

1. First UK-focused Singapore REIT; over 99.0% leased to the UK Government, providing attractive and recession-proof yields

- (a) **Attractive risk-adjusted return** – IPO Portfolio provides approximately 600+bps¹ yield spread to UK Government 10-year bonds backed by the same sovereign credit
- (b) **Stable cash flow backed by UK sovereign credit** – over 99.0% of Gross Rental Income derived from full repairing and insuring (triple net) leases to the AA-rated UK Government with a long WALE of 8.6 years²
- (c) **Embedded rental growth from inflation-linked rental escalations**
- (d) **97 predominantly freehold office assets geographically diversified across the UK**

2. IPO Portfolio is crucial public infrastructure for the provision of DWP services

- (a) **DWP is the UK Government's largest public service department** – responsible for welfare, pensions and child maintenance for approximately 20 million claimants, with a budget of £182.5 billion in benefits for the financial year ended 31 March 2019
- (b) **DWP is a uniquely counter-cyclical occupier** – the number of DWP claimants is highly correlated with unemployment and increased by approximately 74.3%³ in the aftermath of the Global Financial Crisis
- (c) **IPO Portfolio is used to provide crucial DWP services** – 82.5%⁴ of assets in the IPO Portfolio provide key front-of-house services, primarily Jobcentre Plus⁵ unemployment services
- (d) **Long-term relevance of the IPO Portfolio to DWP** – 86.3%⁴ of Jobcentre Plus assets⁶ in the IPO Portfolio have no alternative Jobcentre Plus within a three-mile radius
- (e) **Active tenancy management reduces re-leasing risk**

1 As of 31 December 2019.

2 As of 31 August 2019.

3 Calculated as the average Claimant Count from 2009-2012 over the average Claimant Count from 2004-2007.

4 Based on number of assets.

5 Jobcentre Plus, which is part of the DWP, is a government-funded employment agency and social security office whose aim is to help people of working age find employment in the UK.

6 Including mixed use properties with a medical centre, back office or retail component in addition to the Jobcentre Plus.

3. Well-located assets, primarily in town centres close to public transport nodes

- (a) **Portfolio of well-located, freehold office buildings** – 74.2%¹ are centrally located within city centres, town centres and city suburbs, and 100.0%¹ within 10 minutes' walk from a bus stop
- (b) **Strong office market fundamentals across the UK** – limited new supply and rising take-up rates driving higher office occupancy

4. Growth potential from enhancement, redevelopment and acquisition opportunities

- (a) **Asset enhancement potential** – untapped land with potential for increased utilisation
- (b) **Redevelopment or conversion potential** – certain assets have the potential to be redeveloped into higher specification offices or converted to other uses, to maximise yield and/or value
- (c) **Acquisition potential** – leveraging the Sponsors' sourcing capabilities to take advantage of the most liquid real estate market in Europe

5. Highly experienced Sponsors and management team

- (a) **Sponsors with extensive experience** in real estate investments, management and development
- (b) **Experienced REIT management team** who have assembled and managed the IPO Portfolio

KEY INVESTMENT HIGHLIGHTS OF ELITE COMMERCIAL REIT

The Manager believes that an investment in Elite Commercial REIT offers the following benefits:

1. First UK-focused Singapore REIT; over 99.0% leased to the UK Government, providing attractive and recession-proof yields

(a) Attractive risk-adjusted return

The Manager believes that the IPO Portfolio provides an attractive risk-adjusted return compared against the UK Government 10-year bonds. It provides a Net Property Income ("NPI") yield of 7.1% (based on Forecast Year 2020), representing an attractive yield spread to UK Government 10-year bonds of approximately 600+ bps², despite being backed by the same sovereign credit.

The Manager believes that this yield spread is particularly attractive in the context of an interest rate environment that is expected to remain low for an extended period. UK Government 10-year bond yields have compressed by over 50bps over the last 12 months³, while the Bank of England has signalled that its base rate is expected to remain lower for longer.

1 Based on number of assets.

2 As of 31 December 2019.

3 From December 2018 to December 2019.

Figure 1: IPO Portfolio NPI yield vs. comparable benchmarks



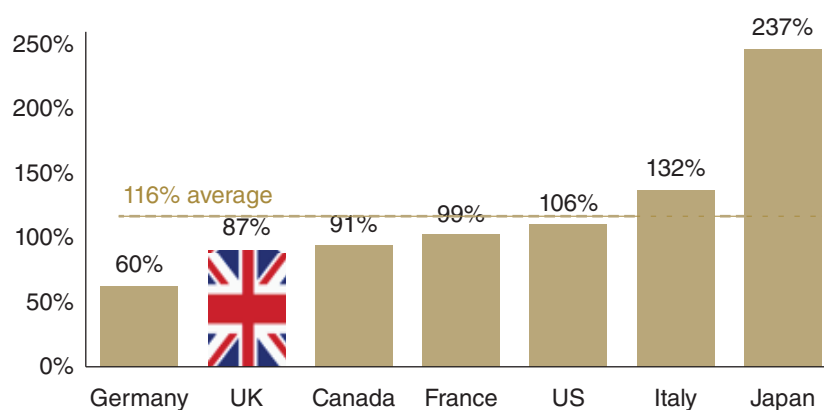
Source: Independent United Kingdom Property Market Research Report

(b) Stable cash flow backed by UK sovereign credit

Over 99.0% of the IPO Portfolio's Gross Rental Income is derived from full repairing and insuring (triple net) leases to the UK Government with a WALE of approximately 8.6 years².

The UK Government is rated AA and Aa2 by S&P and Moody's respectively, and has experienced steadily declining budget deficits over the last five years, with one of the lowest debt-to-GDP ratios amongst the G7³.

Figure 2: UK Debt-to-GDP ratio⁴ vs. G7 countries (2018)



Source: Independent United Kingdom Property Market Research Report

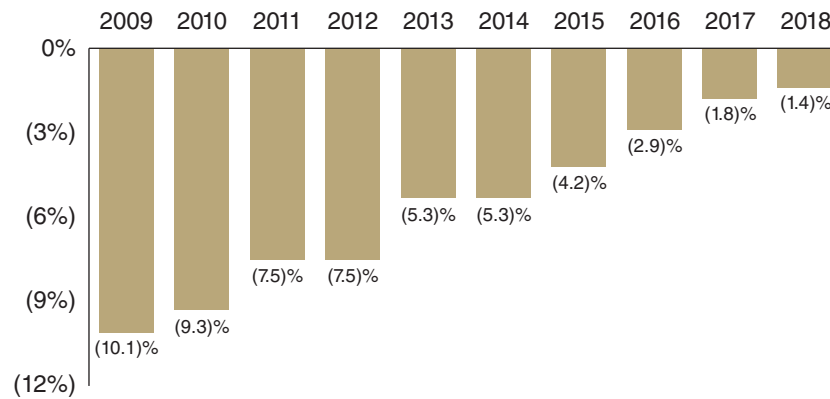
1 As of 31 December 2019.

2 As of 31 August 2019.

3 Source: S&P Global Ratings ("S&P") and Moody's Investors Service ("Moody's") rating dated 26 October and 22 August 2019 respectively. Each of S&P and Moody's has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA), to the inclusion of the credit rating quoted above in this Prospectus and therefore is not liable for such information under Sections 253 and 254 of the SFA (read with Section 302(1) of the SFA). While the Manager has taken reasonable action to ensure that the information from the above credit rating published by S&P and Moody's is reproduced in its proper form and context, and that the information is extracted accurately and fairly, neither the Manager, the Joint Issue Managers, the Joint Bookrunners nor any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

4 On gross debt basis.

Figure 3: UK budget deficit (% of GDP)

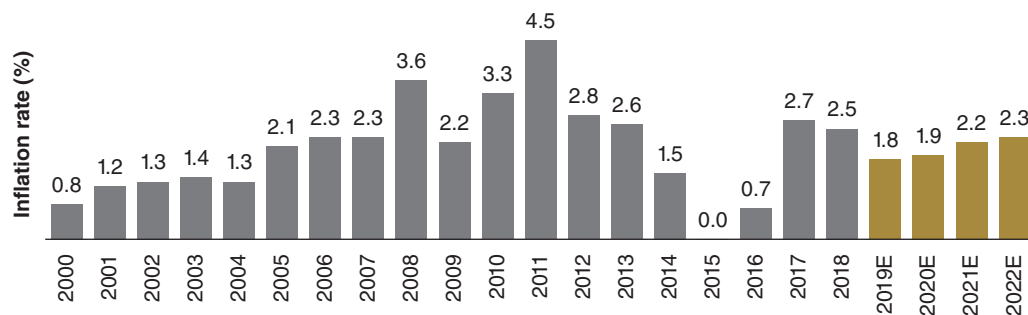


Source: Independent United Kingdom Property Market Research Report

(c) Embedded rental growth from inflation-linked rental escalations

In addition, the leases¹ to the UK Government have in-built rental escalations every five years based on the UK Consumer Price Index (“CPI”), subject to an annual minimum increase of 1.0% and maximum of 5.0%. This provides the IPO Portfolio with a relatively predictable, embedded rental growth profile, with CPI forecast to increase at an average of 2.1% p.a. from 2020 to 2022.

Figure 4: Annual increase in CPI



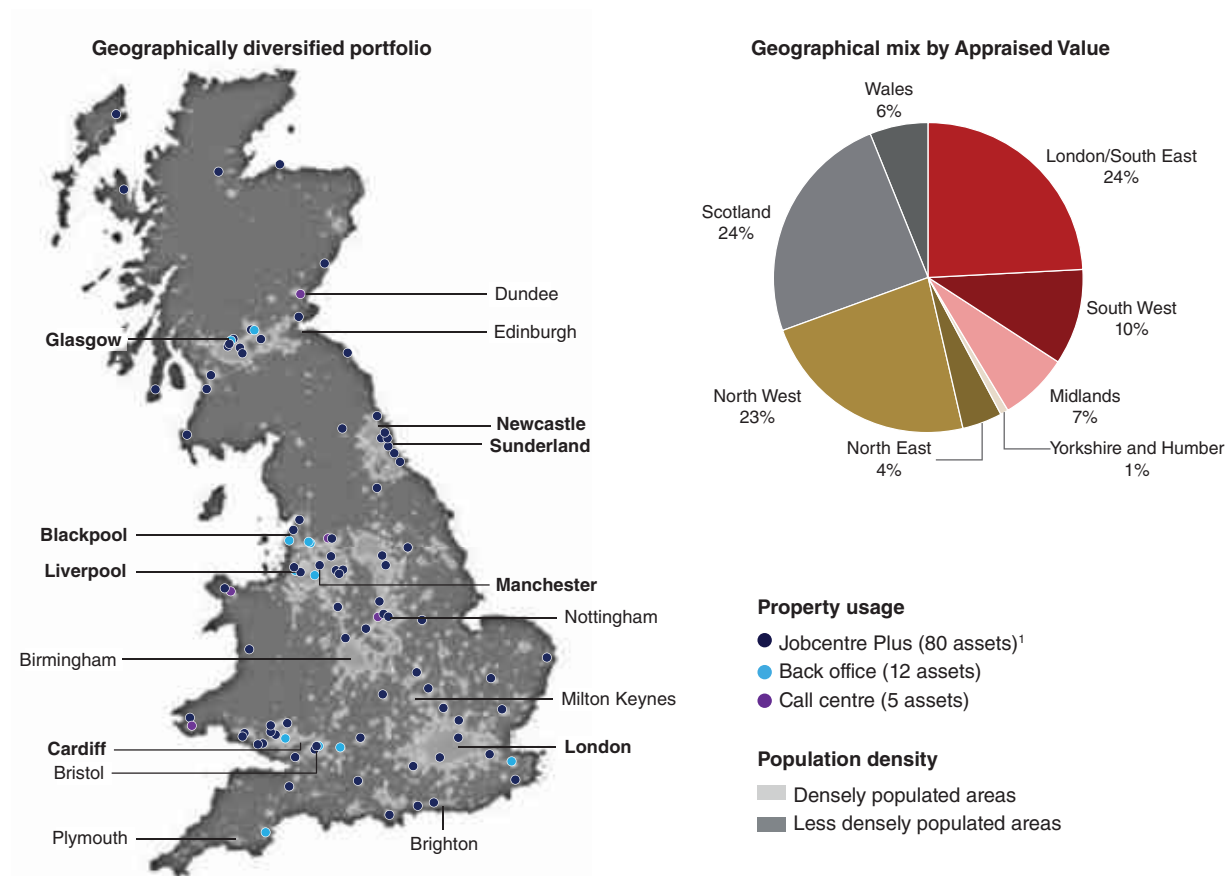
Source: Independent United Kingdom Property Market Research Report

¹ 10 year leases to the UK Government were renewed on 1 April 2018 making up over 99.0% of the rental revenue.

(d) 97 predominantly freehold office assets geographically diversified across the UK

The IPO Portfolio is geographically diversified across the UK, with a particular concentration in areas of higher population density and/or close to major urban and metropolitan areas.

Figure 5: A geographically diversified portfolio



Source: Independent United Kingdom Property Market Research Report

2. IPO Portfolio is crucial public infrastructure for the provision of DWP services

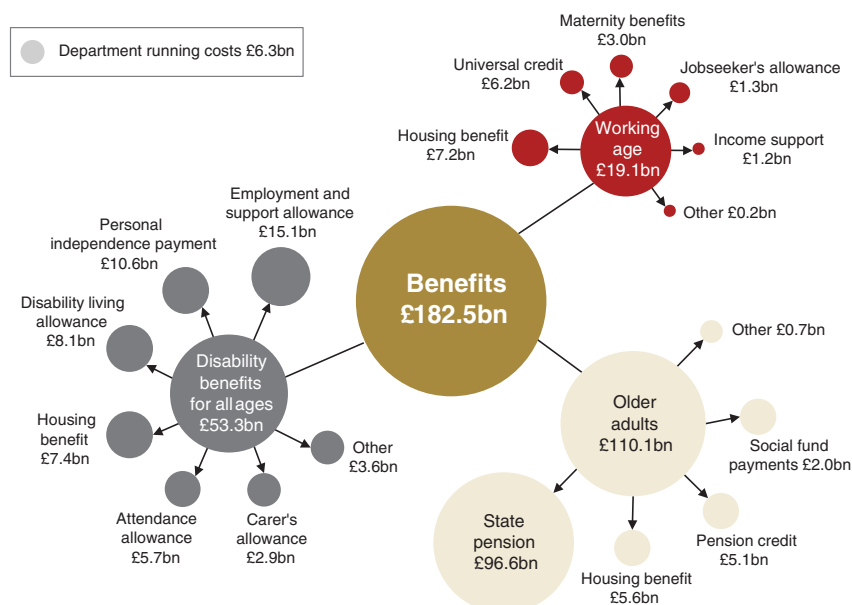
(a) DWP is the UK Government's largest public service department

The assets in the IPO Portfolio are primarily occupied by the DWP, which is the UK Government's largest public service department, responsible for crucial welfare, pensions and child maintenance services. The DWP utilises the assets in the IPO Portfolio primarily as public-facing job centres for the provision of such services.

The DWP administers a range of pension, working age, disability and ill health benefits for approximately 20 million claimants. It is a ministerial department that employs approximately 77,000 full-time equivalent staff and is supported by 14 agencies and public bodies. In the financial year ended 31 March 2019, the total benefit spend of the DWP was £182.5 billion, representing an average of £9,126 spent per DWP claimant, equivalent to approximately 30.9% of the median UK wage.

¹ Including mixed use properties with a medical centre, back office or retail component in addition to the Jobcentre Plus.

Figure 6: DWP budget breakdown for the financial year ended 31 March 2019

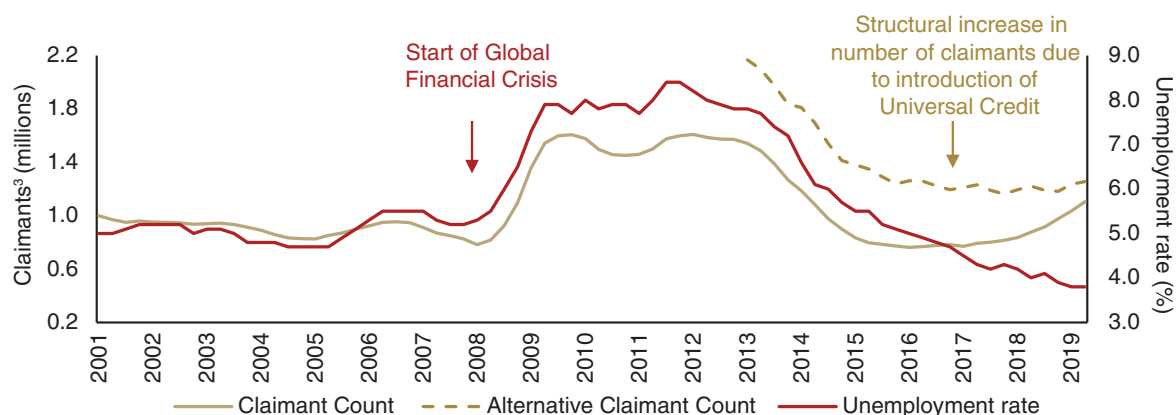


Source: Independent United Kingdom Property Market Research Report

(b) DWP is a uniquely counter-cyclical occupier

The Manager believes that the IPO Portfolio provides stable, recession-proof and Brexit-proof¹ cash flows for the following reasons. The IPO Portfolio is underpinned by a uniquely counter-cyclical occupier, which is the DWP. By design, the usage of DWP's job centres (and therefore its need for the IPO Portfolio) is inherently counter-cyclical, with claimant counts, job centre footfall and DWP benefit spending all highly correlated to unemployment. For instance, during the Global Financial Crisis, the number of claimants increased by approximately 74.3%².

Figure 7: UK claimant count vs. unemployment rate

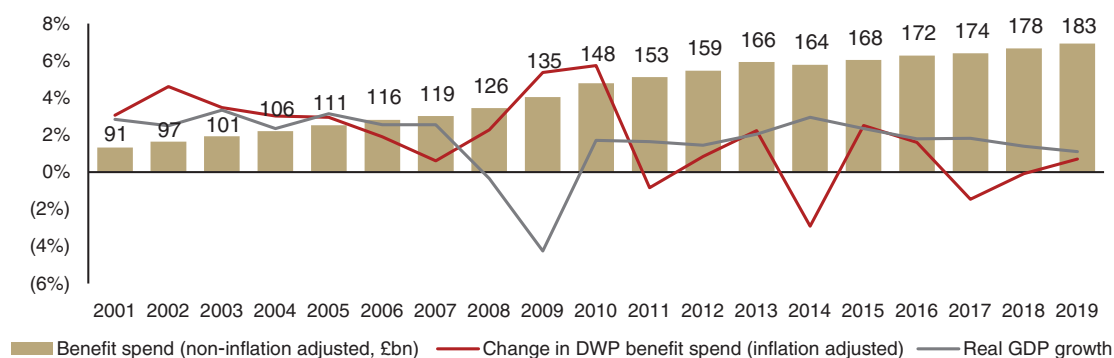


Source: Independent United Kingdom Property Market Research Report

1 In this regard, the Manager believes that the cash flows of the IPO Portfolio are unlikely to be negatively affected by the uncertainties surrounding Brexit and its effects on business activity and economic conditions in the UK.

2 Calculated as the average Claimant Count from 2009-2012 over the average Claimant Count from 2004-2007.

Figure 8: DWP benefit spending vs. GDP growth



Source: Independent United Kingdom Property Market Research Report

Introduced in April 2013, Universal Credit is a monthly benefit payment intended to simplify working-age benefits and incentivise paid work. It replaces the following benefits: child tax credit, housing benefit, income support, income-based jobseeker's allowance, income-related employment and support allowance, and working tax credit. It is being introduced in stages across the UK.

Claimant Count is a measure of the number of people claiming unemployment related benefits. Before Universal Credit this was simply the number of people claiming Jobseeker's Allowance¹. Since the introduction of Universal Credit, the Claimant Count is measured as the number of people claiming Jobseeker's Allowance and the number of Universal Credit claimants placed in the "Searching for Work" conditionality group. However, as more people are brought within the coverage of the Claimant Count, the Claimant Count is set to rise noticeably over time. The Alternative Claimant Count provides an estimate of the number of additional claimants who would have been "Searching for Work" under Universal Credit had it been fully rolled out across the UK since 2013.

As job centres are used to facilitate the Universal Credit roll out, usage of the job centres are expected to rise in tandem with the Alternative Claimant Count.

(c) IPO Portfolio is used to provide crucial DWP services

DWP is integral to the social fabric of the UK, and the assets in the IPO Portfolio are used to provide crucial front and back-of-house DWP services that support claimants across different cross sections of society.

82.5%² of the assets in the IPO Portfolio are front-of-house and public-facing. These assets generally provide unemployment and other ancillary services across four key segments:

(i) Jobcentre Plus – usage highly correlated to unemployment

- Provide assistance to the working-age unemployed including career advisory services through consultation with work coaches building a "Back to Work" plan, arranging for unemployment benefits, setting up job interviews, reviewing curriculum vitae ("CVs") and providing job-matching services

1 Jobseeker's Allowance is an unemployment benefit in the form of payment for those who are unemployed but are able and looking for work.

2 Based on number of assets.

- Maintain job boards and conduct mock interviews with external parties brought in by DWP
- Ensure staff readily on hand to assist customers
- Provide computers and free WiFi for customers to job-surf, write CVs, or make claims

(ii) Pension Services – usage expected to increase in line with aging population

- Face-to-face meetings to claim benefits
- Protect low-income pensioners by topping up income to a standard minimum amount
- IT training to assist retirees with no internet access or difficulty using online services
- Handle claimant complaints and queries

(iii) Child Maintenance Services – stable usage regardless of economic conditions

- Face-to-face meetings to discuss more complicated child maintenance cases
- Provide impartial information to help separated parents make decisions about child maintenance arrangements
- Arrange child maintenance on behalf of separated parents who may be unable to agree between themselves
- Registration and declaration of child maintenance received

(iv) Disability Services – stable usage regardless of economic conditions

- Onsite medical examination centres as part of the Work Capability Assessment for disability benefit
- Training programmes such as Specialist Employability Support and Work and Health Programmes

The key locational attributes for the DWP's front-of-house assets generally include – (i) central locations in town centres or densely populated areas, (ii) easy access or within walking distance to public transportation, and (iii) close proximity to other amenities.

17.5%¹ of the assets in the IPO Portfolio do not have a public-facing element, and are primarily used for back-of-house purposes. These include finance and accounts, fraud detection and investigation, IT support, call centres, claims processing, service roll-out planning (e.g. for Universal Credit). Such assets are typically located close to transport nodes.

¹ Based on number of assets.

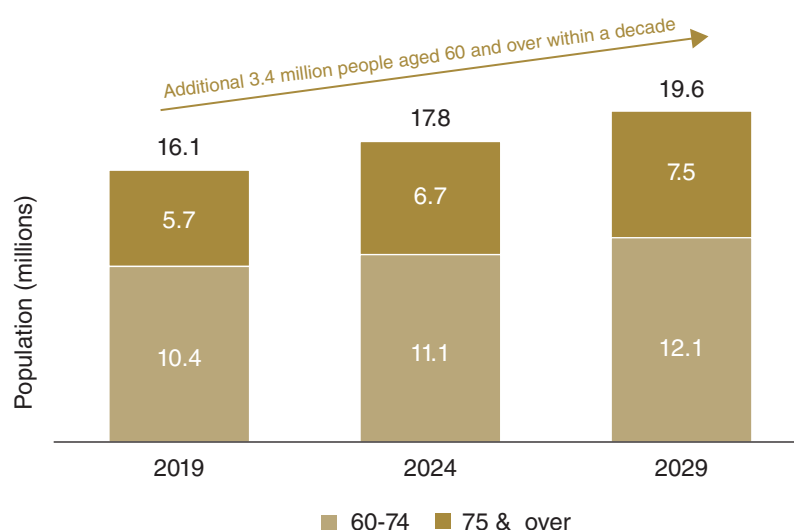
(d) Long-term relevance of the IPO Portfolio to DWP

The Manager believes that the IPO Portfolio will remain crucial to the DWP over the long-term.

The UK Government signed new 10-year leases on the IPO Portfolio in 2018, after the DWP had conducted an extensive review of its entire estate across the UK. A key focus of the review was in ensuring that the UK population continues to have easy access to Jobcentre Plus centres. With 86.3%¹ of Jobcentre Plus assets in the IPO Portfolio having no alternative Jobcentre Plus within a three-mile radius (a key metric for the DWP), the Manager believes the assets will continue to be relevant to DWP in the long-term.

In addition, the UK's ageing population is driving long-term structural demand growth for DWP's pension services.

Figure 9: UK ageing population



Source: Independent United Kingdom Property Market Research Report

(e) Active tenancy management reduces re-leasing risk

The Manager pursues an active tenancy management strategy to reduce re-leasing risks. As one of the largest owners of DWP assets in the UK, the Manager maintains a regular dialogue with the DWP, in order to understand their medium to long-term plans for each asset in the IPO Portfolio. The Manager is also able to manage its re-leasing risks as each asset is leased separately, with a one-year notice required for DWP to exercise its break clauses.

3. Well-located assets, primarily in town centres close to public transport nodes

(a) Portfolio of well-located, freehold office buildings

The DWP has stringent locational requirements for its public-facing centres, and as a result they typically have the following key attributes, which the Manager believes increases the long-term attractiveness of the IPO Portfolio not just for use by DWP, but also as space for other commercial, residential or student accommodation uses.

¹ Based on number of assets.

(i) Centrally located in town centres or densely populated areas

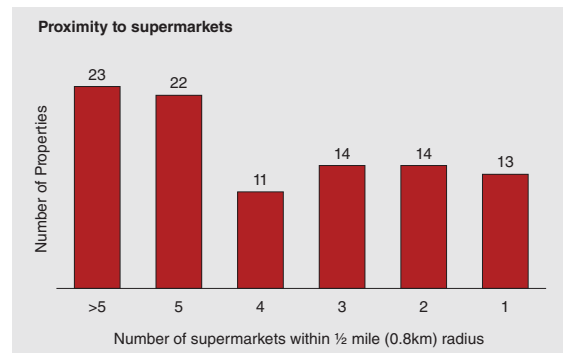
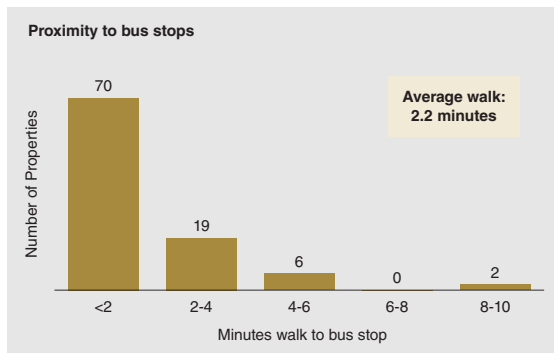
- 74.2%¹ of the IPO Portfolio is centrally located within city centres, town centres and city suburbs

(ii) Has strong transport links

- 100.0%¹ of the IPO Portfolio is within a 10 minute walk to the nearest bus stop
- 59.8%¹ of the IPO Portfolio is within a 15 minute walk to the nearest train station

(iii) Close to key amenities

- The IPO Portfolio has an average of four supermarkets² within an approximate 0.8 kilometre radius
- The IPO Portfolio has an average of 12 F&B outlets within an approximate 0.8 kilometre radius
- The IPO Portfolio has an average of five medical facilities³ within an approximate 0.8 kilometre radius
- The IPO Portfolio has an average of four schools⁴ within an approximate 0.8 kilometre radius



1 By number of properties.

2 Supermarkets comprise small to large supermarkets.

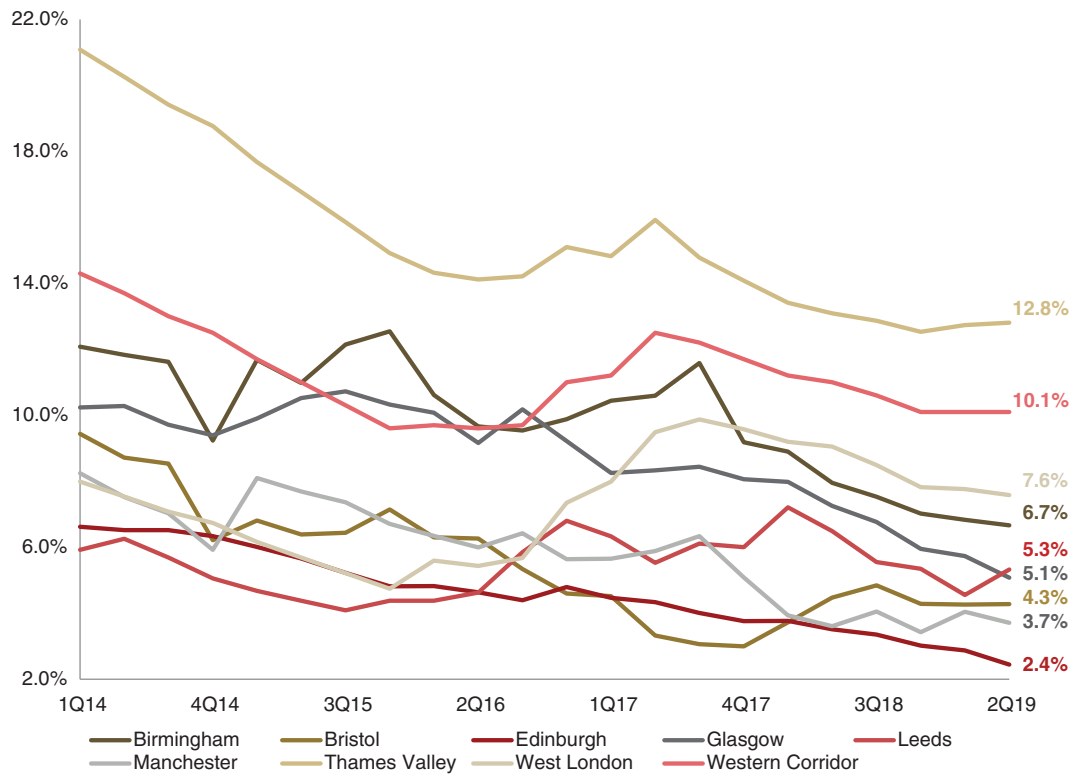
3 Medical facilities comprise hospitals and general practices.

4 Schools comprise primary schools, secondary schools and independent schools.

(b) Strong office market fundamentals across the UK

Office fundamentals in the UK remain robust, as a result of limited new supply being introduced in the market, even as take-up rates remain robust. The confluence of the limited supply and rising take-up rates is reflected in the declining office vacancies across the UK.

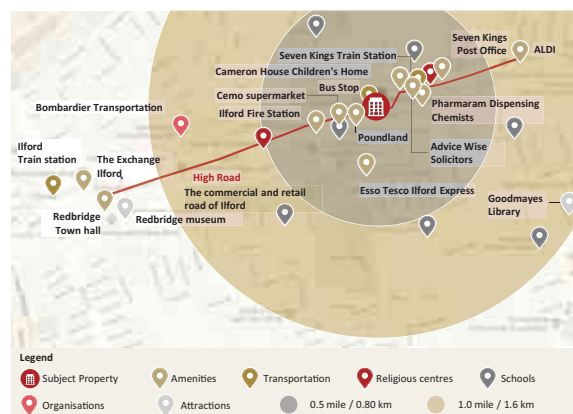
Figure 10: UK (excluding Central London) office vacancies



Source: Independent United Kingdom Property Market Research Report

In addition, the IPO Portfolio is generally located in areas with stable demand/supply fundamentals.

Case Study 1: High Road, Ilford (front-of-house)



Overview 	- Located in Ilford, within the London Borough of Redbridge, nine miles north east of Central London and six miles west of Romford - Modern three storey purpose-built office. Brick clad with double glazing windows - Jobcentre Plus on the ground floor		
Connectivity	- Situated on High Road; eastern periphery of town centre 0.2 miles from Seven Kings Station; frequent connections to London Liverpool Street Station (20 minute journey)		
Key statistics	<table border="0"> <tr> <td> Site area: 0.12 ha NIA: 18,741 sq ft - Freehold </td><td> Valuation: £5.8 million Rent: £356,394 pa; £19.02 psf Lease terms¹: 10 year lease with five year break </td></tr> </table>	Site area: 0.12 ha NIA: 18,741 sq ft - Freehold	Valuation: £5.8 million Rent: £356,394 pa; £19.02 psf Lease terms¹: 10 year lease with five year break
Site area: 0.12 ha NIA: 18,741 sq ft - Freehold	Valuation: £5.8 million Rent: £356,394 pa; £19.02 psf Lease terms¹: 10 year lease with five year break		

Case Study 2: Glasgow Benefits Centre (back-of-house)



Overview  	- Located off Milton Street in the Townhead area of Glasgow - Large office building formed over three storeys configured in “U” shaped floor plates with two main wings connected at the western end of the site - Concrete and steel frame construction with curtain wall glazing windows that are double glazed Houses the only Passport Office² in Scotland		
Connectivity	- Situated 0.5 miles north of Glasgow City Centre - Located in mix of surrounding uses including offices, residential, ground floor retail/leisure and a potential student accommodation site		
Key statistics	<table border="0"> <tr> <td> Site area: 1.18 ha NIA: 137,289 sq ft - Heritable interest (i.e. Freehold) </td><td> Valuation: £31.8 million Rent: £1,940,350 pa; £14.13 psf Lease terms¹: 10 year lease with no break </td></tr> </table>	Site area: 1.18 ha NIA: 137,289 sq ft - Heritable interest (i.e. Freehold)	Valuation: £31.8 million Rent: £1,940,350 pa; £14.13 psf Lease terms¹: 10 year lease with no break
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¹ As of lease renewal on 31 March 2018.

² Passport Office, which is part of the UK Home Office, is the sole issuer of UK passports and responsible for civil registration services through the General Register Office.

4. Growth potential from enhancement, redevelopment and acquisition opportunities

(a) Asset enhancement potential

The IPO Portfolio is well positioned to access growth from asset enhancement opportunities, particularly for assets with under-developed land sites and/or located in regions with regeneration plans.

For example, the Peel Park asset in Blackpool is currently used by DWP as a technology hub to spearhead DWP's digital and change transformation, but also consists of approximately 75.0% (approximately 11.7 hectares) of undeveloped grassland. The Manager believes that the untapped land provides opportunities to either work with DWP to increase its footprint on the site, or carve out a portion of the land for alternative uses in the future.

The Manager also believes that the Peel Park asset will benefit from Blackpool's Council Plan 2019-2024. Key parts of the plan include new visitor attractions (e.g. a £300 million investment into Blackpool Central, new conference facilities and museums), improved transport and housing infrastructure, and a 144 hectare Airport Enterprise Zone.

Peel Park asset aerial view

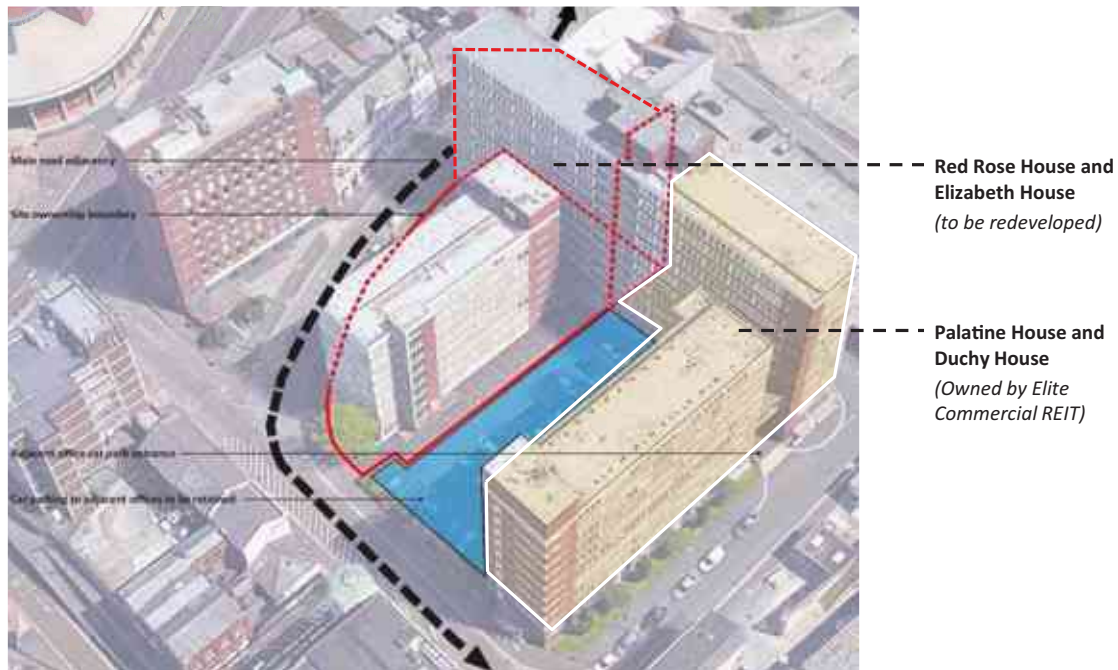


(b) Redevelopment or conversion potential

Redevelopment or conversion opportunities provide another avenue of growth, as a number of the assets in the IPO Portfolio are centrally located in town centres, and have the potential to be redeveloped into a higher specification office or converted to other uses, to maximise the yield and/or capital value of the assets.

For example, the Preston asset consists of an island site complex of four buildings – Palatine House and Duchy House owned by Elite Commercial REIT and currently occupied by DWP, and Red Rose House and Elizabeth House owned by a third-party. The latter two have received planning permission to be redeveloped into a residential-led mixed use development, with 130 apartments proposed. The Manager believes that such redevelopment opportunities exist both in Preston as well as some other assets across the IPO Portfolio.

Preston asset and surroundings



Source: Red Rose House and Elizabeth House planning permission submission

(c) Acquisition potential

The UK is consistently the second most traded real estate market in the world, and has alone represented approximately 30.0% of all European real estate transactions over the last five years. It has also consistently ranked at the top of JLL's Global Real Estate Transparency Index, reinforcing its position as one of the world's leading real estate investment markets.

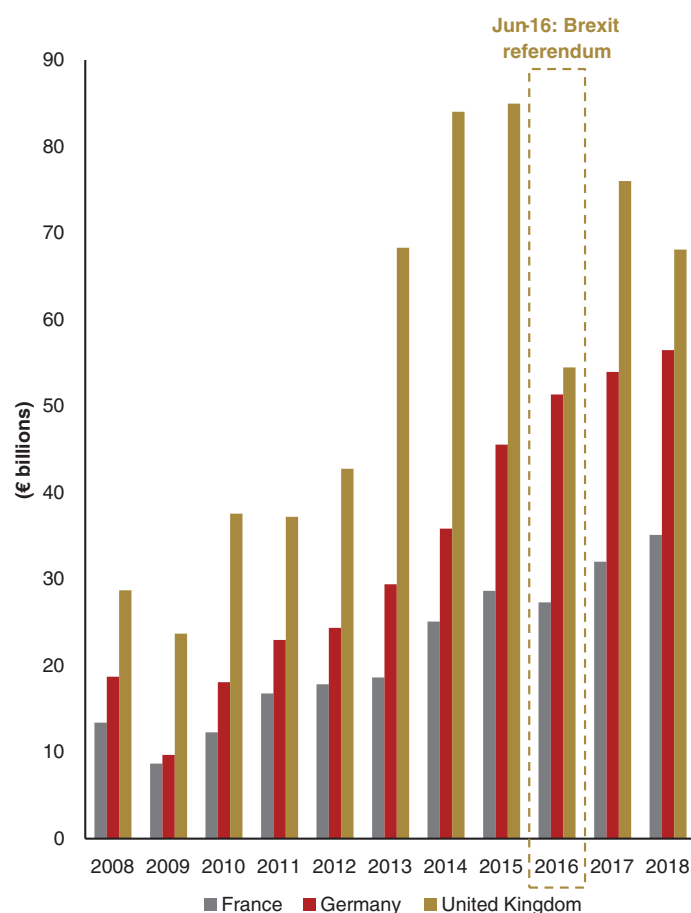
In particular, the UK real estate market is one of the most internationalised in the world, with international investors attracted by:

- **A highly liquid market**, even for larger lot sizes – UK is the second most active transactional market after the United States of America
- **A well-developed professional and legal framework**
- **A long history of respect for property rights**
- **Few restrictions on foreign ownership**
- **The English language**
- **A resilient economy** with stable long-term fundamentals
- **Familiarity** with London and other key UK locations
- **Investor-favourable lease terms** – long leases with overheads mainly paid by the tenant

The Manager believes it will be able to leverage its and the Sponsor Group's extensive sourcing capabilities, in order to pursue DPU, value and quality-accretive acquisition opportunities for Elite Commercial REIT to grow its portfolio. In particular, one of the Sponsors, EPH, has examined over £3.0 billion worth of potential acquisitions in the UK over the past two years, primarily on assets with high credit-quality tenancy profiles.

The Sponsors have each provided Elite Commercial REIT with a right of first refusal ("ROFR") over all future UK commercial acquisitions. In particular, a right of first refusal has been granted by Elite UK Commercial Fund II, a private trust managed by EPC (which is a wholly-owned subsidiary of EPH) over 62 commercial properties located across the UK, which are primarily long-term leased to the UK Government. Given that the acquisition of such properties was only completed by Elite UK Commercial Fund II on 30 December 2019, these properties have not been included in the IPO Portfolio. (See "Strategy" for further details.)

Figure 12: Real estate investment volumes in major European markets



Source: Independent United Kingdom Property Market Research Report

5. Highly experienced Sponsors and management team

(a) Sponsors with extensive experience in real estate investments, management and development

Elite Partners Holdings Pte. Ltd.

EPH is the investment holding firm for Elite Partners Group, established to deliver lasting value for investors based on common interests, long-term perspectives and a disciplined approach. Backed by a team with proven expertise in private equity and REITs, its threefold investment philosophy aims to protect investors' initial capital, enhance investment value and create new growth opportunities.

Ho Lee Group Pte. Ltd.

Incorporated in 1996, HLG has extensive experience across the real estate value chain, from general building construction to industrial and residential development. HLG was also one of the major sponsors of Viva Industrial Trust during its initial public offering and listing on the SGX-ST in November 2013.

Sunway RE Capital Pte. Ltd.

Sunway is a wholly-owned subsidiary of Sunway Berhad.

Sunway Berhad is one of Malaysia's largest conglomerates with businesses in property development, property investment and REIT, construction, healthcare, hospitality, leisure, quarry, building materials, and trading and manufacturing.

The Sunway Berhad Group comprises three public listed entities, Sunway Berhad, Sunway Construction Group Berhad, and Sunway REIT, with a combined market capitalisation of approximately RM17.0 billion as at 30 September 2019.

(b) Experienced REIT management team who have assembled and managed the IPO Portfolio

The executive officers of the Manager have an average of 15 years of relevant experience across UK real estate investment and management, corporate finance, financial management and REITs.

The executive officers of the Manager were also instrumental in acquiring the IPO Portfolio in 2018, and have been intimately involved with the asset management and discussions with DWP since the acquisition.

KEY STRATEGIES

The Manager will seek to achieve Elite Commercial REIT's objectives through the following key strategies:

- **Acquisition growth strategy supported by a rigorous research driven selection process and an extensive expertise in the UK with strong sourcing capabilities** – The Manager will seek portfolio growth through the acquisition of quality income-producing properties across the UK used mainly for commercial purpose. The Manager will adopt a rigorous selection process focused on long-term sector trends and fundamental real estate qualities to ensure that investments are focused on the right locations that can provide attractive cash flows and yields and which fit within Elite Commercial REIT's investment strategy to enhance returns to Unitholders and improve opportunities for future income and capital growth.

- **Active asset management and enhancement strategy** – The Manager will actively manage Elite Commercial REIT's property portfolio and will seek to drive organic growth in Revenue¹ and Net Property Income² and maintain strong tenant relationships. While at present, over 99.0% of the REIT's Gross Rental Income is derived from a single tenant, nonetheless whilst growing Elite Commercial REIT's portfolio, the Manager may, in future, source other tenants. The Manager has a proactive tenant management strategy which focuses on, but is not limited to, engaging existing tenants and growing with them, sourcing of high quality tenants with strong credit profiles such as government and government-related entities, optimising lease tenures to increase stability of income, maximising property cost efficiencies and striving to diversify tenant mix. The Manager will also regularly evaluate its properties to identify potential property enhancement or redevelopment opportunities that can improve and/or enhance Elite Commercial REIT's income streams.
- **Prudent capital management strategy** – The Manager will endeavour to employ an appropriate mix of debt and equity in financing acquisitions and asset enhancement. The Manager will also seek to optimise its cost of debt financing and utilise interest rate hedging strategies where appropriate, in order to minimise exposure to market volatility and maximise risk-adjusted returns to Unitholders.

1 "Revenue" means Gross Rental Income and service charge income from tenants.

2 "Net Property Income" means Revenue less property operating expenses.

CERTAIN INFORMATION ON THE PROPERTIES

The table below sets out certain information on the IPO Portfolio as at 31 August 2019.

Top 10 Properties¹

S/N	Property	Address	City/Town	Usage	Land Tenure	NIA (sq ft)	Occupancy	WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	WALUT to Break by Gross Rental Income for the month of August 2019 (years)	Valuation by Colliers ⁽¹⁾	Valuation by Knight Frank	Purchase Consideration
1	Glasgow Benefits Centre, Glasgow	Northgate, 96 Milton Street, Glasgow, G4 0DX	Glasgow	Back Office	Freehold	137,287	100.0%	8.6	8.6	£31,765,000	£32,600,000	£31,765,000
2	Peel Park, Blackpool	Brunel Way, Blackpool, FY4 5ES	Blackpool	Back Office	Freehold	156,542	100.0%	8.6	8.6	£28,210,000	£26,250,000	£28,210,000
3	Nutwood House, Canterbury	Chaucer Road, Canterbury, CT1 1ZZ	Canterbury	Back Office	Freehold	27,673	100.0%	8.6	8.6	£9,600,000	£8,600,000	£9,600,000
4	Broadlands House, Newport (IOW)	Staplers Road, Newport, Isle of Wight, PO30 2HX	Newport (IOW)	Jobcentre Plus	Freehold	31,930	100.0%	8.6	8.6	£8,360,000	£7,400,000	£8,360,000
5	Spring Gardens House, Swindon	Princes Street, Swindon, SN1 2HY	Swindon	Jobcentre Plus	Freehold	47,918	100.0%	8.6	3.6	£7,807,501	£7,550,000	£7,807,501
6	Parklands, Falkirk	Callendar Boulevard, Falkirk, FK1 1XT	Falkirk	Back Office	Freehold	81,350	100.0%	8.6	3.6	£7,413,651	£8,675,000	£7,413,651

¹ Based on the valuation report prepared by Colliers International Valuation UK LLP.

S/N	Property	Address	City/Town	Usage	Land Tenure	NIA (sq ft)	Occupancy	WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	WAULT to Break by Gross Rental Income for the month of August 2019 (years)	Valuation by Colliers ⁽¹⁾	Valuation by Knight Frank	Purchase Consideration
7	Hilden House, Warrington	Winmarleigh Street, Warrington, WA1 1LA	Warrington	Back Office	Freehold	50,841	100.0%	8.6	3.6	£7,083,512	£7,100,000	£7,083,512
8	Crown House, Chatham	The Brook, Chatham, ME4 4LQ	Chatham	Jobcentre Plus	Freehold	30,317	100.0%	8.6	3.6	£6,654,910	£5,660,000	£6,654,910
9	Holborn House, Derby	Wyvern Business Park, Stanier Way, Derby, DE21 6BF	Derby	Call Centre	Freehold	35,120	100.0%	8.6	3.6	£6,440,609	£5,925,000	£6,440,609
10	Beaufort House, Harlow	Crown Gate, Harlow, CM20 1NA	Harlow	Jobcentre Plus	Freehold	28,170	100.0%	8.6	3.6	£6,411,650	£5,885,000	£6,411,650

1 Based on the valuation report prepared by Colliers International Valuation UK LLP.

IPO Portfolio

S/N	Property	Address	City/Town	Usage	Land Tenure	NIA (sq ft)	Occupancy	WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	WAULT to Break by Gross Rental Income for the month of August 2019 (years)	Valuation by Colliers ⁽¹⁾	Valuation by Knight Frank	Purchase Consideration
London and South East												
1	Nutwood House, Canterbury	Chaucer Road, Canterbury, CT1 1ZZ	Canterbury	Back Office	Freehold	27,673	100.0%	8.6	8.6	£9,600,000	£8,600,000	£9,600,000
2	Broadlands House, Newport (IOW)	Staplers Road, Newport, Isle of Wight, PO30 2HX	Newport (IOW)	Jobcentre Plus	Freehold	31,930	100.0%	8.6	8.6	£8,360,000	£7,400,000	£8,360,000
3	Beaufort House, Harlow	Crown Gate, Harlow, CM20 1NA	Harlow	Jobcentre Plus	Freehold	28,170	100.0%	8.6	3.6	£6,411,650	£5,885,000	£6,411,650
4	Crown House, Chatham	The Brook, Chatham, ME4 4LQ	Chatham	Jobcentre Plus	Freehold	30,317	100.0%	8.6	3.6	£6,654,910	£5,660,000	£6,654,910
5	High Road, Ilford	564-570 High Road, Ilford, IG3 8EJ	Ilford	Jobcentre Plus	Freehold	18,741	100.0%	8.6	3.6	£5,791,915	£5,835,000	£5,791,915
6	Crown House, Worthing	High Street, Worthing, BN11 1NG	Worthing	Jobcentre Plus	Freehold	31,503	100.0%	8.6	8.6	£6,100,000	£5,225,000	£6,100,000
7	The Forum, Stevenage	Stevenage, SG1 1EZ	Stevenage	Jobcentre Plus/Retail	Freehold	18,609	100.0%	8.6	3.6	£4,818,873	£5,000,000	£4,818,873
8	Palting House, Folkestone	Trinity Road, Folkestone, CT20 2RH	Folkestone	Jobcentre Plus	Freehold	36,566	100.0%	8.6	8.6	£4,800,000	£4,050,000	£4,800,000

¹ Based on the valuation report prepared by Colliers International Valuation UK LLP.

S/N	Property	Address	City/Town	Usage	Land Tenure	NIA (sq ft)	Occupancy	WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	WAULT to Break by Gross Rental Income for the month of August 2019 (years)	Valuation by Colliers ⁽¹⁾	Valuation by Knight Frank	Purchase Consideration
9	Crown Buildings, Colchester	40 Chapel Street South, Colchester, CO2 7AZ	Colchester	Jobcentre Plus	Freehold	19,152	100.0%	8.6	8.6	£3,825,000	£3,450,000	£3,825,000
10	Crown Building, Banbury	Southam Road, Banbury, OX16 2EX	Banbury	Jobcentre Plus	Freehold	25,051	100.0%	8.6	3.6	£4,112,260	£3,100,000	£4,112,260
11	St Andrew's House, Bury St Edmunds	St Andrew's Street North, Bury St Edmunds, IP33 1TT	Bury St Edmunds	Jobcentre Plus	Freehold	28,863	100.0%	8.6	3.6	£3,272,432	£3,000,000	£3,272,432
12	Wyvern House, Bedford	53-57 Bromham Road, Bedford, MK40 2EH	Bedford	Jobcentre Plus	Freehold	23,803	100.0%	8.6	3.6	£3,162,386	£2,235,000	£3,162,386
13	Gloucester House, Bognor Regis	High Street, Bognor Regis, PO21 1HH	Bognor Regis	Jobcentre Plus	Freehold	21,254	100.0%	8.6	3.6	£3,029,171	£3,125,000	£3,029,171
14	Rishton House, Lowestoft	Clapham Road South, Lowestoft, NR32 1RW	Lowestoft	Jobcentre Plus	Freehold	41,656	100.0%	8.6	3.6	£2,710,616	£2,725,000	£2,710,616
15	South Western House, Aldershot	Station Road, Aldershot, GU11 1HP	Aldershot	Jobcentre Plus	Freehold	19,924	100.0%	8.6	3.6	£2,241,471	£2,480,000	£2,241,471
16	East Street, Epsom	50 East Street, Epsom, KT17 1HQ	Epsom	Jobcentre Plus	Freehold	8,687	100.0%	8.6	3.6	£2,554,234	£2,350,000	£2,554,234

1 Based on the valuation report prepared by Colliers International Valuation UK LLP.

S/N	Property	Address	City/Town	Usage	Land Tenure	NIA (sq ft)	Occupancy	WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	WALUT to Break by Gross Rental Income for the month of August 2019 (years)	Valuation by Colliers ⁽¹⁾	Valuation by Knight Frank	Purchase Consideration
South West												
17	Spring Gardens House, Swindon	Princes Street, Swindon, SN1 2HY	Swindon	Jobcentre Plus	Freehold	47,918	100.0%	8.6	3.6	£7,807,501	£7,550,000	£7,807,501
18	Brendon House, Taunton	Upper High Street, Taunton, TA1 3RL	Taunton	Jobcentre Plus	Freehold	41,750	100.0%	8.6	3.6	£5,560,238	£4,850,000	£5,560,238
19	Lodge House, Bristol	Fishponds Road, Bristol, BS16 3HZ	Bristol	Back Office	Freehold	25,979	100.0%	8.6	1.6	£4,000,000	£3,450,000	£4,000,000
20	St Paul's House, Chippenham	Marshfield Road, Chippenham, SN15 1LA	Chippenham	Back Office	Freehold	16,207	100.0%	8.6	3.6	£3,695,242	£3,000,000	£3,695,242
21	Cotswold House, Torquay	Warren Road, Torquay, TQ2 5UX	Torquay	Back Office	Freehold	21,895	100.0%	8.6	8.6	£3,250,000	£2,865,000	£3,250,000
22	Regent House, Weston Super Mare	High Street, Weston Super Mare, BS23 1JH	Weston Super Mare	Jobcentre Plus/Retail	Freehold	21,704	100.0%	8.6	3.6	£2,722,200	£2,600,000	£2,722,200
23	Summerlock House, Salisbury	Summerlock Approach, Salisbury, SP2 7RW	Salisbury	Jobcentre Plus	Freehold	17,136	100.0%	8.6	3.6	£2,722,200	£2,100,000	£2,722,200

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S/N	Property	Address	City/Town	Usage	Land Tenure	NIA (sq ft)	Occupancy	WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	WAULT to Break by Gross Rental Income for the month of August 2019 (years)	Valuation by Colliers ⁽¹⁾	Valuation by Knight Frank	Purchase Consideration
24	Monks Park Avenue, Bristol	1 Monks Park Avenue, Horfield, Bristol, BS7 0UD	Bristol	Jobcentre Plus	Freehold	10,183	100.0%	8.6	8.6	£2,160,000	£1,750,000	£2,160,000
25	Kent Street, Bristol	17-19 Kent Street, Bedminster, Bristol, BS3 3NW	Bristol	Jobcentre Plus	Freehold	6,339	100.0%	8.6	3.6	£1,040,000	£1,025,000	£1,040,000
Midlands												
26	Holborn House, Derby	Wyvern Business Park, Stanier Way, Derby, DE21 6BF	Derby	Call Centre	Freehold	35,120	100.0%	8.6	3.6	£6,440,609	£5,925,000	£6,440,609
27	Lothersdale House, Wellingborough	West Villa Road, Wellingborough, NN8 4TA	Wellingborough	Jobcentre Plus	Freehold	32,113	100.0%	8.6	3.6	£4,019,589	£3,150,000	£4,019,589
28	Upper Huntbach Street, Stoke On Trent	91 Upper Huntbach Street, Hanley, Stoke on Trent, ST1 2BX	Stoke On Trent	Jobcentre Plus	Freehold	21,540	100.0%	8.6	3.6	£2,739,576	£2,575,000	£2,739,576
29	Crown House, Grantham	49A Castlegate, Grantham, NG31 6SY	Grantham	Jobcentre Plus	Freehold	24,962	100.0%	8.6	8.6	£2,650,000	£1,925,000	£2,650,000
30	Beecroft Road, Cannock	Beecroft Road, Cannock, WS11 1JR	Cannock	Jobcentre Plus	Freehold	31,517	100.0%	8.6	3.6	£1,778,118	£1,650,000	£1,778,118

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S/N	Property	Address	City/Town	Usage	Land Tenure	NIA (sq ft)	Occupancy	WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	WAULT to Break by Gross Rental Income for the month of August 2019 (years)	Valuation by Colliers ⁽¹⁾	Valuation by Knight Frank	Purchase Consideration
31	Crown Buildings, Ilkeston	58 South Street, Ilkeston, DE7 8TU	Ilkeston	Jobcentre Plus	Freehold	18,352	100.0%	8.6	3.6	£1,419,019	£1,100,000	£1,419,019
32	Tannery House, Alfreton	King Street, Alfreton, DE55 7AF	Alfreton	Jobcentre Plus	Freehold	10,226	100.0%	8.6	3.6	£1,164,175	£975,000	£1,164,175
33	Acacia Walk, Nottingham	3 Acacia Walk, Beeston, Nottingham, NG9 2LW	Nottingham	Jobcentre Plus	Freehold	4,306	100.0%	8.6	3.6	£776,117	£725,000	£776,117
34	Crown House, Burton On Trent	New Street, Burton On Trent, DE14 3SL	Burton On Trent	Jobcentre Plus	Freehold	45,897	100.0%	8.6	3.6	£1,766,534	£1,500,000	£1,766,534
Yorkshire and Humber												
35	Elder House, Northallerton	East Road, Northallerton, DL6 1NU	Northallerton	Jobcentre Plus	Freehold	14,517	100.0%	8.6	3.6	£978,834	£1,025,000	£978,834
36	Low Hall, Pontefract	Market Street, Hemsworth, Pontefract, WF9 4HP	Pontefract	Jobcentre Plus	Freehold	14,208	100.0%	8.6	3.6	£874,579	£700,000	£874,579
37	Crown Buildings, Mexborough	Adwick Road, Mexborough, S64 0BD	Mexborough	Jobcentre Plus	Freehold	14,994	100.0%	8.6	3.6	£660,278	£600,000	£660,278
38	Mulberry House, Goole	North Street, Goole, DN14 5RA	Goole	Jobcentre Plus	Freehold	6,202	100.0%	8.6	3.6	£417,018	£400,000	£417,018

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S/N	Property	Address	City/Town	Usage	Land Tenure	NIA (sq ft)	Occupancy	WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	WAULT to Break by Gross Rental Income for the month of August 2019 (years)	Valuation by Colliers ⁽¹⁾	Valuation by Knight Frank	Purchase Consideration
North East												
39	St Andrew's House, Hexham	Haugh Lane, Hexham, NE46 3RB	Hexham	Jobcentre Plus	Freehold	21,451	100.0%	8.6	3.6	£3,058,131	£2,200,000	£3,058,131
40	Ward Jackson House, Hartlepool	Wesley Square, Hartlepool, TS24 8EZ	Hartlepool	Jobcentre Plus	Freehold	20,451	100.0%	8.6	3.6	£2,328,350	£2,150,000	£2,328,350
41	Hadrian House, Eston	81 High Street, Eston, Middlesbrough, TS6 9EH	Eston	Jobcentre Plus	Freehold	24,219	100.0%	8.6	3.6	£1,546,441	£1,475,000	£1,546,441
42	Broadway House, Houghton Le Spring	Frederick Place, Houghton Le Spring, DH4 4AH	Houghton Le Spring	Jobcentre Plus	Freehold	20,075	100.0%	8.6	3.6	£1,592,777	£1,415,000	£1,592,777
43	John Street, Sunderland	60-66 John Street, Sunderland, SR1 1QT	Sunderland	Jobcentre Plus	Freehold	17,894	100.0%	8.6	1.6	£1,405,000	£875,000	£1,405,000
44	Reiverdale House, Ashington	Reiverdale Road, Ashington, NE63 9YU	Ashington	Jobcentre Plus	Freehold	23,702	100.0%	8.6	3.6	£1,181,551	£1,250,000	£1,181,551
45	Hatfield House, Peterlee	St Cuthberts Road, Peterlee, SR8 1PB	Peterlee	Jobcentre Plus	Freehold	19,889	100.0%	8.6	3.6	£1,106,256	£950,000	£1,106,256

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S/N	Property	Address	City/Town	Usage	Land Tenure	NIA (sq ft)	Occupancy	WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	WALUT to Break by Gross Rental Income for the month of August 2019 (years)	Valuation by Colliers ⁽¹⁾	Valuation by Knight Frank	Purchase Consideration
46	St John's Square, Seaham	St John's Square, Seaham, SR7 7JE	Seaham	Jobcentre Plus	Freehold	6,658	100.0%	8.6	3.6	£654,486	£500,000	£654,486
47	Norham House, Berwick Upon Tweed	15 Walkergate, Berwick Upon Tweed, TD15 1DS	Berwick Upon Tweed	Jobcentre Plus	Freehold	7,766	100.0%	8.6	3.6	£434,394	£450,000	£434,394
North West												
48	Peel Park, Blackpool	Brunel Way, Blackpool, FY4 5ES	Blackpool	Back Office	Freehold	156,542	100.0%	8.6	8.6	£28,210,000	£26,250,000	£28,210,000
49	Hilden House, Warrington	Winmarleigh Street, Warrington, WA1 1LA	Warrington	Back Office	Freehold	50,841	100.0%	8.6	3.6	£7,083,512	£7,100,000	£7,083,512
50	Blackburn Road, Burnley	Blackburn Road, Burnley, BB12 7NQ	Burnley	Call Centre	Freehold	46,405	100.0%	8.6	3.6	£5,971,464	£5,800,000	£5,971,464
51	Mitre House, Lancaster	Church Street, Lancaster, LA1 1EQ	Lancaster	Jobcentre Plus	Freehold	64,597	100.0%	8.6	3.6	£4,662,491	£6,050,000	£4,662,491
52	Heron House, Stockport	Wellington Street, Stockport, SK1 3BE	Stockport	Jobcentre Plus	Freehold	43,271	100.0%	8.6	3.6	£3,967,462	£3,725,000	£3,967,462
53	Duchy House, Preston	96 Lancaster Road, Preston, PR1 1NS	Preston	Back Office	Freehold	43,805	100.0%	8.6	8.6	£4,185,000	£3,200,000	£4,185,000

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S/N	Property	Address	City/Town	Usage	Land Tenure	NIA (sq ft)	Occupancy	WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	WAULT to Break by Gross Rental Income for the month of August 2019 (years)	Valuation by Colliers ⁽¹⁾	Valuation by Knight Frank	Purchase Consideration
54	Palatine House, Preston	Lancaster Road, Preston, PR1 1NS	Preston	Back Office	Freehold	36,257	100.0%	8.6	8.6	£3,540,000	£2,725,000	£3,540,000
55	St Martin's House, Bootle	Stanley Road, Bootle, L69 9BN	Bootle	Back Office	Freehold	85,453	100.0%	8.6	3.6	£4,008,005	£4,480,000	£4,008,005
56	Wilmslow Road, Manchester	96 Wilmslow Road, Manchester, M14 5BJ	Manchester	Jobcentre Plus	Freehold	20,807	100.0%	8.6	3.6	£2,484,731	£2,575,000	£2,484,731
57	Beech House, Hyde	Clarendon Street, Hyde, SK14 2LP	Hyde	Jobcentre Plus	Freehold	39,550	100.0%	8.6	3.6	£2,519,483	£2,500,000	£2,519,483
58	Lee-Moran House, Burnley	Victoria Street, Burnley, BB11 1DD	Burnley	Jobcentre Plus	Freehold	17,886	100.0%	8.6	3.6	£2,154,592	£2,025,000	£2,154,592
59	Roydale House, Leigh	2-10 Windermere Road, Leigh, WN7 1UT	Leigh	Jobcentre Plus	Freehold	21,022	100.0%	8.6	3.6	£1,268,429	£1,400,000	£1,268,429
60	Hougoumont House, Liverpool	29 Hougoumont Avenue, Waterloo, Liverpool, L22 0PB	Liverpool	Jobcentre Plus	Freehold	17,082	100.0%	8.6	3.6	£1,251,054	£1,350,000	£1,251,054
61	Springfield House, Liverpool	416 Eaton Road, Liverpool, L12 3HT	Liverpool	Jobcentre Plus	Freehold	10,534	100.0%	8.6	3.6	£1,135,215	£975,000	£1,135,215

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62	Silver Street, Bury	Silver Street, Bury, BL9 0DP	Bury	Jobcentre Plus	Freehold	9,352	100.0%	8.6	3.6	£1,002,001	£1,000,000	£1,002,001
63	Roskell House, Fleetwood	11-27 Kemp Street, Fleetwood, FY7 6JX	Fleetwood	Jobcentre Plus	Freehold	5,863	100.0%	8.6	3.6	£527,064	£415,000	£527,064
Scotland												
64	Glasgow Benefits Centre, Glasgow	Northgate, 96 Milton Street, Glasgow, G4 0DX	Glasgow	Back Office	Freehold	137,287	100.0%	8.6	8.6	£31,765,000	£32,600,000	£31,765,000
65	Parklands, Falkirk	Callendar Boulevard, Falkirk, FK1 1XT	Falkirk	Back Office	Freehold	81,350	100.0%	8.6	3.6	£7,413,651	£8,675,000	£7,413,651
66	Atlas Road, Glasgow	200 Atlas Road, Glasgow, G21 4DL	Glasgow	Jobcentre Plus	Freehold	49,788	100.0%	8.6	3.6	£4,488,734	£4,600,000	£4,488,734
67	Coustonholm Road, Glasgow	8 Coustonholm Road, Glasgow, G43 1SS	Glasgow	Jobcentre Plus	Freehold	36,124	100.0%	8.6	3.6	£3,625,739	£3,500,000	£3,625,739
68	Bowling Green Street, Bellshill	417 Main Street, Bellshill, ML4 1HT	Bellshill	Jobcentre Plus	Freehold	23,512	100.0%	8.6	3.6	£2,843,830	£3,300,000	£2,843,830
69	Wallacetown House, Ayr	John Street, Ayr, KA8 0BX	Ayr	Jobcentre Plus/Medical Centre	Freehold	28,299	100.0%	8.6	3.6	£3,046,547	£2,785,000	£3,046,547
70	Claverhouse Industrial Park, Dundee	6 Jack Martin Way, Dundee, DD4 9FF	Dundee	Call Centre	Freehold	48,269	100.0%	8.6	3.6	£3,376,686	£2,885,000	£3,376,686

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S/N	Property	Address	City/Town	Usage	Land Tenure	NIA (sq ft)	Occupancy	WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	WALUT to Break by Gross Rental Income for the month of August 2019 (years)	Valuation by Colliers ⁽¹⁾	Valuation by Knight Frank	Purchase Consideration
71	Crown Building, Kilmarnock	12 and 14 Woodstock Street, Kilmarnock, KA1 2BN	Kilmarnock	Jobcentre Plus	Freehold	36,696	100.0%	8.6	3.6	£3,434,606	£2,950,000	£3,434,606
72	Flemington House, Motherwell	600 Windmillhill Street, Motherwell, ML1 2HN	Motherwell	Jobcentre Plus	Freehold	29,381	100.0%	8.6	3.6	£2,820,663	£2,525,000	£2,820,663
73	Whitburn Road, Bathgate	31-33 Whitburn Road, Bathgate, EH48 1HG	Bathgate	Jobcentre Plus	Freehold	31,484	100.0%	8.6	3.6	£2,756,951	£2,800,000	£2,756,951
74	Heron House, Falkirk	Wellside Place, Falkirk, FK1 5SE	Falkirk	Jobcentre Plus	Freehold	25,454	100.0%	8.6	3.6	£2,635,321	£2,910,000	£2,635,321
75	Pollokshaws Road, Glasgow	159-181 Pollokshaws Road, Glasgow, G41 1PU	Glasgow	Jobcentre Plus	Freehold	15,812	100.0%	8.6	3.6	£1,957,667	£1,600,000	£1,957,667
76	Trinity Road, Elgin	13-21 Trinity Road, Elgin, IV30 1RJ	Elgin	Jobcentre Plus	Freehold	17,427	100.0%	8.6	3.6	£1,476,938	£1,600,000	£1,476,938
77	Discovery House, Stornoway	2 Castle Street, Stornoway, HS1 2BA	Stornoway	Jobcentre Plus	Freehold	7,276	100.0%	8.6	3.6	£1,117,840	£915,000	£1,117,840
78	St John Street, Stranraer	12 St John Street, Stranraer, DG9 7EL	Stranraer	Jobcentre Plus	Freehold	6,402	100.0%	8.6	3.6	£712,406	£585,000	£712,406

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79	Hall Street, Campbelltown	40 Hall Street, Campbelltown, PA28 6BZ	Campbeltown	Jobcentre Plus	Freehold	8,288	100.0%	8.6	3.6	£567,608	£550,000	£567,608
80	Castlestead House, Montrose	4 Castle Place, Montrose, DD10 8AL	Montrose	Jobcentre Plus	Freehold	4,246	100.0%	8.6	3.6	£428,602	£405,000	£428,602
81	High Street, Dingwall	3 High Street, Dingwall, IV15 9HL	Dingwall	Jobcentre Plus	Freehold	3,438	100.0%	8.6	3.6	£330,139	£290,000	£330,139
82	Bayfield Road, Portree	Bayfield Road, Portree, Isle of Skye, IV51 9EN	Portree	Jobcentre Plus	Freehold	1,943	100.0%	8.6	3.6	£312,763	£245,000	£312,763
83	Waggon Road, Leven	9 Waggon Road, Leven, KY8 4PT	Leven	Jobcentre Plus	Freehold	4,901	100.0%	8.6	3.6	£306,971	£275,000	£306,971
Wales												
84	Parc Menai, Bangor	Parc Menai, Bangor, LL57 4FD	Bangor	Call Centre	Long Leasehold (Lease expires in 2255)	31,674	100.0%	8.6	3.6	£3,973,254	£4,725,000	£3,973,254
85	Crown Buildings, Bridgend	Angel Street, Bridgend, CF31 4AA	Bridgend	Jobcentre Plus	Freehold	46,058	100.0%	8.6	3.6	£4,286,017	£4,225,000	£4,286,017
86	High Street, Swansea	37-38 High Street, Swansea, SA1 1LS	Swansea	Jobcentre Plus	Freehold	19,609	100.0%	8.6	3.6	£2,160,384	£2,000,000	£2,160,384
87	Crown Buildings, Caerphilly	Claude Road, Caerphilly, CF83 1WT	Caerphilly	Back Office	Freehold	21,000	100.0%	8.6	3.6	£1,540,649	£1,235,000	£1,540,649

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88	Cleddau Bridge Business Park, Pembroke Dock	Pembroke Dock, SA72 6UP	Pembroke Dock	Call Centre	Freehold	19,418	100.0%	8.6	3.6	£1,430,603	£1,300,000	£1,430,603
89	Crown Buildings, Abertillery	Greenbach Street, Abertillery, CF44 7HU	Abertillery	Jobcentre Plus/Back Office	Freehold	24,290	100.0%	8.6	3.6	£1,262,637	£1,120,000	£1,262,637
90	Oldway House, Swansea	Clase Road, Morriston, Swansea, SA6 8BT	Swansea	Jobcentre Plus	Freehold	14,575	100.0%	8.6	3.6	£1,251,054	£1,000,000	£1,251,054
91	Thistle House, Tonypandy	Llwynypia Road, Tonypandy, CF40 2EP	Tonypandy	Jobcentre Plus	Freehold	14,650	100.0%	8.6	3.6	£1,198,926	£1,100,000	£1,198,926
92	Bridge Street, Llangefti	Bridge Street, Llangefti, LL77 7YJ	Llangefti	Jobcentre Plus	Freehold	9,601	100.0%	8.6	3.6	£764,533	£665,000	£764,533
93	Quay Street, Haverfordwest	16-20 Quay Street, Haverfordwest, SA61 1BH	Haverfordwest	Jobcentre Plus	Freehold	8,603	100.0%	8.6	3.6	£839,828	£785,000	£839,828
94	Hannah Street, Porth	35 Hannah Street, Porth, CF39 9RB	Porth	Jobcentre Plus	Freehold	7,018	100.0%	8.6	3.6	£660,278	£650,000	£660,278
95	Crown Buildings, Abertillery	Portland Street, Abertillery, NP13 1YF	Abertillery	Jobcentre Plus	Freehold	9,159	100.0%	8.6	3.6	£411,226	£405,000	£411,226

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96	Dock Street, Porthcawl	Dock Street, Porthcawl, CF36 3BL	Porthcawl	Jobcentre Plus	Freehold	3,023	100.0%	8.6	3.6	£318,555	£315,000	£318,555
97	Maengwyn Street, Machynlleth	43-45 Maengwyn, Machynlleth, SY20 8EB	Machynlleth	Jobcentre Plus	Freehold	3,655	100.0%	8.6	3.6	£173,757	£150,000	£173,757

Note:

(1) All valuations by Colliers which are not whole numbers are rounded up to the nearest whole number.

Properties' Information for each Region

Region	NIA (sq ft)	Occupancy	Purchase Consideration
London and South East	411,899	100.0%	£77,444,918
South West	209,111	100.0%	£32,957,381
Midlands	224,033	100.0%	£22,753,737
Yorkshire and Humber	49,921	100.0%	£2,930,709
North East	162,105	100.0%	£13,307,386
North West	669,267	100.0%	£73,970,503
Scotland	597,377	100.0%	£75,418,662
Wales	232,333	100.0%	£20,271,701
Total	2,556,046	100.0%	£319,055,000⁽¹⁾

Note:

(1) All valuations by Colliers which are not whole numbers are rounded up to the nearest whole numbers. However, the total is based on the summation of the actual numbers.

STRUCTURE OF ELITE COMMERCIAL REIT

Elite Commercial REIT

Elite Commercial REIT was constituted on 7 June 2018. It is principally regulated by the SFA, the Code on Collective Investment Schemes issued by the MAS (“**CIS Code**”), including Appendix 6 of the CIS Code (the “**Property Funds Appendix**”), other relevant regulations and the Trust Deed.

EPH, HLG and Sunway are the sponsors of Elite Commercial REIT. (See “The Sponsors” for further details.)

The Manager: Elite Commercial REIT Management Pte. Ltd.

Elite Commercial REIT Management Pte. Ltd. is the manager of Elite Commercial REIT. The Manager was incorporated in Singapore under the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”) on 2 August 2019. It has an issued and paid-up capital of S\$1,000,000. Its registered office is located at 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989.

The Manager has been issued a capital markets services licence (“**CMS Licence**”) for REIT management pursuant to the SFA on 22 January 2020.

The Manager has general powers of management over the assets of Elite Commercial REIT. The Manager’s main responsibility is to manage Elite Commercial REIT’s assets and liabilities for the benefit of Unitholders. The Manager will set the strategic direction of Elite Commercial REIT and give recommendations to the Trustee on the acquisition, divestment, development and/or enhancement of assets of Elite Commercial REIT in accordance with its stated investment strategy.

The Manager will provide, among others, the following services to Elite Commercial REIT:

- **Investment:** Formulating Elite Commercial REIT’s investment strategy, including determining the location, sub-sector type and other characteristics of Elite Commercial REIT’s property portfolio. Overseeing the negotiations and providing the supervision in relation to investments of Elite Commercial REIT and making final recommendations to the Trustee.
- **Asset Management:** Formulating Elite Commercial REIT’s asset management strategy, including determining the tenant mix, asset enhancement plans and the rationalisation of operation costs. Providing the supervision in relation to asset management of Elite Commercial REIT and making final recommendations to the Trustee on material matters.
- **Capital management:** Formulating the plans for equity and debt financing for Elite Commercial REIT’s property acquisitions, distribution payments, expense payments and property maintenance payments. Executing the capital management plans, negotiating with financiers and underwriters and making final recommendations to the Trustee.
- **Accounting:** Preparing accounts, financial reports and annual reports for Elite Commercial REIT on a consolidated basis.
- **Compliance:** Making all regulatory filings on behalf of Elite Commercial REIT, and using its commercially reasonable best efforts to assist Elite Commercial REIT in complying with the applicable provisions of the relevant legislation pertaining to the location and operations of Elite Commercial REIT, the Listing Manual of the SGX-ST (the “**Listing Manual**”), the Trust Deed, any tax ruling and all relevant contracts.
- **Investor relations:** Communicating and liaising with investors, analysts and the investment community.

The Sponsors: EPH, HLG and Sunway

Elite Partners Holdings Pte. Ltd.

Headquartered in Singapore, EPH is the investment holding firm for Elite Partners Group, first established to deliver lasting value for investors based on common interests, long-term perspectives and a disciplined approach. Backed by a team with proven expertise in private equity and REITs, its threefold investment philosophy aims to protect initial capital, enhance investment value and create new growth opportunities. As at 30 October 2019, EPH, via its wholly-owned subsidiaries, has an AUM of approximately S\$650 million.

EPC, which is a subsidiary of EPH and a holder of a CMS Licence for Fund Management, is an alternative asset management company focused on the management of unique investment strategies with high growth potential and well-defined exit strategies.

Ho Lee Group Pte. Ltd.

The growth of Singapore from the early 70's to the early 90's saw the expansion of Ho Lee's business from a single entity dealing with general plumbing works to one that carries out various construction-related businesses from general building construction to specialised metal works, formwork fabrication and sales and rental of construction machines and equipment.

These various companies were grouped together in 1996 and saw the incorporation of HLG.

From its inception in 1996, HLG had gone on to acquire Wee Poh Construction Co. (Pte) Ltd (WPC) in 2005 which was a civil engineering construction company graded by the Building Construction Authority of Singapore (BCA) with an A1 grading (the highest grade) under the workhead CW02.

HLG also ventured into the development of industrial and residential properties either individually or with its business partners and had to date developed projects, such as the Built-to-Suit Mauser Factory, The Watercolour Executive Condominium and The Heron Bay Executive Condominium. HLG was also one of the major sponsors of Viva Industrial Trust during its initial public offering and listing on the SGX-ST in November 2013.

Sunway RE Capital Pte. Ltd.

Sunway is a wholly-owned subsidiary of Sunway Berhad.

Sunway Berhad is one of Malaysia's largest conglomerates with businesses in property development, property investment and REIT, construction, healthcare, hospitality, leisure, quarry, building materials, and trading and manufacturing.

The Sunway Berhad Group comprises three publicly listed entities, Sunway Berhad, Sunway Construction Group Berhad, and Sunway REIT, with a combined market capitalisation of approximately RM17.0 billion as at 30 September 2019.

The Sunway Berhad Group believes strongly in the sustainability of its business practices and is a strong advocate of the United Nation's Sustainable Development Goals. This is endorsed by the inclusion of all the Sunway Berhad Group's listed entities in the FTSE4Good Index, which recognises companies with strong environmental, social and governance practices.

The Trustee: Perpetual (Asia) Limited

The trustee of Elite Commercial REIT is Perpetual (Asia) Limited. It is a company incorporated in Singapore on 30 December 2005 with a paid-up capital of S\$9,024,811. It is an indirect wholly-owned subsidiary of Perpetual Limited, one of the largest independent trustees in Australia and is listed on the Australian Securities Exchange. The Trustee is licenced as a trust company under the Trust Companies Act, Chapter 336 of Singapore (the “**Trust Companies Act**”). It is approved to act as a trustee for authorised collective investment schemes under Section 289(1) of the SFA and is regulated by the MAS. It also holds a capital markets services licence for the provision of custodial services for securities. The Trustee acts as trustee to Singapore-listed REITs, unit trusts, private funds and trustee to institutional and retail debt issues including bonds and notes. Its registered office is located at 8 Marina Boulevard, #05-02 Marina Bay Financial Centre, Singapore 018981.

The Trustee holds the assets of Elite Commercial REIT on trust for the benefit of Unitholders, safeguards the rights and interests of Unitholders and exercises all the powers of a trustee and the powers accompanying ownership of the properties in Elite Commercial REIT. (See “The Formation and Structure of Elite Commercial REIT – The Trustee” for further details.)

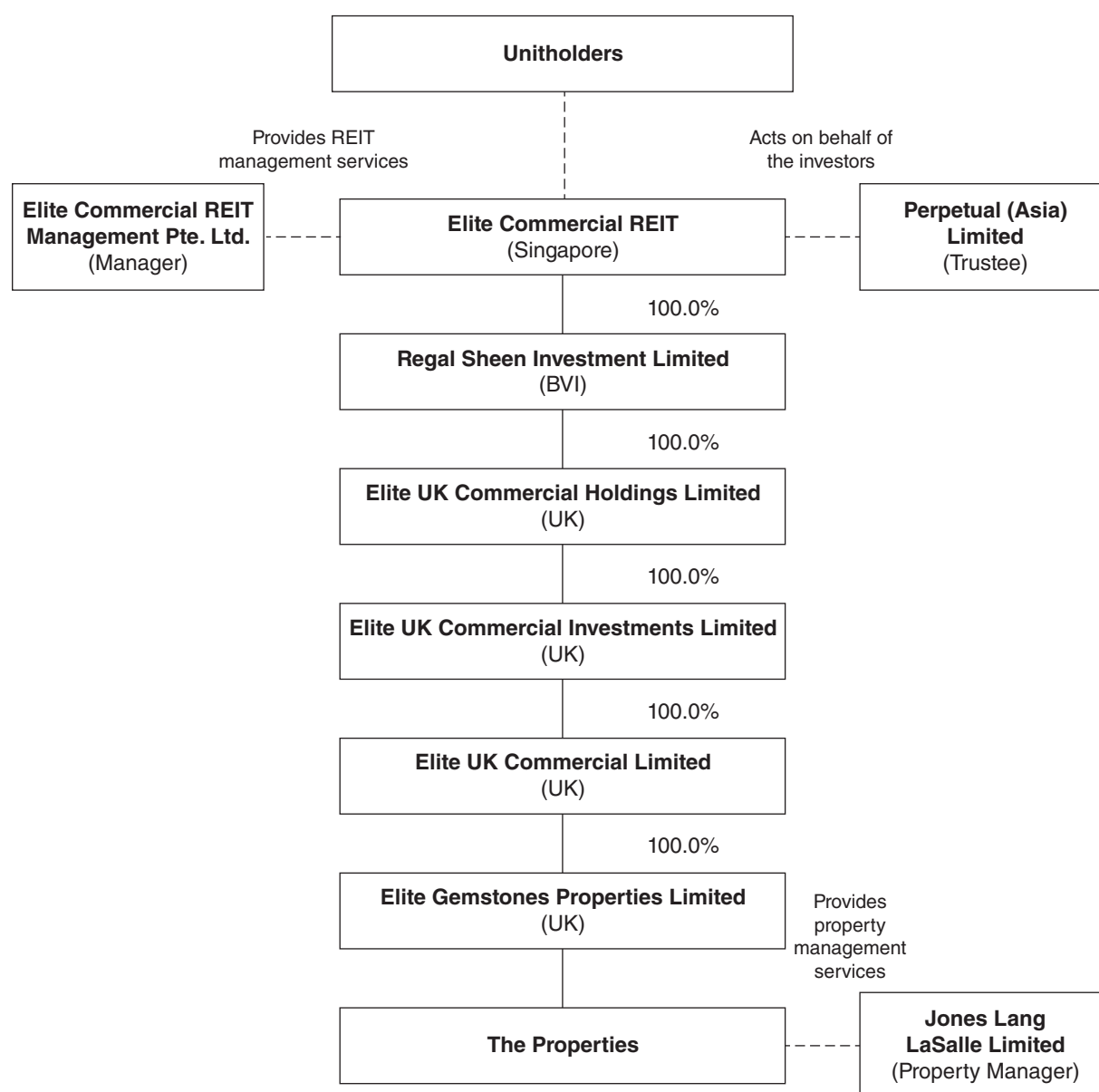
The Property Manager: Jones Lang LaSalle Limited

Jones Lang LaSalle Limited has been appointed as the property manager for the Properties (the “**Property Manager**”). The Property Manager has entered into a property management agreement with Elite Gemstones Properties Limited (the “**Property Management Agreement**”).

Under the Property Management Agreement, the services provided by the Property Manager include support services relating to acquisitions and sales of the Properties, record management of the Properties, relationship management with occupiers of the Properties on their accommodation and service needs and general management and administration of the Properties. Pursuant to the terms of the Property Management Agreement, the Property Manager will also provide facilities management services, including but not limited to building operations and maintenance. The Property Manager will act within the approved annual budget for a Property, subject to certain permitted variances and established leasing guidelines.

(See “The Manager and Corporate Governance – The Property Manager” for further details.)

The following diagram illustrates the relationship, among others, between Elite Commercial REIT, the Manager, the Trustee, the Property Manager and the Unitholders as at the Listing Date:



CERTAIN FEES AND CHARGES

The following is a summary of the amount of certain fees and charges payable by the Unitholders in connection with the subscription for or trading of the Units (so long as the Units are listed):

	Payable by the Unitholders directly	Amount payable
(a)	Subscription fee or preliminary charge	N.A. ⁽¹⁾
(b)	Realisation fee	N.A. ⁽¹⁾
(c)	Switching fee	N.A. ⁽¹⁾
(d)	Any other fee	Investors in the Placement Tranche may be required to pay brokerage of up to 1.0% of the Offering Price. An administration fee is payable for each application made through automated teller machines (“ATM”) and the internet banking websites of the Participating Banks (as defined herein). For trading of the Units, investors will pay prevailing brokerage commissions (if applicable) and a clearing fee for trading of the Units on the SGX-ST at the rate of 0.0325% of the transaction value, subject to Goods and Services Tax (“GST”) chargeable thereon.

Note:

- (1) As the Units will be listed and traded on the SGX-ST, and Unitholders will have no right to request that the Manager redeem their Units while the Units are listed, no subscription fee, preliminary charge, realisation fee or switching fee is payable in respect of the Units.

The following is a summary of certain fees and charges payable by Elite Commercial REIT or subsidiaries in connection with the establishment and on-going management and operation of Elite Commercial REIT and its subsidiaries:

	Payable by Elite Commercial REIT	Amount payable
(a)	Management Fee (payable to the Manager)	Base Fee Pursuant to Clause 15.1.1 of the Trust Deed, 10.0% of Elite Commercial REIT's Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee). Performance Fee Pursuant to Clause 15.1.2 of the Trust Deed, 25.0% of the increase in DPU in a financial year over the DPU in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

Payable by Elite Commercial REIT	Amount payable												
	The Performance Fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in the financial year where the Performance Fee is payable may be less than the DPU in any preceding financial year¹. For illustrative purposes only, the following sets out an example of the computation of the Performance Fee based on an assumed DPU of 5.0 pence for Year 1 and 6.0 pence for Year 2 and a weighted average number of Units of 1,000,000,000: <table><tr><th></th><th>Year 1</th><th>Year 2</th></tr><tr><td>DPU (pence)⁽¹⁾</td><td>5.0</td><td>6.0</td></tr><tr><td>Weighted average number of Units (million)</td><td>1,000</td><td>1,000</td></tr><tr><td>Performance Fee (£ million)</td><td>—</td><td>2.5⁽²⁾</td></tr></table> Notes: (1) Calculated before accounting for the Performance Fee in the financial year. (2) The Performance Fee is calculated based on the following computation: (6.0 – 5.0) x 1,000,000,000 x 25.0%. For the purpose of the computation of the Performance Fee only, the DPU shall be calculated based on all income of Elite Commercial REIT arising from the operations of Elite Commercial REIT, such as, but not limited to, rentals, interest, dividends, divestment gains (to the extent it is distributed to Unitholders) and other similar payments or income arising from the Authorised Investments (as defined herein) of Elite Commercial REIT.		Year 1	Year 2	DPU (pence)⁽¹⁾	5.0	6.0	Weighted average number of Units (million)	1,000	1,000	Performance Fee (£ million)	—	2.5 ⁽²⁾
	Year 1	Year 2											
DPU (pence)⁽¹⁾	5.0	6.0											
Weighted average number of Units (million)	1,000	1,000											
Performance Fee (£ million)	—	2.5 ⁽²⁾											

¹ As an illustration, if the DPU is 5 pence in Year 1, 3 pence in Year 2 and 4 pence in Year 3, the Performance Fee is payable in relation to Year 3 as the DPU for Year 3 exceeds Year 2, notwithstanding that the DPU for Year 3 is less than the DPU for Year 1.

	Payable by Elite Commercial REIT	Amount payable
		Management Fee to be paid in cash or Units The Base Fee and Performance Fee (together, the “Management Fee”) are payable to the Manager in the form of cash and/or Units (as the Manager may elect), in such proportions as may be determined by the Manager. The Manager may elect to receive payment of all or a portion of the Management Fee from Elite Commercial REIT or from its subsidiaries (including but not limited to Elite Gemstones Properties Limited). In such an event, the Manager and the relevant subsidiary will enter into the relevant internal documentation in order to document the arrangement whereby the Manager will receive payment of Management Fee from such subsidiary (“Internal Asset Management Agreement”). The entry into the Internal Asset Management Agreement and the payment of the Management Fees would be subject to the clearance of the Trustee. For the avoidance of doubt, payment of the Management Fee by any of the subsidiaries of Elite Commercial REIT will correspondingly reduce the amount payable by Elite Commercial REIT and if the Manager elects to receive payment of all or a portion of the Management Fee in the form of Units, such payment will be made in the form of units in Elite Commercial REIT. There will be no double counting of fees. For Forecast Year 2020 and Projection Year 2021, the Manager has elected to receive 100.0% of the Base Fee in the form of Units. <u>There would not be any Performance Fee payable for the period between the Listing Date to 31 December 2021.</u>
(b)	Trustee’s Fee	Pursuant to Clause 15.5 of the Trust Deed, the Trustee’s fee shall not exceed 0.015% per annum of the value of the Deposited Property, subject to a minimum amount of S\$15,000 per month, excluding out-of-pocket expenses and GST in accordance with the Trust Deed. The actual fee payable will be determined between the Manager and the Trustee from time to time.

	Payable by Elite Commercial REIT	Amount payable
(c)	Any other substantial fee or charge (i.e. 0.1% or more of Elite Commercial REIT's asset value)	
	<i>Payable to the Manager or its nominee</i>	
	(i) Acquisition Fee	Pursuant to Clause 15.2.1(i) of the Trust Deed, 1.0% (or such lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as is applicable (subject to there being no double-counting): - the acquisition price of any real estate purchased, whether directly or indirectly through one or more SPVs, by Elite Commercial REIT (plus any other payments¹ in addition to the acquisition price made by Elite Commercial REIT or its SPVs to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of Elite Commercial REIT's interest); - the underlying value² of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased by Elite Commercial REIT, whether directly or indirectly through one or more SPVs (plus any additional payments made by Elite Commercial REIT or its SPVs to the vendor in connection with the purchase of such equity interests) (pro-rated, if applicable, to the proportion of Elite Commercial REIT's interest); or

1 "Other payments" refer to additional payments to the vendor of the asset, for example, where the vendor has already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

2 For example, if Elite Commercial REIT acquires an SPV which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity paid by Elite Commercial REIT as the purchase price and any debt of the SPV.

	Payable by Elite Commercial REIT	Amount payable
		the acquisition price of any investment purchased by Elite Commercial REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate, (the “Acquisition Fee”). For the avoidance of doubt, the acquisition price, or as the case may be, the acquisition value, shall take into account any completion or other price or value adjustment to be made post-completion. The Acquisition Fee is payable in respect of any acquisition of real estate assets to both third parties and interested parties. For the purpose of the Acquisition Fee, equity interests include all classes and types of equity securities relating to real estate which shall, for the avoidance of doubt, exclude any investment in debt securities of any property corporation or other SPV owning or acquiring real estate. The Acquisition Fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect), in such proportions as may be determined by the Manager. Under the Property Funds Appendix, in respect of any acquisition of real estate assets from interested parties, such a fee will be in the form of Units issued by Elite Commercial REIT at prevailing market price(s). Such Units may not be sold within one year from the date of their issuance. <u>No Acquisition Fee is payable for the acquisition of the Properties in the IPO Portfolio.</u> Any payment to third party agents or brokers in connection with the acquisition of any assets of Elite Commercial REIT shall be paid to such persons out of the Deposited Property of Elite Commercial REIT or the assets of the relevant SPV, and not out of the Acquisition Fee received or to be received by the Manager.

	Payable by Elite Commercial REIT	Amount payable
	(ii) Divestment Fee	Pursuant to Clause 15.2.1(ii) of the Trust Deed, 0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as is applicable (subject to there being no double-counting): - the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by Elite Commercial REIT (plus any other payment¹ in addition to the sale price received by Elite Commercial REIT or its SPVs from the purchaser in connection with the sale or divestment of the real estate) (pro-rated, if applicable, to the proportion of Elite Commercial REIT's interest); - the underlying value² of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested, whether directly or indirectly through one or more SPVs, by Elite Commercial REIT (plus any additional payments received by Elite Commercial REIT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated, if applicable, to the proportion of Elite Commercial REIT's interest); or - the sale price of any investment sold or divested by Elite Commercial REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate, (the "Divestment Fee").

1 "Other payments" refer to additional payments to Elite Commercial REIT or its SPVs for the sale of the asset, for example, where Elite Commercial REIT or its SPVs have already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

2 For example, if Elite Commercial REIT sells or divests an SPV which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity ascribed to the asset which will be paid to Elite Commercial REIT as the sale price and any debt of the SPV.

	Payable by Elite Commercial REIT	Amount payable
		For the avoidance of doubt, the Divestment Fee is payable in respect of any divestment of real estate assets to both third parties and interested parties. The sale price, or as the case may be, the sale value, shall take into account any completion or other price or value adjustment to be made post-completion. For the purpose of this Divestment Fee, equity interests include all classes and types of equity securities relating to real estate which shall, for the avoidance of doubt, exclude any investment in debt securities of any property corporation or other SPV owning or acquiring real estate. The Divestment Fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect), in such proportions as may be determined by the Manager. Under the Property Funds Appendix, in respect of any sale or divestment of real estate assets to interested parties, such a fee will be in the form of Units issued by Elite Commercial REIT at prevailing market price(s). Such Units may not be sold within one year from date of their issuance. Any payment to third party agents or brokers in connection with the disposal of any assets of Elite Commercial REIT shall be paid to such persons out of the Deposited Property of Elite Commercial REIT or the assets of the relevant SPV, and not out of the Divestment Fee received or to be received by the Manager.
	(iii) Development Management Fee	Pursuant to Clause 15.4 of the Trust Deed, the Manager is entitled to receive a development management fee equivalent to 3.0% of the Total Project Costs (as defined herein) incurred in a Development Project (as defined herein) undertaken by the Manager on behalf of Elite Commercial REIT.

	Payable by Elite Commercial REIT	Amount payable
		Elite Commercial REIT will only undertake development activities within the limits of the Property Funds Appendix (which currently allows a REIT to commit no more than 10.0% of its deposited property to development and investment in uncompleted property developments). The total contract value of property development activities may exceed 10.0% of Elite Commercial REIT's deposited property (subject to maximum of 25.0% of Elite Commercial REIT's deposited property) only if: - the additional allowance of up to 15.0% of Elite Commercial REIT's deposited property is utilised solely for the redevelopment of an existing property that has been held by Elite Commercial REIT for at least three years and which Elite Commercial REIT will continue to hold for at least three years after the completion of the redevelopment; and - Elite Commercial REIT obtains the specific approval of Unitholders at a general meeting for the redevelopment of the property. "Total Project Costs" means the sum of the following: - construction cost based on the project final account prepared by the project quantity surveyor or issued by the appointed contractor; - principal consultants' fees, including payments to the project's architect, civil and structural engineer, mechanical and electrical engineer, quantity surveyor and project manager; - the cost of obtaining all approvals for the project; - site staff costs; - interest costs on actual borrowings used to finance project cash flows (excluding equity capital) that are capitalised to the project in line with the International Financial Reporting Standards; and

	Payable by Elite Commercial REIT	Amount payable
		any other costs including contingency expenses which meet the definition of Total Project Costs and can be capitalised to the project in accordance with the International Financial Reporting Standards, but for the avoidance of doubt, shall not include land costs (including but not limited to the acquisition price or underlying value of such land). “Development Project” means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by Elite Commercial REIT, provided always that the Property Funds Appendix shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting and renovations. When the estimated Total Project Costs is greater than £100 million, the Trustee and the Independent Directors will first review and approve the quantum of the Development Management Fee whereupon the Manager may be directed by its Independent Directors to reduce the Development Management Fee. Further, in cases where the Manager is of the view that the market pricing for comparable services is materially lower than the Development Management Fee, the independent directors of the Manager (the “Independent Directors”) shall have the discretion to direct the Manager to accept a Development Management Fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken on behalf of Elite Commercial REIT. For the avoidance of doubt, in respect of a Development Project, there will be no double counting of fees and the Manager will not be entitled to concurrently receive both the Development Management Fee as well as the Acquisition Fee. As land costs will not be included in the computation of Total Project Costs, the Manager shall be entitled to receive an Acquisition Fee on the land costs.

	Payable by Elite Commercial REIT	Amount payable
	(iv) Lease Management Fee and Lease Commissions	The Manager is entitled to, on each property of Elite Commercial REIT under its management, a lease management fee of 1.0% per annum of Revenue (as defined herein) of each property (the “Lease Management Fee”). The lease management fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect), in such proportions as may be determined by the Manager. In relation to securing a new lease or renewal of an existing tenancy, the Manager is entitled to the following Lease Commissions: • one month’s gross rent, for securing a tenancy of three years or more; • 0.5 month’s gross rent, for securing a tenancy of fewer than three years; and • 0.25 month’s gross rent, for securing a tenancy of any number of years, if there is a third party agent involved. For the avoidance of doubt, any fees payable to third party agent(s) will be paid on a cost recovery basis, (collectively, the “Lease Commissions”). The Lease Commissions is payable to the Manager in the form of cash and/or Units or a combination of cash and Units (as the Manager may elect), in such proportions as may be determined by the Manager. The Manager may elect to receive payment of all or a portion of the Lease Management Fee and/or Lease Commissions from Elite Commercial REIT or from its subsidiaries (including but not limited to Elite Gemstones Properties Limited). In such an event, the Manager and the relevant subsidiary will enter into an individual lease management agreement in order to document the arrangement whereby the Manager will receive payment of the Lease Commissions from such subsidiary. For the avoidance of doubt, payment of the Lease Management Fee and/or Lease Commissions by any of the subsidiaries of Elite Commercial REIT will correspondingly reduce the amount payable by Elite Commercial REIT and if the Manager elects to receive payment of all or a portion of the lease management fee and/or Lease Commissions in the form of Units, such payment will be made in the form of units in Elite Commercial REIT. There will be no double counting of fees. For the Forecast Year 2020 and the Projection Year 2021, the Manager has elected to receive 100.0% of the Lease Management Fee in the form of Units.

	Payable by Elite Commercial REIT	Amount payable
	<i>Payable to the Property Manager¹</i>	
	(i) Property Management Fee	The Property Manager is entitled to a fixed annual property management fee of £235,600 to be paid quarterly in advance in respect of the IPO Portfolio. In the event the Manager decides to engage the Property Manager to provide other services, additional fees will be payable by Elite Commercial REIT. The Manager may appoint other parties to provide property management services for properties which may be acquired in future. The Property Manager is unrelated to the Sponsors. For the avoidance of doubt, the Manager may appoint other parties to provide property management services for the Properties after the expiry of the Property Management Agreement (which will be two years after the date of the Property Management Agreement).
	(ii) Construction Supervision Fee	Construction supervision fees in connection with the provision of construction management services for certain construction projects may be payable in future to the Property Manager with respect to the Property managed by the Property Manager or to any third party appointed for the provision of such services. For the avoidance of doubt, the Property Manager is an independent third party service provider which is unrelated to the Sponsors. The construction supervision fees are assessed as a percentage of the total cost of the applicable construction project with respect to the Properties, as more specifically set forth in the Property Management Agreement, construction management addendum to the Property Management Agreement or separate project management agreement for the Property.

¹ The fees payable to the Property Manager, being the Property Management Fee and the Construction Supervision Fee (where applicable), will be paid by Elite Gemstones Properties Limited.

	Payable by Elite Commercial REIT	Amount payable
		With respect to such construction supervision fees, the percentages typically range from 0.0% to 5.0% of the total cost of a construction project, on a tiered scale with the applicable percentage decreasing as the total cost of a construction project increases. The Manager will negotiate the amount of construction supervision fees while taking into account the complexity and scale of the construction project. Most commonly, projects with construction costs over £1,000,000 are negotiable and on a case by case basis such that each construction supervision fee is reasonable depending on the size and complexity of any given project. The Manager believes that the construction supervision fees payable to the third party independent property manager are in line with market practice for property managers in the respective markets. For the avoidance of doubt, the Development Management Fee relates to work done for property development activities while the construction supervision fee relates to work done other than for property development activities (such as asset enhancement initiatives).

- **Management Fee (payable to the Manager)** – The Management Fee comprises the Base Fee and the Performance Fee which make up a substantial portion of the Manager's total remuneration for the provision of on-going management services, some of which are being outsourced, to Elite Commercial REIT. These services cover functions such as investment management, asset management, capital management, accounting, legal, compliance and investor relations, rendered by a professional licensed REIT manager on a full time and dedicated basis.
 - o **Base Fee** – The Base Fee, which is based on the value of Annual Distributable Income, is recurring and enables the Manager to cover operational and administrative overheads incurred in the management of the portfolio. The Base Fee is based on a fixed percentage of the Annual Distributable Income which is commensurate with the complexity and efforts required of the Manager in managing Elite Commercial REIT.
 - o **Performance Fee** – The Performance Fee, which is based on and linked to DPU, is a measure of the Manager's continuing efforts to retain existing tenants and attract new tenants to its Properties, with the aim of maintaining income stability and a long lease expiry profile. This takes into account the long-term interest of Unitholders as the Manager is motivated and incentivised to achieve income stability by ensuring the long-term sustainability of the assets through proactive asset management strategies and asset enhancement initiatives. As such, to achieve income sustainability, the Manager will not take on excessive short-term risks, and will strive to manage Elite Commercial REIT in a balanced manner.

- **Acquisition Fee and Divestment Fee (payable to the Manager)** – The Acquisition Fee and Divestment Fee payable to the Manager seek to motivate and compensate the Manager for the time, effort and cost spent by the management team of the Manager (in the case of the Acquisition Fee) in sourcing, evaluating and executing new investments to grow Elite Commercial REIT or, (in the case of the Divestment Fee) in rebalancing and unlocking the underlying value of existing properties where they have reached a stage which offers limited scope for further growth. The Manager provides these services over and above the provision of on-going management services with the aim of enhancing long-term returns and achieving the investment objectives of Elite Commercial REIT.

The Divestment Fee is lower than the Acquisition Fee because there is generally less work required to be undertaken in terms of sourcing, evaluating and conducting due diligence in connection with a disposal. As the Divestment Fee for all disposals is the same, the Manager will also be incentivised to sell a Property at the best price.

- **Development Management Fee (payable to the Manager)** – The Development Management Fee allows the Manager to recover the cost of providing resources to manage the development projects, which is outside the scope of the usual operations of the Manager. This serves to incentivise the Manager to undertake development projects that will enhance returns for Unitholders, thereby aligning the Manager's interests with the interests of Unitholders.
- **Lease Management Fee and Lease Commissions (payable to the Manager or its nominee)** – Under the terms of the Lease Management Agreement, the Manager will receive from Elite Commercial REIT, a fee of 1.0% per annum of the Revenue of each property located in the UK for the provision of lease management services. In addition, the Manager is entitled to Lease Commissions ranging from 0.25 to one month of the secured gross rent, for securing new or renewal of tenancies. For the Forecast Year 2020 and the Projection Year 2021, the Manager has elected to receive 100.0% of the Lease Management Fee in the form of Units. The quantum of the fees payable under the Lease Management Agreement are in line with those paid by other SGX-listed REITs for lease management services.

Notwithstanding that over 99.0% of the REIT's Gross Rental Income is derived from a single tenant, the rationale for the Lease Management Agreement and the fees payable thereunder is that the Manager will be responsible for liaising with the tenant in respect of the leases for each of the 97 Properties in the IPO Portfolio.

For the avoidance of doubt, the Manager will be responsible for lease management services such as reviewing and approving/consenting to any requests made by the tenant with regards to all the properties (such as alteration to the buildings, subletting, any variations to the leases etc.). Other roles which the Manager is responsible also includes renewal, expansions and pre-termination whilst the standard services provided by the Property Manager include support services relating to acquisitions and sales of the Properties, record management of the Properties, relationship management with occupiers of the Properties on their accommodation and service needs and general management and administration of the Properties.

THE OFFERING

The Manager	Elite Commercial REIT Management Pte. Ltd., in its capacity as manager of Elite Commercial REIT.
The Sponsors	Elite Partners Holdings Pte. Ltd., Ho Lee Group Pte. Ltd., and Sunway RE Capital Pte. Ltd..
The Trustee	Perpetual (Asia) Limited, in its capacity as trustee of Elite Commercial REIT.
The Offering	114,686,200 Units offered under the Placement Tranche and the Singapore Public Offer, subject to the Over-Allotment Option.
The Placement Tranche	108,951,900 Units offered by way of an international placement to investors (other than the Cornerstone Units), including institutional and other investors in Singapore. The Units have not been and will not be registered under the Securities Act and, accordingly, may not be offered or sold within the United States except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. The Units are only being offered and sold in offshore transactions as defined in and in reliance on Regulation S.
The Singapore Public Offer	5,734,300 Units offered by way of a public offer in Singapore.
Clawback and Re-allocation	The Units may be re-allocated between the Placement Tranche and the Singapore Public Offer at the sole discretion of the Joint Bookrunners (in consultation with the Manager), subject to the minimum unitholding and distribution requirements of the SGX-ST, in the event of an excess of applications in one and a deficit in the other.
Subscription by the Cornerstone Investors	Concurrently with, but separate from the Offering, each of UBS AG, Singapore Branch and UBS AG, Hong Kong Branch (on behalf of certain Wealth Management clients), Bank of Singapore Limited (on behalf of one or more of its private banking clients) and CIMB Bank Berhad, Singapore Branch (on behalf of certain clients of its Private Banking Division) (collectively, the “ Cornerstone Investors ”) has entered into a separate subscription agreement to subscribe for an aggregate of 77,827,900 Units at the Offering Price, conditional upon the Underwriting Agreement having been entered into, and not having been terminated, pursuant to its terms on or prior to the Settlement Date.

In the event that any one or more of the Cornerstone Investors fails to subscribe for and pay for the Cornerstone Units which they have committed to subscribe, the Offering may still proceed and subscribers of the Units to be issued under the Offering will still be required to pay for and complete their subscriptions pursuant to the Offering. (See “Ownership of the Units – Information on the Cornerstone Investors” for further details.)

Offering Price

£0.68 per Unit.

Subscription for Units in the Singapore Public Offer

Investors applying for Units by way of Application Forms or Electronic Applications (both as referred to in Appendix G, “Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore”) in the Singapore Public Offer will pay the Offering Price (such amount being S\$1.21 based on the exchange rate of £1.00 to S\$1.7794) on application, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case, without interest or any share of revenue or other benefit arising therefrom) where:

- an application is rejected or accepted in part only; or
- the Offering does not proceed for any reason.

For the purpose of illustration, an investor who applies for 1,000 Units by way of an Application Form or an Electronic Application under the Singapore Public Offer will have to pay S\$1,210 (such amount being £680 based on the exchange rate of £1.00 to S\$1.7794), which is subject to a refund of the full amount or the balance thereof (without interest or any share of revenue or other benefit arising therefrom), as the case may be, upon the occurrence of any of the foregoing events.

The minimum initial subscription is for 1,000 Units. An applicant may subscribe for a larger number of Units in integral multiples of 100.

Investors in Singapore must follow the application procedures set out in Appendix G, “Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore”. Subscriptions under the Singapore Public Offer must be paid for in Singapore dollars (based on the exchange rate of £1.00 to S\$1.7794). No fee is payable by applicants for the Units, save for an administration fee for each application made through ATM, and the internet banking websites of the Participating Banks, and the mobile banking interface of DBS Bank Ltd..

Unit Lenders

Ho Lee Group Trust, Sunway, Kim Seng Holdings Pte. Ltd., Tan Hai Peng Micheal, Kan Phui Lin and Tan Dah Ching.

Over-Allotment Option

In connection with the Offering, the Joint Bookrunners have been granted the Over-Allotment Option by the Unit Lenders. The Over-Allotment Option is exercisable by the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager), in consultation with the other Joint Bookrunners, in full or in part, on one or more occasions, during the period commencing on the Listing Date but until the earlier of: (i) the date falling 30 days from the Listing Date, or (ii) the date when the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) has bought, on the SGX-ST, an aggregate of 6,617,300 Units, representing approximately 5.8% of the total number of Units in the Offering, to undertake stabilising actions to purchase up to an aggregate of 6,617,300 Units (representing approximately 5.8% of the total number of Units in the Offering), at the Offering Price. Unless indicated otherwise, all information in this document assumes that the Over-Allotment Option is not exercised. (See “Plan of Distribution” for further details.)

The total number of Units in issue immediately after the close of the Offering will be 332,219,995 Units. The exercise of the Over-Allotment Option will not increase this total number of Units in issue. The total number of Units subject to the Over-Allotment Option will not exceed 5.8% of the total number of Units under the Offering.

Lock-ups

Each of Ho Lee Group Trust, Sunway, Tan Hai Peng Micheal, Tan Dah Ching and Kan Phui Lin has agreed to (i) a lock-up arrangement during the First Lock-up Period (as defined herein) in respect of all their direct and indirect effective interest in the Lock-up Units (as defined herein), and (ii) a lock-up arrangement during the Second Lock-up Period (as defined herein) in respect of all their direct and indirect effective interest in 50.0% of the relevant Lock-up Units, subject to certain exceptions.

In addition, each of the Other Private Trust Investors (as defined herein), has agreed for a certain number of each of its Units to be subject to a lock-up arrangement during the First Lock-up Period. Save for Kim Seng Holdings Pte. Ltd. and Tan Kim Seng, the number of such Units subject to the lock-up arrangement has been calculated pursuant to Rule 229(4) of the Listing Manual.

In respect of Kim Seng Holdings Pte. Ltd. and Tan Kim Seng, the number of Units subject to the lock-up arrangement has been calculated pursuant to Rule 229(3) of the Listing Manual.

The Cornerstone Investors are not subject to any lock-up restrictions in respect of their Unitholdings.

The Manager has also undertaken not to offer, issue or contract to issue any Units, and to not make any announcements in connection with any of the foregoing transactions, during the First Lock-up Period, subject to certain exceptions.

(See “Plan of Distribution – Lock-up Arrangements” for further details.)

Capitalisation

£329.1 million (see “Capitalisation and Indebtedness” for further details).

Use of Proceeds

See “Use of Proceeds”.

Listing and Trading

Prior to the Offering, there was no market for the Units. Application has been made to the SGX-ST for permission to list on the Main Board of the SGX-ST:

- all the Units comprised in the Offering;
- all the Initial Units;
- all the Cornerstone Units;
- all the Units which may be issued to the Manager from time to time in full or part payment of the Manager’s fees (see “The Manager and Corporate Governance – The Manager of Elite Commercial REIT – Fees Payable to the Manager” for further details); and
- all the Units which may be issued to the property manager from time to time in full or part payment of the property manager’s fees.

Such permission will be granted when Elite Commercial REIT is admitted to the Official List of the SGX-ST.

The Units will, upon their issue, be listed and quoted on the SGX-ST and will be traded in pound sterling under the book-entry (scripless) settlement system of The Central Depository (Pte) Limited (“**CDP**”). The Units will be traded in board lot sizes of 100 Units.

Stabilisation

In connection with the Offering, the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may, in consultation with the other Joint Bookrunners and at its discretion, over-allot or effect transactions which stabilise or maintain the market price of the Units at levels which might not otherwise prevail in the open market. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations (including the SFA and any regulations thereunder). However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action.

Such transactions may commence on or after the date of commencement of trading in the Units on the SGX-ST and, if commenced, may be discontinued at any time and shall not be effected after the earliest of (i) the date falling 30 days from the Listing Date or (ii) the date when the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) has bought on the SGX-ST an aggregate of 6,617,300 Units representing not more than 5.8% of the total number of Units in the Offering, to undertake stabilising actions. (See “Plan of Distribution – Over-Allotment and Stabilisation” for further details.)

No Redemption by Unitholders

Unitholders have no right to request the Manager to redeem their Units while the Units are listed. Unitholders may only deal in their listed Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

Distribution Policy

Distributions from Elite Commercial REIT to Unitholders will be computed based on 100.0% of Elite Commercial REIT's Annual Distributable Income for the period from the Listing Date to the end of Projection Year 2021. Thereafter, Elite Commercial REIT will distribute at least 90.0% of its Annual Distributable Income on a semi-annual basis. The first distribution, which will be in respect of the period from the Listing Date to 30 June 2020 ("**First Distribution**"), will be paid by the Manager on or before 30 September 2020.

(See "Distributions" for further details.)

Distributions will be declared in GBP. Each Unitholder will receive his distribution in Singapore dollars equivalent of the GBP distribution declared, unless he elects to receive the relevant distribution in GBP by submitting a "Distribution Election Notice" by the relevant cut-off date. For the portion of the distributions to be paid in Singapore dollars, the Manager will make the necessary arrangements to convert the distributions in GBP into Singapore dollars, at such exchange rate as the Manager may determine, taking into consideration any premium or discount that may be relevant to the cost of exchange. CDP, the Manager or Elite Commercial REIT shall not be liable for any loss arising from the conversion of distributions payable to Unitholders from GBP into Singapore dollars. Save for approved depository agents (acting as nominees of their customers), each Unitholder may elect to receive his entire distribution in Singapore dollars or GBP and shall not be able to elect to receive distributions in a combination of Singapore dollars and GBP.

Singapore Tax Considerations

The Ministry of Finance ("**MoF**") has confirmed that tax exemption under section 13(12) of the Income Tax Act, Chapter 134 of Singapore (the "**Income Tax Act**"), will apply to foreign dividend and interest income ("**Tax Exempt Income**") that Regal Sheen Investments Limited ("**RSIL**") and Elite Commercial REIT will receive from Elite UK Commercial Holdings Limited ("**ECHL**"), subject to conditions (the "**Tax Exemption**"). Distributions made by Elite Commercial REIT out of the Tax Exempt Income to Unitholders will not be subject to any further tax in Singapore. (See "Taxation" for further details.)

Termination of Elite Commercial REIT

Elite Commercial REIT can be terminated by either an Extraordinary Resolution (as defined herein) at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed or by the Manager or the Trustee under certain circumstances specified in the Trust Deed, for example, if Elite Commercial REIT is delisted permanently from the SGX-ST. (See "The Formation and Structure of Elite Commercial REIT – Termination of Elite Commercial REIT" for further details.)

Governing Law

The Trust Deed is governed by Singapore law.

Commission Payable by Elite Commercial REIT to the Joint Bookrunners

Maximum of 2.65% of the total proceeds of the Offering and the proceeds raised from the issuance of the Cornerstone Units (subject to the Over-Allotment Option) (the **"Underwriting, Selling and Management Commission"**). (See "Plan of Distribution – Issue Expenses" for further details.)

Risk Factors

Prospective investors should carefully consider certain risks connected with an investment in the Units, as discussed under "Risk Factors".

INDICATIVE TIMETABLE

An indicative timetable for the Offering is set out below for the reference of applicants for the Units:

Date and time	Event
28 January 2020, 9.00 p.m.	: Opening date and time for the Singapore Public Offer.
4 February 2020, 12.00 p.m.	: Closing date and time for the Singapore Public Offer.
5 February 2020	: Balloting of applications under the Singapore Public Offer, if necessary. Commence returning or refunding of application monies to unsuccessful or partially successful applicants and commence returning or refunding of application monies to successful applicants for the amount paid in excess of the Offering Price, if necessary.
6 February 2020, 2.00 p.m.	: Commence trading on a “ready” basis.
10 February 2020	: Settlement date for all trades done on a “ready” basis on 6 February 2020.

The above timetable is indicative only and is subject to change. It assumes:

- that the closing of the application list relating to the Singapore Public Offer (the “**Application List**”) is 4 February 2020;
- that the Listing Date is 6 February 2020;
- compliance with the SGX-ST’s unitholding spread requirement; and
- that the Units will be issued and fully paid up prior to 2.00 p.m. on 6 February 2020.

All dates and times referred to above are Singapore dates and times.

Trading in the Units through the SGX-ST on a “ready” basis will commence at 2.00 p.m. on the Listing Date (subject to the SGX-ST being satisfied that all conditions necessary for the commencement of trading in the Units through the SGX-ST on a “ready” basis have been fulfilled).

If Elite Commercial REIT is terminated by the Manager or the Trustee under the circumstances specified in the Trust Deed prior to, or on the Listing Date (being the time and date of commencement of trading in the Units through the SGX-ST), the Offering will not proceed and the application monies will be returned in full (without interest or any share of revenue or other benefit arising therefrom and at each applicant’s own risk and without any right or claim against Elite Commercial REIT, the Manager, the Trustee, the Joint Issue Managers, the Joint Bookrunners or the Sponsors).

In the event of any early or extended closure of the Application List or the shortening or extension of the time period during which the Offering is open, the Manager will publicly announce the same:

- via SGXNET, with the announcement to be posted on the internet at the SGX-ST website: <http://www.sgx.com>; and

- in one or more major Singapore newspapers, such as *The Straits Times*, *The Business Times* and *Lianhe Zaobao*.

For the date on which trading on a “ready” basis will commence, investors should monitor SGXNET, the major Singapore newspapers, or check with their brokers.

The Manager will provide details and results of the Singapore Public Offer through SGXNET and in one or more major Singapore newspapers, such as *The Straits Times*, *The Business Times* and *Lianhe Zaobao*.

The Manager reserves the right to reject or accept, in whole or in part, or to scale down or ballot any application for Units, without assigning any reason, and no enquiry and/or correspondence on the decision of the Manager will be entertained. In deciding the basis of allotment, due consideration will be given to the desirability of allotting the Units to a reasonable number of applicants with a view to establishing an adequate market for the Units.

Where an application is accepted or rejected in part only or if the Offering does not proceed for any reason, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk, and without any right or claim against Elite Commercial REIT, the Manager, the Trustee, the Joint Issue Managers, the Joint Bookrunners or the Sponsors.

Where an application is not successful, the refund of the full amount of the application monies (without interest or any share of revenue or other benefit arising therefrom) to the applicant, is expected to be completed, at his own risk within 24 hours after balloting (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix G, “Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore”).

Where an application is accepted in full or in part only, any balance of the application monies will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant, at his own risk, within 14 days on which the SGX-ST is open for trading in securities (“**Market Days**”) after the close of the Offering (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix G, “Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore”).

Where the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will, within three Market Days after the Offering is discontinued, be returned to the applicants at their own risk (provided that such refunds in relation to applications in Singapore are made in accordance with the procedures set out in Appendix G, “Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore”).

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The following table is only an extract from, and should be read together with “Unaudited Pro Forma Consolidated Financial Information”, and the report set out in Appendix B, “Reporting Auditors’ Report on the Unaudited Pro Forma Consolidated Financial Information”.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION⁽¹⁾

	As at 31 December 2018 £'000	As at 31 August 2019 £'000
Non-current assets		
Investment properties ⁽²⁾	289,463	295,968
	289,463	295,968
Current assets		
Trade and other receivables	2,425	811
Cash and cash equivalents	7,694	10,267
	10,119	11,078 ⁽³⁾
Total assets	299,582	307,046
Non-current liabilities		
Loans and borrowings	101,588	101,588
Deferred tax liabilities	1,263	2,462
	102,851	104,050
Current liabilities		
Trade and other payables	2,237	5,881
Current tax liabilities	2,301	914
	4,538	6,795
Total liabilities	107,389	110,845
	192,193	196,201 ⁽³⁾
Unitholders’ funds	192,193	196,201

Notes:

- (1) The Unaudited Pro Forma Consolidated Statements of Financial Position as at 31 December 2018 and 31 August 2019 have been prepared assuming issuance of 192,514,100 Units at the Offering Price of £0.68.
- (2) Investment properties are stated at their fair values based on the average of the valuations of the Properties (31 December 2018: Colliers and Cushman & Wakefield; 31 August 2019: Colliers and Knight Frank) by two valuers based on the price that would be received for the sale of each Property, in accordance with the relevant accounting standard. The fair values are based on market values of the Properties in an exchange between market participants. It should be noted that the valuations by both valuers in respect of the purchase consideration for the purposes of the IPO are derived assuming that the IPO Portfolio is held in a Special Purchase Vehicle (“SPV”) which is exchanged between market participants and stamp duty land tax payments, would not be incurred. For the avoidance of doubt, the IPO Portfolio is currently held in an SPV (i.e. Elite Gemstones Properties Limited) and no stamp duty land tax payments will be incurred as part of the IPO of Elite Commercial REIT. Accordingly, the fair values of the Properties recorded under the accounting standards would not be same as the Colliers’ valuation used in deriving the purchase consideration, even if the Colliers’ valuation were to be adopted. The Manager has therefore adopted the average of the two valuations as the fair values of the Properties for the purposes of the pro forma consolidated statements of financial position.
- (3) Current assets and net assets as at 31 August 2019 have been adjusted for the estimated cash distribution of £4,695,000 assumed to be paid to the Private Trust Investors prior to the Offering.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME⁽¹⁾

	Period from 7 June 2018 (date of constitution) to 31 December 2018⁽²⁾ £'000	Eight months ended 31 August 2019 £'000
Revenue	2,862	15,278
Property operating expenses	(80)	(446)
Net property income	2,782	14,832
Manager's management fees	(157)	(1,095)
Trustee's fees	(60)	(71)
Other operating expenses	(2,429)	(856)
Finance income	8	4
Finance costs	(462)	(1,788)
Net finance costs	(454)	(1,784)
Net change in fair value of investment properties	(1,462)	6,505
(Loss)/Profit before tax	(1,780)	17,531
Tax expense	(1,512)	(2,814)
(Loss)/Profit after tax	(3,292)⁽³⁾	14,717

Notes:

- (1) The Unaudited Pro Forma Consolidated Statements of Comprehensive Income as at 31 December 2018 and 31 August 2019 have been prepared assuming issuance of 192,514,100 Units at the Offering Price of £0.68.
- (2) The Unaudited Pro Forma Consolidated Statement of Comprehensive Income reflect the results of the Properties only from 16 November 2018 (being the date the Properties were acquired by the Group) to 31 December 2018.
- (3) The loss after tax for the period from 7 June 2018 to 31 December 2018 was mainly due to unit issue costs of £1.9 million charged to profit or loss and recognition of fair value loss on investment properties of £1.5 million. The fair value loss mainly arose from the transaction costs incurred in relation to the acquisition of the Properties which had been capitalised as part of the carrying value of the investment properties on acquisition, in accordance with the accounting standards.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF CASH FLOWS⁽¹⁾

	Period from 7 June 2018 (date of constitution) to 31 December 2018⁽²⁾ £'000	Eight months ended 31 August 2019 £'000
Cash flows from operating activities		
(Loss)/Profit before tax	(1,780)	17,531
Adjustments for:		
Net finance costs	454	1,784
Fair value change in investment properties	1,462	(6,505)
Lease management fees payable in units	29	153
Manager's management fees payable in units	157	1,095
Unit issue costs	1,853	–
Operating income before working capital changes	2,175	14,058
Changes in working capital:		
Trade and other receivables	(1,934)	1,730
Trade and other payables	(533)	1,184
Income tax paid	–	(2,975)
Net cash (used in)/generated from operating activities	(292)⁽³⁾	13,997
Cash flows from investing activities		
Acquisition of subsidiaries	(286,477)	–
Interest received	8	4
Net cash (used in)/generated from investing activities	(286,469)	4
Cash flows from financing activities		
Proceeds from issue of units	225,910	–
Redemption of existing units	(18,915)	–
Payment of transaction costs related to the issue of units	(8,561)	–
Proceeds from borrowings	358,421	–
Proceeds from convertible loan	25,360	–
Repayment of borrowings	(281,225)	–
Payment of transaction costs related to borrowings	(3,928)	–
Interest paid	–	(1,476)
Distribution to unitholders	–	(4,695)
Movement in restricted cash	(1,184)	–
Net cash generated from/(used in) financing activities	295,878	(6,171)
Net increase in cash and cash equivalents	9,117	7,830
Cash and cash equivalents at beginning of the period	–	9,117
Cash and cash equivalents at end of the period	9,117	16,947

Notes:

- (1) The Unaudited Pro Forma Consolidated Statements of Cash Flows as at 31 December 2018 and 31 August 2019 have been prepared assuming issuance of 192,514,100 Units at the Offering Price of £0.68.
- (2) The Unaudited Pro Forma Consolidated Statement of Cash Flows reflect the cash flows of the Properties only from 16 November 2018 (being the date the Properties were acquired by the Group) to 31 December 2018.
- (3) The negative operating cash flows for the period from 7 June 2018 to 31 December 2018 was mainly due to timing differences in respect of the following items: (a) rental income for the last week of December 2018 had not been received from the Property Manager which collects the rental income on behalf of the Group and (b) the Group's claim for value added tax on acquisition-related costs incurred which is assumed to be not yet received. Excluding the foregoing items, the Group would have generated positive operating cash flows.

PROFIT FORECAST AND PROFIT PROJECTION

Statements contained in the Profit Forecast and Profit Projection section that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section of the Prospectus and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by any of Elite Commercial REIT, the Joint Issue Managers, the Joint Bookrunners, the Trustee, the Sponsors or any other person, or that these results will be achieved or are likely to be achieved. (See “Forward-looking Statements” and “Risk Factors” for further details.) Investors in the Units are cautioned not to place undue reliance on these forward-looking statements which are made only as of the date of this Prospectus.

None of Elite Commercial REIT, the Joint Issue Managers, the Joint Bookrunners, the Trustee, or the Sponsors guarantees the performance of Elite Commercial REIT, the repayment of capital or the payment of any distributions, or any particular return on the Units. The forecast and projected yields stated in the following table are calculated based on:

- ***the Offering Price; and***
- ***the assumption that the Listing Date is 1 January 2020.***

Such yields will vary accordingly if the Listing Date is not 1 January 2020, or for investors who purchase Units in the secondary market at a market price that differs from the Offering Price.

The following table shows Elite Commercial REIT’s forecast and projected Consolidated Statements of Comprehensive Income and Distribution for Forecast Year 2020 and Projection Year 2021. The financial year end of Elite Commercial REIT is 31 December. The Profit Forecast and Profit Projection may be different to the extent that the actual date of issuance of Units is other than 1 January 2020, being the assumed date of the issuance of Units for the Offering. The Profit Forecast and Profit Projection are based on the assumptions set out below and have been examined by the Reporting Auditors, being KPMG LLP, and should be read together with the report “Reporting Auditors’ Report on the Profit Forecast and Profit Projection” set out in Appendix A, as well as the assumptions and the sensitivity analysis set out in this section of the Prospectus.

Forecast and Projected Consolidated Statements of Comprehensive Income and Distribution

The forecast and projected Consolidated Statements of Comprehensive Income and Distribution are as follows:

	Forecast Year 2020 (Full Year from 1 January 2020 to 31 December 2020) (£'000)	Projection Year 2021 (Full year from 1 January 2021 to 31 December 2021) (£'000)
Revenue	23,274	23,274
Property operating expenses	(620)	(620)
Net Property Income	22,654	22,654
Manager's management fees	(1,612)	(1,642)
Trustee's fees	(102)	(102)
Other operating expenses	(3,482)	(1,411)
Finance costs	(2,817) ⁽¹⁾	(2,681) ⁽²⁾
Profit before tax	14,641	16,818
Tax expense	(2,771)	(2,816)
Profit after tax	11,870	14,002
Distribution adjustments	4,251 ⁽³⁾	2,415 ⁽⁴⁾
Income available for distribution to Unitholders	16,121	16,417
Number of Units issued and issuable at the end of the year ⁽⁵⁾ ('000)	334,933	337,690
Distribution per Unit		
– pence	4.83	4.88
– S\$ cents ⁽⁶⁾	8.50	8.58
Offering Price (£)	0.68	0.68
Distribution Yield (%)	7.1	7.2

Notes:

- (1) Finance costs comprise interest expense on borrowings, commitment fees on credit facilities and amortisation of debt-related transaction costs.
- (2) Finance costs comprise interest expense on borrowings and amortisation of debt-related transaction costs.
- (3) Distribution adjustments comprises Manager's Base Fee and Lease Management Fee to be paid in Units, amortisation of debt-related transaction costs, Trustee's Fees, deferred tax expenses and certain professional fees related to IPO.
- (4) Distribution adjustments comprises Manager's Base Fee and Lease Management Fee to be paid in Units, amortisation of debt-related transaction costs, Trustee's Fees and deferred tax expenses.
- (5) Includes the increase in number of Units in issue as a result of the payment of 100.0% of the Manager's Base Fee and Lease Management Fee for the relevant period in the form of Units issued at the Offering Price of £0.68.
- (6) Based on the exchange rate assumption of £1.00 to S\$1.76 for Forecast Year 2020 and £1.00 to S\$1.76 for Projection Year 2021.

RISK FACTORS

An investment in the Units involves risk. Prospective investors should consider carefully, together with all other information contained in this Prospectus, the factors described below before deciding to invest in the Units. The risks described below are by no means exhaustive or comprehensive, and there may be other risks in addition to those shown below which are not known to the Manager or which may not be material now but could turn out to be material in the future. Additional risks, whether known or unknown, may in the future have a material adverse effect on Elite Commercial REIT and impair the business operations of Elite Commercial REIT. The business, financial condition, results of operations and prospects of Elite Commercial REIT could be materially and adversely affected by any of these risks, which may reduce the ability of Elite Commercial REIT to make distributions to Unitholders.

This Prospectus also contains forward-looking statements (including a profit forecast and profit projection) that involve risks, uncertainties and assumptions. The actual results of Elite Commercial REIT could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by Elite Commercial REIT as described below and elsewhere in this Prospectus.

As an investment in a REIT is meant to produce returns over the long-term, investors should not expect to obtain short-term gains.

Investors should be aware that the price of Units, and the income from them, may fall or rise. Investors should note that they may not get back their original investment.

Before deciding to invest in the Units, prospective investors should seek professional advice from their relevant advisers about their particular circumstances.

RISKS RELATING TO THE PROPERTIES

Elite Commercial REIT is dependent on the UK Government for rental payments.

Elite Commercial REIT is dependent on the UK Government via The Secretary of State for Housing, Communities and Local Government for over 99.0% of rental payments in relation to the Properties. If The Secretary of State for Housing, Communities and Local Government does not renew a significant number of leases, and no replacement tenants are found, this may have an adverse impact on the financial condition and results of operations of Elite Commercial REIT and the ability of Elite Commercial REIT to make regular distributions to its Unitholders.

Nonetheless, the Manager believes that the impact of such risk may be low on the basis that (i) the Properties are largely located close to amenities and public transportation, (ii) the Properties may be easily converted for other uses (i.e. other commercial uses of the Properties other than a job centre, call centre or back office) and asset enhancement opportunities are widely available, and (iii) the Properties are located across the UK and not concentrated in a single region. Further, although DWP is the largest occupier of these Properties, each Property has a separate and independent lease agreement (the terms of which (including rent) were negotiated independently on a stand-alone basis based on prevailing market rates/practices and are not interdependent on the other lease agreements), and are used for a diversity of front office and back office functions for other UK Government departments.

The Manager will actively manage and maintain strong tenant relationships with The Secretary of State for Housing, Communities and Local Government to reduce non-renewal of the leases. DWP has also incurred substantial expenditure to refurbish several of the Properties. In the event that a lease is not renewed, each of the existing lease agreements with The Secretary of State for Housing, Communities and Local Government contains a break right that requires a one-year

notice period for termination, which provides the Manager sufficient time to source for and secure new tenants, and the Manager will employ a proactive tenant management strategy which focuses on, but is not limited to, the sourcing of high quality tenants with good credit profiles for these commercial Properties.

A majority of the Properties' lease agreements are due to expire in 2028, and certain lease agreements contain an option for the tenant to terminate in 2023.

A majority of the Properties' lease agreements are due to expire in 2028, and certain lease agreements contain an option for the tenant to terminate in 2023. Such Properties which have lease agreements that contain the option for the tenant to terminate in 2023 account for approximately 70.0% of the total Revenue of Elite Commercial REIT. As a result, Elite Commercial REIT's Revenue may be adversely affected if the majority of these leases are not renewed or if Elite Commercial REIT is unable to source for suitable replacement tenants.

However, the Manager considers it unlikely for the UK Government to not renew its lease agreements for the majority of its Properties as the Manager believes that the IPO Portfolio is crucial public infrastructure for the provision of DWP services. Nevertheless, if the UK Government decides not to renew its lease agreements for the majority or all of the Properties, the Manager will seek to find suitable replacement tenants. The Manager believes that it will be able to find suitable replacement tenants as the (i) the Properties are well located (i.e. largely located close to amenities and public transportation), (ii) the Properties may be easily converted for other uses (i.e. other commercial uses of the Properties other than a job centre, call centre or back office) and asset enhancement opportunities are widely available, and (iii) the Properties are located across the UK and not concentrated in a single region.

Elite Commercial REIT may be adversely affected by economic and real estate market conditions (including uncertainties and instability in global market conditions and increased competition in the real estate market), as well as changes in regulatory, fiscal and other governmental policies in the UK.

The IPO Portfolio is, and future Properties will be, located in the UK. As a result, Elite Commercial REIT's Revenue and results of operations depend upon the performance of the UK economy. An economic decline in the UK could adversely affect Elite Commercial REIT's results of operations and future growth.

In addition, the UK economy is affected by global economic conditions. Global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. These events could adversely affect Elite Commercial REIT insofar as they result in:

- a negative impact on the ability of tenants to pay their rents in a timely manner or continue their leases, thus reducing Elite Commercial REIT's cash flow;
- a decline in the demand for leased space for commercial purposes across the UK and the rents that can be charged when leases are renewed or new leases entered into, as compared to rents that are currently charged;
- a decline in the market values of the Properties;
- access to capital markets becoming more difficult, expensive or impossible resulting in a material adverse effect on Elite Commercial REIT's ability to obtain debt or equity capital to fund its operations, meet its obligations, purchase additional properties or otherwise conduct its business;

- an increase in counterparty risk (being the risk of monetary loss which Elite Commercial REIT may be exposed to if any of its counterparties encounters difficulty in meeting its obligations under the terms of its respective transaction); and/or
- an increased likelihood that one or more of (i) Elite Commercial REIT's banking syndicates (if any) or (ii) Elite Commercial REIT's insurers, may be unable to honour their commitments to Elite Commercial REIT.

There is also uncertainty as to the strength of the global economy, the potential for slowdown in consumer demand and the impact of the global downturn on the UK economy. These factors could contribute to an economic decline in the UK, which may adversely affect Elite Commercial REIT's results of operations and future growth.

Further, measures and policies adopted by the UK government and regulatory authorities at national, state or local levels, such as government control over property investments or foreign exchange regulations, may negatively impact Elite Commercial REIT's properties. Changes in DWP's policies and approaches which results in DWP requiring less job centres, call centres or back offices may adversely impact the ability of Elite Commercial REIT in securing lease extensions or renewals from the Government via The Secretary of State for Housing, Communities and Local Government.

The Properties may be adversely affected if the Manager, the Property Manager or any other person appointed to manage a Property does not provide adequate management and maintenance.

Notwithstanding that the tenants are responsible for the maintenance of the Properties, to the extent that the responsibility for the maintenance of such Properties lies with the Property Manager and not the tenant(s), if the Property Manager or any other person appointed to manage such Property fails to provide adequate management and maintenance to such Property, the value of such Property may be adversely affected which may result in a loss of tenants, and accordingly, the ability of Elite Commercial REIT to make regular distributions to its Unitholders may be adversely affected.

Amenities and transportation infrastructure near the Properties may not be completed or implemented as planned, or may be closed, relocated, terminated or delayed.

There is no assurance that amenities, transportation infrastructure and public transport services near the Properties will be completed or implemented as planned, or will not be closed, relocated, terminated or delayed. If such an event were to occur, it could adversely impact the accessibility of the relevant Property and the attractiveness and marketability of the relevant Property to tenants which may in turn have an adverse impact on the demand and rental rates for the relevant Property and the ability of Elite Commercial REIT to make regular distributions to its Unitholders may be adversely affected.

The Properties may require significant periodic capital expenditures beyond the Manager's current estimates and Elite Commercial REIT may not be able to fund such capital expenditures.

Notwithstanding that the existing tenants are responsible for the capital expenditure of the Properties, Elite Commercial REIT may incur capital expenditure to refurbish, renovate and develop the Properties to enhance the value of the Properties and to ensure that the Properties remain competitive. Elite Commercial REIT may not be able to fund such capital expenditures solely from cash provided from its operating activities and may not be able to obtain additional equity or debt financing on favourable terms or at all. If Elite Commercial REIT is not able to fund such capital expenditures, the attractiveness, marketability and operating efficiency of the Properties may be adversely affected. At this time, the Manager does not expect or contemplate any material capital expenditure to be incurred by Elite Commercial REIT for the IPO Portfolio in the two years post-Listing.

Elite Commercial REIT may not be able to put in place or maintain adequate insurance in relation to the Properties and its potential liabilities to third parties or may suffer material losses in excess of insurance proceeds.

The Properties face the risk of suffering physical damage caused by fire, terrorism, acts of God such as natural disasters like flooding, earthquakes or other causes, as well as potential public liability claims, including claims arising from the operations of the Properties. Certain risks, such as floods and losses caused by the outbreak of contagious diseases, contamination or other environmental impairment or breaches, may be uninsurable or the cost of insurance may be prohibitive when compared to the risk. Currently, Elite Commercial REIT's property and casualty insurance policies for the Properties do not cover acts of war, intentional or dishonest acts, nuclear reaction or radio-active contamination, asbestos contamination, long-term environmental impairments or terrorism liability.

In addition, certain Properties are located in areas which are identified as being at high risk of flooding. Under the terms of the full repairing and insuring leases, the tenant will be responsible for bearing the cost of any reinstatement work or repairs required due to damage to the Properties caused by any flooding. Under the lease terms, the tenant will also continue to be liable to pay rental on the same terms to Elite Commercial REIT notwithstanding that the relevant Property is not fit for occupation during this period.

Further, should an uninsured loss or a loss in excess of insured limits occur, Elite Commercial REIT could be required to pay compensation and/or lose capital invested in the affected Property as well as anticipated future revenue from that Property as it may not be able to rent out or sell the affected Property and any financial obligations secured by such Property may be accelerated. There is no assurance that material losses in excess of insurance proceeds will not occur.

The Secretary of State for Housing, Communities and Local Government has security of tenure over Properties located in England and Wales.

For all commercial land in England and Wales (but not Scotland) including the Properties, the tenants of the leases (not just The Secretary of State for Housing, Communities and Local Government) benefit from security of tenure which means that at the end of the leases they will have an automatic right to renew the tenancies on substantially the same terms. Under the relevant UK legislation, the tenant is entitled to a further tenancy contract on materially the same terms as the previous one save as to rent. The rent will be that agreed as the open market rent at the relevant time. If the parties are not able to agree the terms of the renewal lease, then there is a Court process that can be followed where ultimately the Court will set the terms based upon the relevant legislation. Accordingly, this may impact the ability of Elite Commercial REIT in sourcing for new tenants if DWP intends to continue to occupy the relevant Properties.

It is uncertain whether the terms of the head lease of Parc Menai is complied with.

Parc Menai is a leasehold property whereby Elite Commercial REIT through its indirectly wholly-owned subsidiary, Elite Gemstones Properties Limited (as tenant) currently leases the property from The National Assembly for Wales (as the superior landlord) and has further sub-leased the property to the UK Government. Under the provisions of the lease with the superior landlord, the tenant was under an obligation to carry out the construction of the buildings now standing on that Property. The works were to be carried out within a specified timeframe and to a specification. As Elite Commercial REIT through its indirectly wholly-owned subsidiary, Elite Gemstones Properties Limited acquired Parc Menai from a third party vendor after the construction of the buildings now standing on that Property, it is unclear whether the works were carried out in accordance with terms of the lease. The lease contains superior landlord termination rights which are exercisable on any breach by the tenant of the provisions of the lease. As such, if the works have not been carried out in accordance with the provisions of the lease then it could amount to a terminable breach. The lease contains provisions requiring that the superior landlord be notified of any assignment.

A breach of the provisions of the lease may permit the superior landlord to forfeit (i.e. terminate) it. The superior landlord would need to serve a notice to forfeit and such notice would need to (a) set out the breach complained of (b) if capable of remedy (which presumably this would be) require Elite Commercial REIT to remedy the breach within a reasonable period and (c) in either case, require Elite Commercial REIT to pay compensation for the breach. In respect of the compensation, the superior landlord would need to demonstrate that the superior landlord had suffered a foreseeable loss as a result of the breaches and would be put to proof on the level of any such losses. Provided that the breach is remedied and compensation (if any) paid, then the right of termination is not enforceable by the superior landlord. If the superior landlord did ultimately forfeit, Elite Commercial REIT could apply for relief from forfeiture. Relief from forfeiture is a legal remedy available to tenants to dispute the landlord's ability to forfeit the lease for reasons such as the works required by the landlord are unreasonable or that the tenant has not been given sufficient time to remedy the breach. The Court will then exercise its discretion as to whether to grant the relief and if so, whether any terms should be attached to the relief. For example, the Court may require the tenant to carry out specified works within a fixed period or in a particular manner. Given the circumstances such as the length of time since the breach, the superior landlord's conduct in treating the lease as ongoing for more than 13 years, and the fact that there has been other assignment(s) in the interim, Eversheds Sutherland is of the view that the chances of relief being granted to Elite Commercial REIT are high. Elite Commercial REIT also has in place indemnity insurance for the Properties. Given that the amount insured under the indemnity insurance is marked to the market value of the Properties, the likelihood of exceeding the limit of coverage under the indemnity insurance covering the risk relating to the breach of provision of the lease for Parc Menai is remote. In the event of a shortfall, Elite Commercial REIT may be able to claim against the tenant (i.e. the DWP) on the basis that under the terms of the lease with the DWP, the DWP must comply with the obligations imposed on Elite Commercial REIT under the head lease.

Renovation or redevelopment works or physical damage to the Properties may disrupt operations and collection of rental income or otherwise result in adverse impact on the financial condition of Elite Commercial REIT.

The quality and design of the Properties have a direct influence over the demand for space in, and the rental rates of, a Property. Properties may need to undergo renovation or redevelopment works from time to time to retain their competitiveness and may also require unforeseen *ad hoc* maintenance or repairs in respect of faults or problems that may develop or because of new planning laws or regulations. The costs of maintaining the Properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as buildings age. The business and operations of a Property may suffer some disruption, and it may not be possible to collect the full or any rental income on space affected by such renovation or redevelopment works.

In addition, physical damage to a Property resulting from fire or other causes may lead to a significant disruption to the business and operation of such Property and, together with the foregoing, may, unless such costs are paid by the tenant, impose unbudgeted costs on Elite Commercial REIT and result in an adverse impact on the financial condition and results of operations of Elite Commercial REIT and the ability of Elite Commercial REIT to make regular distributions to its Unitholders.

Elite Commercial REIT may incur significant costs or liability related to environmental matters.

Elite Commercial REIT's operations are subject to various environmental laws, including those relating to air pollution control, water pollution control, waste disposal, noise pollution control and the storage and handling of dangerous goods. Under these laws, an owner or occupier of real property may be subject to liability, including a fine or imprisonment for breach of these laws, for air pollution, noise pollution or the presence or discharge of hazardous or toxic chemicals at that

Property. In addition, Elite Commercial REIT may be required to make capital expenditures to comply with these environmental laws. The presence of contamination, air pollution, noise pollution, water pollution or dangerous goods without a valid licence or the failure to remediate or make good contamination, air pollution, noise pollution, water pollution or dangerous goods may expose Elite Commercial REIT to liability or materially adversely affect its ability to sell or lease the Properties or to borrow using the Properties as collateral. The Properties and other assets acquired in the future by Elite Commercial REIT may be affected by contamination or other environmental issues which may not previously have been identified and/or rectified at the time of acquisition or which may subsequently occur after acquisition.

This gives rise to a number of risks, including:

- the risk of prosecution by environmental authorities;
- the requirement for unbudgeted additional expenditure to remedy such issues;
- the adverse impact on the operations at the affected Property which may in turn adversely affect the revenue of Elite Commercial REIT; and
- the adverse impact on the value of the affected Property.

Certain Properties have been constructed on land that has in the past been occupied by a number of potentially contaminative land uses or have surrounding land which has been occupied by a number of potentially contaminative land uses. If these Properties are redeveloped in the future, ground investigations may be required as part of the planning approval process.

In addition, one of such Properties is located close to controlled waters (i.e. freshwater) and if the site remains contaminated and affects the controlled waters, it may result in regulatory liability which may include cleaning up any contamination. Notwithstanding the above, Elite Commercial REIT has in place environmental insurance for the Properties.

Occurrence of any acts of God, natural disasters, war and terrorist attacks may adversely and materially affect the business and operations of the Properties.

Acts of God, such as natural disasters like flooding, earthquakes, war and terrorist attacks are beyond the control of Elite Commercial REIT. These may materially and adversely affect the economy, infrastructure and livelihood of the local population. Elite Commercial REIT's business and income available for distribution may be adversely affected should such acts of God, war or terrorist attacks occur. There is no assurance that any war, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, will not, directly or indirectly, have an adverse effect on the operations of the Properties and hence Elite Commercial REIT's income available for distribution.

In addition, physical damage to the Properties resulting from fire, earthquakes or other acts of God or acts of war, civil unrest, political disruption, terrorist attack or other hostilities in any part of the world, potential, threatened or otherwise, may directly or indirectly lead to a significant disruption to the business and operation of the Properties. This may result in the loss of invested capital in affected Properties as well as anticipated future revenues as it may not be able to rent out or sell the affected Properties and any financial obligations secured by such Properties may be accelerated.

The due diligence exercise on the Properties, tenancies, buildings and equipment may not have identified all defects, breaches of laws and regulations and other deficiencies and any losses or liabilities from latent property or equipment defects may adversely affect earnings and cash flows.

The Manager believes that reasonable due diligence investigations with respect to the IPO Portfolio have been conducted and the Manager has commissioned technical, environmental, legal, tax and financial advisers to undertake due diligence on the Properties. However, there is no assurance that the due diligence investigations and technical inspections will uncover all material defects or deficiencies relating to the Properties, including defects which require repair or maintenance (such as design, construction or other property or equipment defects in the Properties which may require additional capital expenditure, special repair or maintenance expenses, the payment of damages) or will uncover all non-compliance with the laws and regulations in relation to the Properties. Such defects or deficiencies may require significant expenditure or obligations to third parties and involve significant and unpredictable patterns and levels of expenditure which may have a material adverse effect on Elite Commercial REIT's earnings, cash flows and prospects. The experts' reports that the Manager relies on as part of its due diligence investigations of the Properties are subject to uncertainties or limitations as to their scope and the limitation of liability of the expert with respect to such reports.

Costs or liabilities arising from material defects, breaches of laws and regulations or historical tax liabilities and other deficiencies may require significant capital expenditures or obligations to third parties and may involve significant and potentially unpredictable patterns and levels of expenditure which may have a material adverse effect on Elite Commercial REIT's earnings, cash flows and prospects.

The Properties may face increased competition from other properties.

The current Properties are, and Elite Commercial REIT expects that subsequently acquired Properties will be, located in areas where other competing properties are present and new properties may be developed which may compete with the Properties. Some competing properties may be newer, be better located, have more attractive features, floor plans or amenities or otherwise be or more attractive to tenants. Competing properties may also have lower rates of occupancy or operating costs than the Properties, which may result in competing owners offering available space at lower rents than offered at the Properties.

The income from, and the market value of, the Properties will be dependent on the ability of such Properties to compete against other properties for tenants. If, after the Offering, competing properties are more successful in attracting and retaining tenants, or similar properties in their vicinity are substantially upgraded and refurbished, the income from the Properties currently owned and subsequently acquired could be reduced, and the ability of Elite Commercial REIT to make regular distributions to its Unitholders may be adversely affected. (See "Business and Properties – Competition" for further details.)

The appraisals of the Properties are based on various assumptions and the price at which Elite Commercial REIT is able to sell such Properties in the future may be different from the initial acquisition value.

There can be no assurance that the assumptions on which the appraisals of the Properties are, or will be, based are accurate measures of the market, and the values may be evaluated inaccurately. The Independent Valuers may have included a subjective determination of certain factors relating to a Property such as its relative market position, financial and competitive strengths, and physical condition and, accordingly, the valuation of a Property (which affects the NAV per Unit) may be subjective and prove incorrect.

The valuation of any Property does not guarantee a sale price at that value at present or in the future. The price at which Elite Commercial REIT may sell a Property may be lower than its purchase price or the anticipated sale price projected at the time of acquisition.

It is uncertain whether the Properties have necessary permissions for their current use.

The necessary permissions required to use the Properties for their current use may not have been obtained. A lack of necessary permissions would constitute a technical regulatory breach on the part of the landlord. This would then materialise into a formal or official breach should there be any enforcement notice being served to the landlord, which in this regard, Elite Commercial REIT has obtained indemnity insurance policies to cover up to the full market value of the Properties. While it is possible to engage a planning consultant to conduct a planning review to ascertain compliance with the relevant planning permissions, the Manager has been advised that the data-gathering process will be excessively time-consuming and is likely to reveal there would still be missing information given the advanced age of many of the Properties. For example, it is likely that such a review will be unable to locate copies of all of the discharges the relevant planning conditions and/or any obligations in any planning agreement which in turn would have required indemnity insurance (i.e. the solution currently put in place upfront). Accordingly, upon Eversheds Sutherland's recommendation, it was decided by the Manager that the associated risk would be covered by an indemnity insurance to the full market value of the Properties and that the scope of due diligence by Eversheds Sutherland would not include such an exercise. Eversheds Sutherland has advised that, in its opinion, the approach that was taken by the Manager in the placing of the indemnity insurance policies has resulted in the Properties now being acceptable to institutional grade investors and lending banks from a planning perspective.

Notwithstanding the foregoing, for so long as DWP is an occupier of the Properties, it is responsible for obtaining the requisite permissions in respect of the Properties, if DWP fails to comply with its obligations in this regard, the landlord of the Property will ultimately be held responsible. There is no recourse against DWP if DWP is unable to obtain the relevant planning permission retrospectively. Nonetheless, Eversheds Sutherland has advised that generally under UK law, where a property has been used for a particular purpose (even in breach of a planning permission) for a long period of time (e.g. in this case, more than 10 years), there is a very low risk that enforcement action will be taken by the relevant authority, and (in any case), almost no chance of success for such action. The historic use of the Properties and the age of the buildings on the Properties is not something that can be verified from the title documents relating to them. Nonetheless, it should be noted that the Manager understands that (i) the previous owner (i.e. the vendor which sold the Properties to Elite Commercial REIT) and property manager of the Properties had a 20 year contract in relation to these Properties to be used by DWP from 1 April 1998 to 31 March 2018 to lease and manage these Properties (save for one Property which was purpose built for DWP in 2011) and (ii) the historical occupation of the Properties by DWP that indicate that the Properties have been so used. Eversheds Sutherland has also advised that there is no enforcement action revealed by any searches that indicate any objections to such use. In the event that an enforcement action is brought against Elite Commercial REIT, The Secretary of State for Housing, Communities and Local Government will be liable under the tenancy contract for complying with any enforcement action and remain liable to pay the rent under the tenancy contract. Elite Commercial REIT may also bring a claim under the indemnity insurance for the loss in value of the Property up to the full market value of the Property although Eversheds Sutherland is of the opinion that the insurers may suggest a retrospective application for planning permission to be made first (if the insurers believe that retrospective planning will be granted by the local planning office). If the planning permission is refused, the insurer is obliged to pay out the loss, being the loss in the value of the Property up to the indemnity level of the insurance policy.

Some of the Properties are subject to restrictions.

Certain Properties are subject to covenants on its title that prevent or limit alternative uses of the Properties, which may limit re-development potential. For example, one of the Properties is subject to a restriction that it can only be used as government offices while certain other Properties restrict the type of tenants which can occupy the Properties.

Such prohibitions may restrict the pool of potential tenants for the affected Properties and may adversely affect Elite Commercial REIT's Revenue and results of operations.

In addition, certain Properties are subject to covenants which prevent their existing use. For example, parts of certain Properties are subject to covenants preventing their existing use as job centres, such that there is a current known breach of the covenants. The beneficiaries of such covenants may bring an action to prevent the use of the relevant Properties as job centres. Eversheds Sutherland, the legal adviser to the Manager and Sponsors in relation to UK law, has advised that more likely given the fact that there has been a breach of the covenants for some time, rather than being able to stop the use, the beneficiary of the covenants would be able to claim damages against Elite Commercial REIT, through its indirectly wholly-owned subsidiary, Elite Gemstones Properties Limited, as owner of the relevant Properties. The damages (in lieu of an injunction) are calculated based on the amount the party seeking to prevent the injunction would be willing to pay to remove the covenant in a hypothetical negotiation with the party who has the benefit of and could enforce that covenant. In addition, Eversheds Sutherland is of the view that it is difficult to envisage a situation where such an amount would be more than the market value of the Property (as it is unlikely that any reasonable owner of the Properties would pay more than the market value of the Properties to continue the existing use). As damages are in lieu (i.e. instead of) an injunction, the existing use of the Property can continue after such damages has been claimed.

Further, The Secretary of State for Housing, Communities and Local Government would continue to be liable to pay rent to Elite Commercial REIT, through its indirectly wholly-owned subsidiary, Elite Gemstones Properties Limited in accordance with the terms of the leases and insurance policies are in place to cover the risk (including any damages payable and any loss of value if the use is prevented) at the full market value of the Properties.

Title Insurance has been taken up to address certain defects and risks relating to the Properties.

Insurance policies have been taken up for certain Properties in perpetuity (which will cover the full market value¹ of such Properties) to address the following matters:

- it is uncertain whether all Properties have the necessary planning documentation permitting the current use of the Property (although there are no current disputes) (see "Risk Factors – It is uncertain whether the Properties have necessary permissions for their current use." for further details);
- some Properties are subject to certain restriction on the uses of that Property (although there are no current disputes) (see "Risk Factors – Some of the Properties are subject to restrictions." for further details);
- certain Properties are subject to encumbrances which appear to have been breached (although there are no current disputes);
- certain Properties have boundary discrepancies (i.e. land which falls within the physical boundaries of the Property but which is outside the legal boundaries as shown on the Land Registry title plan) (although there are no current disputes);

¹ Based on the Colliers valuations.

- certain Properties do not have legal access up to the entry points (although there are no current disputes);
- certain Properties are subject to unknown encumbrances as certain documents have been lost and/or are illegible (although there are no current disputes);
- located within the boundaries of certain Properties are mines and minerals owned by unknown third parties (although there are no current disputes);
- certain Properties are subject to historic rent charges which obliges the owner of the Properties to contribute a minor sum to an unknown third party (although no such monies are being paid or demanded); and
- certain Properties have been registered with possessory title, which is the lowest title a Property can have and puts it at risk of a third party providing ownership (although there are no current disputes).

Eversheds Sutherland has advised that the aforementioned matters are in their opinion common issues arising in relation to properties within the UK, and that the implementation of such legal indemnity insurance policies is widely recognised in the UK and institutionally acceptable to funders, buyers and tenants in order to perfect the title of the Properties. Eversheds Sutherlands has also advised that each of the insurance policies are in line with industry practice in the UK. There have been no past claims made under the insurance policies and to the best of the Manager's knowledge, there has not been any breaches under the respective risks affecting the Properties.

Notwithstanding that there are no current disputes in relation to the aforementioned issues, Eversheds Sutherland has advised that more likely given the fact that the issues have been in place for some time, any claim in respect of such issues would result in a claim for damages or the reaching of a commercial settlement against Elite Commercial REIT, as owner of the relevant Properties, which (in any case) will be covered by the relevant insurance policy, rather than an injunction to prevent the use of the Property in such manner. Eversheds Sutherland has also advised that even in the worst case scenario if Elite Commercial REIT loses use of the Property, Elite Commercial REIT would be able to make a claim under the insurance policy for the loss in value of the Property up to the full market value of the Property under the indemnity insurance policies. For example, where there is no legal access up to the entry point of a Property, if a claim were to arise and an adjoining land owner prevented the owner of the Property from accessing the Property, then the insurers would be required to pay out the loss in value up to the full market value of the Property. Accordingly, the Manager believes it would be highly unlikely that any claims pursuant to the breaches will exceed the insurance coverage of up to the full market value of the Properties.

Where insurance policies have been taken out and there is a need to make a claim, the processing of that claim may be lengthy process. There is a risk therefore that any losses that are suffered may not be recovered for some time.

If a claim is made, Eversheds Sutherland is of the opinion that the insurers are likely to take conduct of the claim and direct what action is required based on their discretion. For example, where a Property is subject to a covenant preventing its existing use and a claim is brought, the insurer may take a range of actions. It may seek to settle any claim with the beneficiary of the covenant, or, if this is not possible, it may direct that the Property (or the affected part) is stopped from being used for the restricted use and pay out compensation for the relevant losses suffered.

For the avoidance of doubt, the indemnity insurance policies do not relate to the loss of income by Elite Commercial REIT but instead cover the full market value of the Properties.

Some of the Properties are located within areas which obliges the owner to contribute towards the costs of repairing and/or maintaining parts of a local Church.

In addition, certain Properties are located within areas which obliges the owner to contribute towards the costs of repairing and/or maintaining parts of a local Church under chancel repair liability which is a legal obligation on landowners to pay for the repair of the chancel (i.e. the part of the church containing the altar and the choir) of an Anglican parish church. It should be noted that due to historical reasons, chancel repair liability only benefits churches built before 1536. However, as at the Latest Practicable Date, since Elite Commercial REIT acquired the Properties, it has not been requested to make any such contributions to the local Church. Notwithstanding that insurance policies with a limit of £500,000 per Property are in place in the event that the owner of the Properties are requested to actually make the contributions to the local Church, to the extent that the contributions exceed the limit, this may have an impact on the financial conditions and operations of Elite Commercial REIT. The likelihood of contributions to the local Church exceeding the £500,000 is low as the contributions is only towards the repair and/or maintenance of the chancel. In addition, Eversheds Sutherland has advised that each of the properties within the local area are likely to be similarly affected and the affected Properties will therefore likely only be obliged to pay a proportion of the costs of repairing and/or maintaining parts of a local Church instead of the whole cost. The proportion to be attributed to the Property is therefore highly likely to be less than £500,000. Further, Eversheds Sutherland has advised that it would be highly unusual for the local Church to enforce this liability in practice.

RISKS RELATING TO ELITE COMMERCIAL REIT'S OPERATIONS

The Manager may not be able to successfully implement its investment strategy for Elite Commercial REIT.

The Manager may not be able to successfully implement its investment strategy, expand Elite Commercial REIT's portfolio at any specified rate or to any specified size, or make acquisitions or investments on favourable terms or within a desired time frame.

Elite Commercial REIT faces active competition in acquiring suitable and attractive properties from other property investors, including other REITs, property development companies and private investment funds. There is no assurance that Elite Commercial REIT will be able to compete effectively against such entities and its ability to make acquisitions under its acquisition growth strategy or acquisitions that are accretive may be adversely affected. Even if Elite Commercial REIT were able to successfully acquire properties or other investments, there is no assurance that Elite Commercial REIT will achieve its intended return on such acquisitions or investments.

The real estate industry in which Elite Commercial REIT operates is capital intensive and Elite Commercial REIT may from time to time require significant amounts of capital for purposes such as acquisitions or redevelopment. Since the amount of borrowings that Elite Commercial REIT can incur to finance acquisitions is limited by the Property Funds Appendix, such acquisitions are likely to be largely dependent on Elite Commercial REIT's ability to raise equity capital. This may result in a dilution of Unitholders' holdings. Potential vendors may view negatively the prolonged time frame and lack of certainty associated with the raising of equity capital to fund any such purchase. They may instead prefer other potential purchasers.

Possible change of investment strategies may adversely affect Unitholders' investments in Elite Commercial REIT.

The Manager may from time to time amend the investment strategies of Elite Commercial REIT if it determines that such change is in the best interests of Elite Commercial REIT and its Unitholders without seeking Unitholders' approval. In the event of a change of investment strategies, the Manager may, subject to the relevant laws, regulations and rules (including the

Listing Manual), alter such investment strategies upon the expiry of three years from the Listing Date, provided that it has given not less than 30 days' prior notice of the change to the Trustee and Unitholders by way of an announcement on the SGX-ST. The methods of implementing Elite Commercial REIT's investment strategies may vary as new investment and financing techniques are developed or otherwise used. Such changes may adversely affect Unitholders' investment in Elite Commercial REIT.

The amount Elite Commercial REIT may borrow is limited, which may affect the operations of Elite Commercial REIT.

Under the Property Funds Appendix, Elite Commercial REIT is permitted to borrow up to 45.0% of the value of the Deposited Property at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in Units). As at the Listing Date, Elite Commercial REIT is expected to have gross borrowings of approximately £103.2 million, with total borrowings and deferred payments (if any) as a percentage of the Deposited Property (the **"Aggregate Leverage"**) of approximately 33.6%.

Elite Commercial REIT may, from time to time, require further debt financing to achieve its investment strategies. In the event that Elite Commercial REIT decides to incur additional borrowings in the future, Elite Commercial REIT may face adverse consequences as a result of this limitation on future borrowings, and these may include:

- having to miss out on attractive acquisition opportunities which may be available for only a limited period of time but for which debt financing in excess of the borrowing limits would have been required;
- an inability to fund capital expenditure requirements of Elite Commercial REIT's existing asset portfolio or for future acquisitions to expand its portfolio;
- a decline in the value of the Deposited Property may cause the borrowing limit to be exceeded, thus affecting Elite Commercial REIT's ability to make further borrowings; and
- cash flow shortages (including with respect to distributions) which Elite Commercial REIT might otherwise be able to resolve by borrowing funds.

Elite Commercial REIT may face risks associated with debt financing and the Loan Facilities and the debt covenants could limit or affect Elite Commercial REIT's operations.

As at the Listing Date, Elite Commercial REIT is expected to have gross borrowings of approximately £103.2 million.

As a result of Elite Commercial REIT's distribution policy of distributing 100.0% of Elite Commercial REIT's Annual Distributable Income for the period from the Listing Date to the end of Projection Year 2021 and thereafter, at least 90.0% of its Annual Distributable Income for each financial year, Elite Commercial REIT may not be able to meet all of its obligations to repay any future borrowings through its cash flow from operations. Elite Commercial REIT may be required to repay maturing debt with funds from additional debt or equity financing or both. There is no assurance that such financing will be available on acceptable terms or at all.

If Elite Commercial REIT's property is mortgaged in the future, such property could be foreclosed by the lenders or the lenders could require a forced sale of the property and utilise the proceeds therefrom to repay the principal and interest under the debt facilities, which will result in a loss of income and asset value to Elite Commercial REIT.

If principal amounts due for repayment at maturity cannot be refinanced, extended or paid with proceeds of other capital transactions, such as new equity capital, Elite Commercial REIT will not be able to pay distributions at expected levels to Unitholders or to repay all maturing debt.

Elite Commercial REIT may be subject to the risk that the terms of any refinancing undertaken (which may arise from a change of control provision) will be less favourable than the terms of the original borrowings. The triggering of any of such covenants may have an adverse impact on Elite Commercial REIT's financial condition.

Elite Commercial REIT's level of borrowings represents a higher level of gearing as compared to certain other types of unit trusts, such as non-specialised collective investment schemes which invest in equities and/or fixed income instruments. If prevailing interest rates or other factors at the time of refinancing (such as the possible reluctance of lenders to make commercial property loans) result in higher interest rates, the interest expense relating to such refinanced indebtedness would increase, thereby adversely affecting Elite Commercial REIT's cash flow and the amount of funds available for distribution to the Unitholders. They will also adversely affect the NAV of the Units and the Manager's ability to implement its strategies.

Neither Elite Commercial REIT nor the Manager has a long established operating history.

Elite Commercial REIT was constituted on 7 June 2018, and the Manager was incorporated on 2 August 2019. Neither Elite Commercial REIT (as a REIT) nor the Manager (as the manager of Elite Commercial REIT) has sufficient operating histories by which their past performance may be judged. The lack of a long established operating history will make it more difficult for investors to assess Elite Commercial REIT's future performance. There is no assurance that Elite Commercial REIT will be able to generate sufficient revenue from operations to make distributions or that such distributions will be in line with those set out in "Profit Forecast and Profit Projection".

If the Manager's CMS Licence is cancelled or the authorisation of Elite Commercial REIT as a collective investment scheme under Section 286 of the SFA is suspended, revoked or withdrawn, the operations of Elite Commercial REIT will be adversely affected.

The CMS Licence issued to the Manager is subject to conditions unless otherwise cancelled. If the CMS Licence of the Manager is cancelled by the MAS, the operations of Elite Commercial REIT will be adversely affected, as the Manager would no longer be able to act as the manager of Elite Commercial REIT.

Elite Commercial REIT was authorised as a collective investment scheme on 28 January 2020 and must comply with the requirements under the SFA and the Property Funds Appendix. In the event that the authorisation of Elite Commercial REIT is suspended, revoked or withdrawn, its operations will also be adversely affected.

Future acquisitions may not yield the returns expected and may result in disruptions to Elite Commercial REIT's business, may strain management resources and may result in dilution of holdings.

Future acquisitions may cause disruptions to Elite Commercial REIT's operations and divert management's attention away from day-to-day operations.

Newly acquired properties may require significant management attention that would otherwise be devoted to Elite Commercial REIT's ongoing business. Notwithstanding pre-acquisition due diligence, Elite Commercial REIT does not believe that it is possible to fully understand a property before it is owned and operated for an extended period of time.

In addition, Elite Commercial REIT's acquisition growth strategy and its asset selection process may not be successful and may not provide positive returns to Unitholders. There are risks associated with pursuing further acquisitions of commercial purpose assets and successfully integrating them into Elite Commercial REIT's portfolio. For example, the expected benefit, synergies or efficiencies from such acquisitions may take longer than expected to be achieved or may not be achieved at all. In addition, acquisitions may cause disruptions to Elite Commercial REIT's operations and divert management's attention away from day-to-day operations. New Units issued as consideration for or otherwise in connection with any new acquisition could also be dilutive to existing Unitholders.

Elite Commercial REIT may be unable to successfully integrate and operate acquired properties, which could have a material adverse effect on Elite Commercial REIT.

Even if Elite Commercial REIT is able to make acquisitions on favourable terms, its ability to successfully integrate and operate them is subject to the following significant risks:

- it may spend more than budgeted amounts to make necessary improvements or renovations to acquired properties, as well as require substantial management time and attention;
- it may be unable to integrate new acquisitions quickly and efficiently, particularly acquisitions of operating businesses or portfolios of properties, into its existing operations;
- acquired properties may be subject to reassessment, which may result in higher than expected property tax payments;
- its tenant retention and lease renewal risks may be increased; and
- market conditions may result in higher than expected vacancy rates and lower than expected rental rates.

Any inability to integrate and operate acquired properties to meet Elite Commercial REIT's financial, operational and strategic expectations could have a material adverse effect on Elite Commercial REIT.

Elite Commercial REIT depends on certain key personnel and the loss of any key personnel may adversely affect its operations.

Elite Commercial REIT's performance depends, in part, upon the continued service and performance of the executive officers of the Manager and the Property Manager. (See "The Manager and Corporate Governance – The Manager of Elite Commercial REIT – Executive Officers of the Manager" for details of the executive officers of the Manager.) These key personnel may leave the employment of the Manager and/or the Property Manager. If any of the above were to occur, time will need to be spent searching for a replacement and the duties for which such executive officers are responsible may be affected. The loss of any of these individuals could have a material adverse effect on the financial condition and the results of operations of Elite Commercial REIT.

Elite Commercial REIT may from time to time be subject to legal proceedings and government proceedings.

Legal proceedings against Elite Commercial REIT and/or its subsidiaries relating to property management and disputes over tenancies may arise from time to time. There can be no assurance that Elite Commercial REIT and/or its subsidiaries will not be involved in such proceedings or that the outcome of these proceedings will not adversely affect the financial condition, results of operation or cash flow of Elite Commercial REIT.

Elite Commercial REIT is regulated by various government authorities and regulations. If any government authority believes that Elite Commercial REIT or any of its tenants are not in compliance with the regulations, it could shut down the relevant non-compliant entity or delay the approval process, refuse to grant or renew the relevant approvals or licences, institute legal proceedings to seize Elite Commercial REIT's properties, enjoin future action or (in the case of Elite Commercial REIT's subsidiaries not being in compliance with the regulations), assess civil and/or criminal penalties against Elite Commercial REIT, its officers or employees. Any such action by the government authority would have a material adverse effect on the business, financial condition and results of operations or cash flow of Elite Commercial REIT. To the best of the Manager's knowledge, there are currently no grounds for any governmental authority to believe that Elite Commercial REIT or any of its tenants are not in compliance with the regulations.

Laws, regulations and policies imposed by various government and regulatory authorities may adversely affect Elite Commercial REIT.

Elite Commercial REIT's ownership, operation and rights in respect of the Properties are subject to various laws and regulations and policies of government and regulatory authorities in Singapore and the UK.

For example, these laws and regulations (including without limitation, restrictions on foreign ownership of the Properties) can impose limitations on Elite Commercial REIT's operations and plans with respect to the Properties. Compliance with, as well as failure to comply with such laws, regulations and policies can have an adverse effect on the business, financial condition, results of operations and prospects of Elite Commercial REIT. (See "Overview of Relevant Laws and Regulations in England, Wales and Scotland" for examples of laws and regulations which may affect Elite Commercial REIT.)

There may also be laws that could result in a reduction in the Revenue of the Properties.

The outbreak of an infectious disease or any other serious public health concerns in the UK and elsewhere could adversely impact the business, financial condition and results of operations of Elite Commercial REIT.

In 2005 and 2006, outbreaks of avian influenza were reported in other parts of the world including the UK, the Middle East and Africa. Some of these outbreaks severely affected the poultry and related industries and, in addition, several cases of bird-to-human transmission of avian influenza were reported in various countries. In 2014, cases of the Middle East respiratory syndrome coronavirus (MERS-CoV) were reported in several countries, including certain countries in the Middle East, as well as the UK and the United States. In 2020, cases of novel coronavirus were reported in several countries. There can be no assurance that any precautionary measures taken against infectious diseases would be effective.

The outbreak of an infectious disease such as avian influenza, MERS-CoV or novel coronavirus in the UK and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy and business activities in the UK and could thereby adversely impact the revenues and results of Elite Commercial REIT. These factors could materially and adversely affect the business, financial condition and the results of operations of Elite Commercial REIT.

Elite Commercial REIT's investment strategy may entail a higher level of risk as compared to other types of unit trusts that have a more diverse range of investments.

Elite Commercial REIT's investment strategy of principally investing, directly or indirectly, in commercial assets and real estate-related assets in the UK will subject Elite Commercial REIT to risks inherent in concentrating in real estate. The level of risk could be higher as compared to other types of unit trusts that have a more diverse range of investments in other sectors.

A concentration of investments in real estate located in the UK and used primarily for office purpose exposes Elite Commercial REIT to the risk of a downturn in the UK in general. Any economic slowdown in the UK could negatively affect the performance of the relevant markets in the UK. The renewal of leases in Elite Commercial REIT's Properties will depend, in part, upon the success of the tenants. Any economic downturn may cause higher levels of non-renewals of leases or vacancies as a result of failures or defaults by tenants or the market pressures exerted by an increase in available space for properties used for such purposes. There can be no assurance that the tenants of Elite Commercial REIT's Properties will renew their leases or that the new lease terms will be as favourable as the existing leases. In the event that a tenant (and in particular, the UK Government) does not renew its lease, a replacement tenant or tenants would need to be identified, which could subject Elite Commercial REIT's Properties to periods of vacancy and/or costly refittings, during which periods Elite Commercial REIT could experience reductions in rental income.

Such downturns may lead to a decline in occupancy for properties or real estate-related assets in Elite Commercial REIT's portfolio. This will affect Elite Commercial REIT's rental income from the Properties, and/or lead to a decline in the capital value of Elite Commercial REIT's portfolio, and/or on the results of operations and the financial condition of Elite Commercial REIT and the ability of Elite Commercial REIT to make regular distributions to its Unitholders may be adversely affected.

Elite Commercial REIT may not be able to control or exercise any influence over entities in which it has minority interests.

Elite Commercial REIT may, in the course of acquisitions, acquire minority interests in real estate-related investment entities. There is no assurance that Elite Commercial REIT will be able to exercise active control over such entities and the management of such entities may make decisions which could adversely affect the operations of Elite Commercial REIT and the ability of Elite Commercial REIT to make regular distributions to its Unitholders.

Elite Commercial REIT may engage in hedging transactions, which can limit gains and increase exposure to losses, and not offer full protection against interest rate and exchange rate fluctuations.

Elite Commercial REIT may enter into hedging transactions to protect itself or its portfolio from, among others, the effects of interest rate on floating rate debt and interest rate and prepayment fluctuations. Hedging transactions may include entering into interest rate hedging instruments, purchasing or selling futures contracts, purchasing put and call options or entering into forward agreements.

These hedging activities may not have the desired beneficial impact on the results of operations or financial condition of Elite Commercial REIT. No hedging activity can completely insulate Elite Commercial REIT from risks associated with changes in interest rates. Moreover, interest rate hedging could fail to protect Elite Commercial REIT or adversely affect Elite Commercial REIT because among others:

- the available hedging may not correspond directly with the risk for which protection is sought;
- the duration or nominal amount of the hedge may not match the duration of the related liability;
- the party owing money in the hedging transaction may default on its obligation to pay;

- the credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs Elite Commercial REIT's ability to sell or assign its side of the hedging transaction; and
- the value of the derivatives used for hedging may be adjusted from time to time in accordance with accounting rules to reflect changes in fair value. Downward adjustments and the significant loss in value of hedging instruments due to a write down to fair value would reduce the NAV of Elite Commercial REIT.

In addition, hedging activities involve risks and transaction costs, which may reduce overall returns and possibly limit the amount of cash available for distribution to Unitholders. These costs increase as the period covered by the hedging increases and during periods of rising and volatile interest rates. The Manager will regularly monitor the feasibility of engaging in such hedging transactions, taking into account the cost of such transactions.

Elite Commercial REIT relies on information technology in its operations, and any material failure, inadequacy, interruption or security failure of that technology could harm its business.

Elite Commercial REIT relies on information technology networks and systems, including the Internet, to process, transmit and store electronic information and to manage or support a variety of its business processes, including financial transactions and maintenance of records, which may include personally identifiable information of tenants and lease data. Elite Commercial REIT relies on commercially available systems, software, tools and monitoring to provide security for processing, transmitting and storing confidential tenant information, such as individually identifiable information relating to financial accounts. Although Elite Commercial REIT has taken steps to protect the security of the data maintained in its information systems, it is possible that such security measures will not be able to prevent the systems' improper functioning, or the improper disclosure of personally identifiable information such as in the event of cyber-attacks. Security breaches, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, can create system disruptions, shutdowns or unauthorised disclosure of confidential information. Any failure to maintain proper function, security and availability of Elite Commercial REIT's information systems could interrupt its operations, damage its reputation, subject Elite Commercial REIT to liability claims or regulatory penalties and could materially and adversely affect it.

RISKS RELATING TO THE UK

Elite Commercial REIT may be exposed to risks associated with government shutdown or budgetary cuts affecting the public sector.

Elite Commercial REIT is dependent on the UK Government via The Secretary of State for Housing, Communities and Local Government for over 99.0% of rental payments from in relation to the Properties. There may be a risk arising from general economic downturn or political events which may cause the Secretary of State for Housing, Communities and Local Government and/or the DWP to be subject to government shutdown or budgetary cuts. This may result in the non-renewal of a significant number of leases.

Nonetheless, the Manager believes that the risk of government shutdown or significant budget cuts to the DWP to be low as the DWP is the UK Government's largest public service department and due to the important welfare-related services provided by the DWP. The DWP is responsible for crucial welfare, pensions and child maintenance services. In addition, the Manager believes that the UK's ageing population is driving long-term structural demand growth for DWP's pension services.

In any event, the Manager believes that the impact of such risk of non-renewal of leases by the UK Government due to government shutdown and/or budgetary cuts to be low. The Manager believes that it will be able to find suitable replacement tenants as (i) the Properties are largely located close to amenities and public transportation, (ii) the Properties may be easily converted for other uses (i.e. other commercial uses of the Properties other than a job centre, call centre or back office) and asset enhancement opportunities are widely available, and (iii) the Properties are located across the UK and not concentrated in a single region.

Elite Commercial REIT's properties or any part of them may be acquired compulsorily by the UK government.

Under the UK laws and regulations, there are various circumstances under which the UK government is empowered to acquire property.

For further details regarding the power of the UK government to compulsorily acquire the Properties, see "Overview of Relevant Laws and Regulations in England, Wales and Scotland".

In the event that the compensation paid for the compulsory acquisition of a property of Elite Commercial REIT is less than the market value of the property, such compulsory acquisitions would have an adverse effect on the revenue of Elite Commercial REIT and the value of its asset portfolio.

Elite Commercial REIT's operations may be negatively affected by Brexit and potential Scotland independence.

The uncertainties surrounding Brexit has increased the risk of a greater demand for Scotland's independence by Scottish nationalists or for unification in Ireland. Collectively, these events may adversely affect business activity, political stability and economic conditions in the UK, the Eurozone, the European Union and elsewhere. Inflation, rising interest rates and borrowing costs may erode property prices and affect Elite Commercial REIT's ability to acquire properties in the short term. Doubts over real estate valuations may erode investors' interests in UK REITs, including Elite Commercial REIT. Elite Commercial REIT may also face difficulties in sourcing for new tenants or re-letting its existing properties amidst the uncertainties surrounding Brexit and potential Scotland independence. Given that these uncertainties may persist over a prolonged period of time and continue to dampen investor sentiment, Elite Commercial REIT may face difficulties in raising funds through secondary offerings upon its listing in the SGX-ST.

In the event that Scotland becomes independent, it is likely that a legislative bill will be passed setting out the demarcation of powers, assets and/or properties between the Scottish government and the UK Government. The Manager expects that, if Scotland becomes independent, the current leases of the Properties located in Scotland will likely be taken over by the Scottish government as Scotland would still require welfare, pension and child maintenance services. The Properties located in Scotland contribute 25.4% of the Gross Rental Income for Forecast Year 2020 of Elite Commercial REIT and 24% of the Appraised Value of Elite Commercial REIT.

Elite Commercial REIT may be exposed to risks associated with exchange rate fluctuations and changes in foreign exchange regulations.

The revenue received from the Properties is in pound sterling. The pound sterling will have to be converted into Singapore dollars to settle expenses in Singapore dollars at Elite Commercial REIT's level and for the distribution payments from Elite Commercial REIT to Unitholders, except those Unitholders who elect to receive their distributions in pound sterling. Accordingly, Elite Commercial REIT is exposed to risks associated with exchange rate fluctuations which may adversely affect Elite Commercial REIT's results of operations.

The value of pound sterling against foreign currencies fluctuates and is affected by changes in the UK and international political and economic conditions and by many other factors.

The value of the distributions received by a Unitholder may be adversely affected by fluctuations in the exchange rates between pound sterling, the Singapore dollar and any other currencies which may be adopted from time to time. Significant fluctuations in the exchange rates between such currencies will also, among others, affect the NAV of the Units and the foreign currency value of the proceeds which a Unitholder would receive upon sale of the Units in Singapore. In addition, the forecast and projected yields and yield growth of Elite Commercial REIT are calculated based on assumed exchange rates as set out in this Prospectus. As such, there can be no guarantee that Elite Commercial REIT will achieve such forecast and projected yields and yield growth should there be differences between the actual and assumed exchange rates. (See “Distributions” and “Exchange Rate Information and Exchange Controls” for further details.)

RISKS RELATING TO INVESTING IN REAL ESTATE

There are general risks attached to investments in real estate.

Investments in real estate and therefore the income generated from the Properties are subject to various risks, including but not limited to:

- adverse changes in political or economic conditions;
- adverse local market conditions (such as over-supply of properties or reduction in demand for properties in the market in which Elite Commercial REIT operates);
- the financial condition of tenants;
- the availability of financing such as changes in availability of debt or equity financing, which may result in an inability by Elite Commercial REIT to finance future acquisitions on favourable terms or at all;
- changes in interest rates and other operating expenses;
- changes in environmental laws and regulations, zoning laws and other governmental laws, regulations and rules and fiscal policies (including tax laws and regulations);
- environmental claims in respect of real estate;
- changes in market rents;
- changes in energy prices;
- changes in the relative popularity of property types and locations leading to an over-supply of space or a reduction in tenant demand for a particular type of property in a given market;
- competition among property owners for tenants which may lead to vacancies or an inability to rent space on favourable terms;
- inability to renew leases or re-let space as existing leases expire;
- inability to collect rents from tenants on a timely basis or at all due to bankruptcy or insolvency of the tenants or otherwise;
- insufficiency of insurance coverage or increases in insurance premiums;

- increases in the rate of inflation;
- inability of the property manager to provide or procure the provision of adequate maintenance and other services;
- defects affecting the Properties which need to be rectified, or other required repair and maintenance of the Properties, leading to unforeseen capital expenditure;
- the relative illiquidity of real estate investments;
- considerable dependence on cash flow for the maintenance of, and improvements to, the Properties;
- increased operating costs, including real estate taxes;
- any defects or illegal structures that were not uncovered by physical inspection or due diligence review;
- management style and strategy of the Manager;
- the attractiveness of the Properties to tenants;
- the cost of regulatory compliance;
- ability to rent out properties on favourable terms; and
- power supply failure, acts of God, wars, terrorist attacks, uninsurable losses and other factors.

Many of these factors may cause fluctuations in occupancy rates, rental rates or operating expenses, causing a negative effect on the value of real estate and income derived from real estate. The annual valuation of the Properties will reflect such factors and as a result may fluctuate upwards or downwards. The capital value of Elite Commercial REIT's real estate assets may be significantly diminished in the event of a sudden downturn in real estate market prices or the economy in the UK, which may adversely affect the financial condition of Elite Commercial REIT.

Elite Commercial REIT may be adversely affected by the illiquidity of real estate investments.

Elite Commercial REIT's investment strategy involves a higher level of risk, as compared to a portfolio which has a more diverse range of investments. Real estate investments are relatively illiquid and such illiquidity may affect Elite Commercial REIT's ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic, property market or other conditions. Elite Commercial REIT may be unable to sell its assets on short notice or may be forced to give a substantial reduction in the price that may otherwise be sought for such assets in order to ensure a quick sale. These factors could have an adverse effect on Elite Commercial REIT's financial condition and results of operations, and the ability of Elite Commercial REIT to make regular distributions to its Unitholders.

Elite Commercial REIT's ability to make distributions to Unitholders may be adversely affected by increases in direct expenses and other operating expenses.

Elite Commercial REIT's ability to make regular distributions to Unitholders could be adversely affected if direct expenses and other operating expenses for which tenants are not responsible pursuant to the lease agreements increase. Such operating expenses include, but are not limited to:

- compliance with laws, regulations or policies;
- direct or indirect tax policies, laws or regulations;
- sub-contracted service costs;
- labour costs; and
- repair and maintenance costs.

The rate of increase in rentals (if any) of the Properties may be less than the inflation rate.

The rate of increase in rentals (if any) of the Properties may be less than the inflation rate and therefore an investment in Elite Commercial REIT may not provide an effective hedge against inflation.

RISKS RELATING TO AN INVESTMENT IN THE UNITS

Sale or possible sale of a substantial number of Units by the Sponsors and/or their subsidiaries (following the lapse of any applicable lock-up arrangements), the Other Private Trust Investors or the Cornerstone Investors in the public market could adversely affect the price of the Units.

Following the Offering, Elite Commercial REIT will have 332,219,995 issued Units, of which 68,750,002 Units will be held by Ho Lee Group Trust, Sunway, Tan Hai Peng Micheal, Tan Dah Ching and Kan Phui Lin, assuming the Over-allotment Option is not exercised, 75,073,293 Units will be held by the Other Private Trust Investors and 77,827,900 Units will be held by the Cornerstone Investors including the Units taken up by one of the Private Trust Investors through one of the Cornerstone Investors (see "Ownership of the Units"). If any of Ho Lee Group Trust, Sunway, Tan Hai Peng Micheal, Tan Dah Ching and Kan Phui Lin and/or any of their transferees of the Units (following the lapse of the relevant respective lock-up arrangement, or pursuant to any applicable waivers) or any of the Other Private Trust Investors or Cornerstone Investors sells or is perceived as intending to sell a substantial amount of its Units, or if a secondary offering of the Units is undertaken in connection with an additional listing on another securities exchange, the market price for the Units could be adversely affected (see "Plan of Distribution – Lock-up Arrangements" and "Ownership of the Units" for further details).

Elite Commercial REIT's ability to make distributions is dependent on the financial position of the Corporate Entities. Elite Commercial REIT may not be able to make distributions to Unitholders or the level of distributions may fall.

In order for the Trustee to make distributions from the income of the Properties, Elite Commercial REIT has to rely on the receipt of dividends, interest or repayments of loans (where applicable) from the intermediate wholly-owned subsidiaries of Elite Commercial REIT. There can be no assurance that these entities will have sufficient revenue and cash flows in any future period to pay dividends, pay interest or make repayments of loans.

The level of revenue, distributable profits or reserves of the intermediate wholly-owned subsidiaries of Elite Commercial REIT available to pay dividends, pay interest or make repayments of loans may be affected by a number of factors including, among other things:

- their respective business and financial positions;
- the availability of distributable profits;
- sufficiency of cash flows received from the Properties;
- applicable laws and regulations which may restrict the payment of dividends by them;
- operating losses incurred by them in any financial year;
- losses arising from a revaluation of the Properties. Such losses may become realised losses which would adversely affect the level of realised profits from which distribution may be made;
- changes in accounting standards (including standards in respect of depreciation policies relating to real estate investment properties), taxation laws and regulations, laws and regulations in respect of foreign exchange and repatriation of funds, corporation laws and regulations in respect of statutory reserves required to be maintained) in Singapore and the UK;
- potential tax and/or legal liabilities;
- the extent of rent abatements and tenant improvement allowances given to tenants to attract new tenants and/or retain existing tenants, if any; and
- the terms of agreements to which they are, or may become, a party to.

Notwithstanding that there are, in general, currently no laws or regulations which restrict the payment of dividends by the Corporate Entities, save that dividends are only payable out of profits or surplus, there can be no assurance that these entities will have sufficient revenue and cash flows in any future period to pay dividends, pay interest or make repayments of loans. In addition, no assurance can be given as to Elite Commercial REIT's ability to pay or maintain distributions or that the level of distributions will increase over time.

Market and economic conditions may affect the market price and demand for the Units.

Movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price of, and demand for, the Units.

An increase in market interest rates may have an adverse impact on the market price of the Units if the annual yield on the price paid for the Units gives investors a lower return as compared to other investments.

The NAV per Unit may be diluted if further issues are priced below the then current NAV per Unit.

The Trust Deed contemplates new issues of Units, the offering price for which may be above, at or below the then current NAV per Unit. The DPU may be diluted if new Units are issued and the use of proceeds from such issue of Units generates insufficient cash flow to cover the dilution. Where new Units, including Units which may be issued to the Manager in payment of the Manager's management, acquisition and/or divestment fees or to the Property Manager in payment of the Property Management Fees, are issued at less than the NAV per Unit, the then current NAV of each existing Unit may be diluted.

The laws and regulations in Singapore, the UK, British Virgin Islands (“BVI”) and the International Financial Reporting Standards (“IFRS”) may change.

Elite Commercial REIT is a REIT constituted in Singapore and the Properties are located in the UK, with a holding company in the BVI. The laws, regulations (including tax laws and regulations in Singapore, the UK and BVI) and the IFRS are subject to change. New laws and regulations may also be introduced in these jurisdictions. As a result, the financial statements of Elite Commercial REIT may be affected by these changes. The extent and timing of these changes in laws, regulations and accounting standards are currently unknown and subject to confirmation by the relevant authorities. The Manager has not quantified the effects of these changes and there can be no assurance that these changes will not have a significant impact on the presentation of Elite Commercial REIT’s financial statements or on Elite Commercial REIT’s results of operations. In addition, such changes may adversely affect the ability of Elite Commercial REIT to make distributions to Unitholders. There can be no assurance that any such changes to laws, regulations and accounting standards will not materially and adversely affect the business, financial condition and results of operations of Elite Commercial REIT.

Elite Commercial REIT may be affected by the introduction of new or revised tax legislation, regulations, guidelines or directives affecting REITs.

Elite Commercial REIT may be affected by the introduction of new or revised tax legislation, regulations, guidelines or directives affecting REITs. There is no assurance that new or revised tax legislation, regulations, guidelines or directives will not adversely affect REITs in general or Elite Commercial REIT specifically.

Specifically, REITs in Singapore enjoy certain tax exemptions or concessions and some of these are granted for a specified period of time. These tax exemptions or concessions, whether or not for a specified period of time, are or may be subject to review by the Singapore Government. For example, while REITs listed on the SGX-ST (including the REITs’ wholly-owned Singapore tax resident subsidiaries) are currently exempt from taxation on certain foreign income derived in respect of foreign properties, this would currently apply only to such properties acquired on or before 31 December 2025. There can be no assurance that this foreign income tax exemption will be extended beyond 31 December 2025 and if it is indeed not extended, the foreign income derived by Elite Commercial REIT and/or its wholly-owned Singapore tax resident subsidiary in respect of foreign properties acquired after 31 December 2025 (which for the avoidance of doubt, excludes the IPO Portfolio) may be subject to Singapore income tax at the prevailing tax rate (currently 17.0%) to the extent of the amount received or deemed to have been received in Singapore.

There is no assurance that the Singapore Government will continue to grant the tax exemption or concessions currently available to REITs indefinitely or renew them upon their expiry. A removal of any or all of these tax exemptions or concessions may result in increased tax costs to the Elite Commercial REIT Group and accordingly have an adverse impact on its financial condition and results of operations.

In addition, the Singapore Government announced in the 2018 Singapore Budget its plans to raise GST rate from 7.0% to 9.0%, sometime in the period from 2021 to 2025. GST on imported services has been implemented with effect from 1 January 2020 via a reverse charge mechanism for business to business imported services and this would apply to businesses, including REITs, which make exempt supplies or do not make any taxable supplies. Such additional tax exposure could have a material adverse effect on the Elite Commercial REIT Group’s business, financial condition, cash flows and results of operations and consequentially may have a material adverse impact on distributions to be made by Elite Commercial REIT.

(See “Taxation – Singapore Taxation” and Appendix D, “Independent Taxation Report” for further details.)

Entities operating in Singapore and the UK are subject to a variety of taxes and changes in legislation or the rules relating to such tax regimes could materially and adversely affect Elite Commercial REIT’s business, prospects and results of operations.

The Singapore or the UK entities, respectively, in the Group are subject to various taxes in the respective jurisdictions, determined in accordance with the relevant tax legislation and rules. In particular, the amount of UK corporation tax payable by the UK entities varies with the amount of deductible expenses, including interest expense. The amount of deductible interest expense for UK corporation tax purposes is subject to the UK corporate interest restriction (“CIR”) and anti-hybrid rules, which are complex rules that have to be monitored closely and analysed based on factual events and transactions undertaken by the Group. In the case of the Group, the amount of tax deductible interest is dependent, among others, on which entity in the Group is treated as the ultimate parent of the CIR worldwide group. The Profit Forecast and Profit Projection have been prepared on the assumption that RSIL will be treated as the ultimate parent for this purpose on the basis that Elite Commercial REIT is not “sufficiently widely held”. However, there can be no assurance that RSIL will, on an on-going basis, be treated as the ultimate parent for CIR purposes. Where Elite Commercial REIT is not “sufficiently widely held”, there may be a greater quantum of interest costs relating to the loan between Elite Commercial REIT and the rest of the group which may be tax deductible in the UK companies with respect to the UK CIR rules. As such, any increase in post-tax profits in the UK companies should result in greater funds for distribution to Elite Commercial REIT and its Unitholders. Conversely, where Elite Commercial REIT is “sufficiently widely held”, it should be a “relevant entity” and the parent of the CIR worldwide group and it is expected that the CIR rules should restrict a greater quantum of interest costs for UK tax purposes, consequently reducing the total amount of post-tax profits in the UK companies for distribution. Accordingly, this will result in higher UK corporation tax payable by the Group and hence adversely affect the amount of distribution to Unitholders. (See “Profit Forecast and Profit Projection – Sensitivity Analysis – UK Corporate Tax Rate” on the impact if RSIL is not treated as the ultimate parent and “Taxation – UK Tax Overview – Overview of UK CIR/Anti-hybrid Rules” for further details regarding the relevant CIR rules.)

The governments of each of Singapore and the UK may in the future amend the tax legislation or rules, regulations, guidelines and practice relating to taxation with either prospective or retroactive effect and this may affect the overall tax liabilities of the Singapore or the UK entities in the Group and may potentially result in significant additional taxes becoming payable by such entities. Such additional tax exposure could have a material adverse effect on Elite Commercial REIT Group’s business, financial condition, cash flows and results of operations and consequentially may have a material adverse impact on distributions to be made by Elite Commercial REIT.

(See “Taxation” and Appendix D, “Independent Taxation Report” for further details.)

Elite Commercial REIT may not be able to comply with the terms of tax exemptions or tax rulings, or such tax exemptions or tax rulings may be revoked or amended.

Elite Commercial REIT and its wholly-owned Singapore tax resident subsidiary may, from time to time, obtain various tax exemptions and/or tax rulings from the relevant authorities. The approvals for these tax exemptions and/or tax rulings may be subject to Elite Commercial REIT and/or its wholly-owned Singapore tax resident subsidiary satisfying certain stipulated conditions.

The Tax Exemption is granted based on the facts and representations made to the MoF and is subject to satisfying certain stipulated conditions. Should the facts and representations turn out to be different from those made or any of the conditions are not met, or where there is a subsequent change in the tax laws or change in the interpretation by the MoF, the Tax Exemption may no

longer apply. Consequently, Elite Commercial REIT may suffer increased tax liability, which in turn could adversely affect the amount of distributions made to Unitholders.

The UK NRCGT rules introduced from 5 April 2019 may give rise to UK capital gains tax for Unitholders on a disposal of their Units.

Unitholders may be subject to UK NRCGT on a disposal of their Units if the jurisdictions in which they are tax resident have not concluded a DTA with the UK which exempts such capital gains from UK NRCGT.

While the HMRC clearance that has been obtained for Elite Commercial REIT confirmed that, if Elite Commercial REIT is a CIV (which should be the case following the qualification as a Unit Trust Scheme according to a UK legal opinion provided by Eversheds Sutherland), Units will be considered shares for purposes of Schedule 5AAA where a UK DTA does not have a definition of “shares” and HMRC has in this regard, granted clearance on a number of specific DTAs, the clearance reflects HMRC’s current view of how the relevant UK legislation applies and is based on the specific circumstances and facts represented to HMRC. HMRC specifically reserves the right to change its view in the future and the right to review the tax consequences and form another view, particularly where HMRC is of the view that there is tax avoidance.

In the event HMRC were to change its view on the interpretation of the relevant UK legislation such that Units will not be considered shares or the view is changed by the courts or if there is a change in the relevant UK law, Unitholders may not be able to rely on the applicable DTA for exemption from UK NRCGT and hence would be subject to UK NRCGT on gains from disposal of Units and be required to comply with UK tax filings and obligations.

All prospective investors should seek their own tax advice in order to determine their own tax treatment under the UK NRCGT rules and in their jurisdiction of residence, including any double taxation relief available.

(See “Taxation – UK Tax Overview – UK NRCGT” and Appendix D, “Independent Taxation Report” for further details.)

The loss of the Quoted Eurobond status of the Bonds issued to Elite Commercial REIT should result in an obligation to withhold UK Withholding Tax (“WHT”) on the interest payable on the Bonds and adversely impact the distribution yield on the Units.

The Bonds issued by ECHL to Elite Commercial REIT are currently listed as Quoted Eurobonds (“QEB”) on the Channel Islands Securities Exchange Authority. The Bonds were issued to Elite Commercial REIT as a method of funding the acquisition of the IPO Portfolio by flowing the required funds downstream to ECHL. As QEBs, interest on the Bonds is not subject to UK WHT and hence should improve distribution to Unitholders. A QEB is a security (including a share) that is issued by a company and (i) which is listed on a recognised stock exchange and (ii) that carries a right to interest. Due to the QEB status of the Bonds, the interest paid or payable by ECHL on the Bonds to Elite Commercial REIT should be exempt from UK WHT which would otherwise be payable at the prevailing rate of 20.0% in the absence of a specific exemption or reduced rate under an applicable DTA. Elite Commercial REIT will continue to hold the QEBs post-listing.

Should ECHL as issuer of the QEB or Elite Commercial REIT be unable to comply with the ongoing rules or regulatory obligations stipulated by the Channel Islands Securities Exchange Authority during the time the Bonds enjoy the QEB status, or the terms of Bonds themselves are changed, then the Bonds may be de-listed from the Channel Islands Securities Exchange Authority. This would result in UK WHT payable on the interest on the Bonds and thereby adversely impact the distribution yield on the Units. Such ongoing rules or regulatory obligations include the prompt payment of an annual listing fee by ECHL of approximately £1,200 and the requirement for the

terms of the Bonds to remain unchanged. ECHL and Elite Commercial REIT will continuously monitor its compliance with the ongoing rules or regulatory obligations stipulated by the Channel Islands Securities Exchange.

Foreign Unitholders may not be permitted to participate in future rights issues or entitlements offerings by Elite Commercial REIT.

The Trust Deed provides that the Manager may, in its absolute discretion, elect not to extend an offer of Units under a rights issue to those Unitholders whose addresses, as registered with CDP, are outside Singapore. The rights or entitlements to the Units to which such Unitholders would have been entitled will be offered for sale and sold in such manner, at such price and on such other terms and conditions as the Manager may determine, subject to such other terms and conditions as the Trustee may impose. The proceeds of any such sale will be paid to the Unitholders whose rights or entitlements have been so sold, provided that where such proceeds payable to the relevant Unitholders are less than S\$10.00, the Manager is entitled to retain such proceeds as part of the Deposited Property. The holding of the relevant holder of the Units may be diluted as a result of such sale.

The actual performance of Elite Commercial REIT and the Properties could differ materially from the forward-looking statements in this Prospectus.

This Prospectus contains forward-looking statements regarding, among others, forecast and projected distribution levels for Forecast Year 2020 and Projection Year 2021. These forward-looking statements are based on a number of assumptions which are subject to uncertainties and contingencies that are outside of the Manager's control (see "Profit Forecast and Profit Projection – Assumptions" for further details).

Elite Commercial REIT's Revenue is dependent on a number of factors, including the receipt of rental income from the Properties. This may adversely affect Elite Commercial REIT's ability to achieve the forecast and projected distributions as events and circumstances assumed may not occur as expected, or events and circumstances may arise which are not anticipated.

No assurance is given that the assumptions will be realised and the actual distributions will be as forecast and projected.

Property yield on real estate to be held by Elite Commercial REIT is not equivalent to distribution yield on the Units.

Generally, property yield depends on net property income and is calculated as the amount of revenue generated by the properties, less the expenses incurred in maintaining, operating, managing and leasing the properties compared against the current value of the properties.

Distribution yield on the Units, however, depends on the distributions payable on the Units, after taking into account other expenses including but not limited to (i) taxes, (ii) interest cost for the debt facilities, (iii) the Manager's Management Fees, the Manager's Lease Management Fee, the Property Management Fee, the Construction Supervision Fee and the Trustee's Fees and (iv) other operating costs including administrative fees of Elite Commercial REIT, as compared with the purchase price of the Units.

The Unaudited Pro Forma Consolidated Financial Information contained in this Prospectus is not necessarily indicative of the future performance of Elite Commercial REIT.

The Unaudited Pro Forma Consolidated Financial Information contained in this Prospectus is not necessarily indicative of the future performance of Elite Commercial REIT. (See "Unaudited Pro Forma Consolidated Financial Information" for further details.)

There is no assurance that the Properties will be able to generate sufficient Revenue for Elite Commercial REIT to make distributions to Unitholders or that such distributions will be in line with those set out in “Profit Forecast and Profit Projection”.

The Manager is not obliged to redeem Units.

Unitholders have no right to request that the Manager redeem their Units while the Units are listed on the SGX-ST. Unitholders may only deal in their listed Units through trading on the SGX-ST. Accordingly, apart from selling their Units through trading on the SGX-ST, Unitholders may not be able to realise their investments in Units.

If the Units are de-listed from the SGX-ST and are unlisted on any other recognised stock exchange, the Manager may, but is not obliged to, repurchase or cause the redemption of Units more than once a year in accordance with the Property Funds Appendix and a Unitholder has no right to request the repurchase or redemption of Units more than once a year.

The Units have never been publicly traded and the listing of the Units on the Main Board of the SGX-ST may not result in an active or liquid market for the Units.

There is no public market for the Units prior to the Offering and an active public market for the Units may not develop or be sustained after the Offering. The Manager has received a letter of eligibility from the SGX-ST to have the Units listed and quoted on the Main Board of the SGX-ST. However, listing and quotation does not guarantee that a trading market for the Units will develop or, if a market does develop, the liquidity of that market for the Units. Prospective Unitholders must be prepared to hold their Units for an indefinite length of time.

There is no assurance that the Units will remain listed on the SGX-ST.

Although it is intended that the Units will remain listed on the SGX-ST, there is no guarantee of the continued listing of the Units. Among other factors, Elite Commercial REIT may not continue to satisfy the listing requirements. Accordingly, Unitholders will not be able to sell their Units through trading on the SGX-ST if the Units are no longer listed on the SGX-ST.

Certain provisions of the Singapore Code on Take-overs and Mergers (the “Take-over Code”) could have the effect of discouraging, delaying or preventing a merger or acquisition which could adversely affect the market price of the Units.

Under the Take-over Code, an entity is required to make a mandatory offer for all the Units not already held by it and/or parties acting in concert with it (as defined by the Take-over Code) in the event that an increase in the aggregate Unitholdings of it and/or parties acting in concert with it results in the aggregate Unitholdings crossing certain specified thresholds.

While the Take-over Code seeks to ensure an equality of treatment among Unitholders, its provisions could substantially impede the ability of Unitholders to benefit from a change in control and, as a result, may adversely affect the market price of the Units and the ability to realise any potential change of control premium.

The price of the Units may decline after the Offering.

The Offering Price of the Units is determined by agreement between the Manager and the Joint Bookrunners. The Offering Price may not be indicative of the market price for the Units upon completion of the Offering. The trading price of the Units will depend on many factors, including, but not limited to:

- the perceived prospects of Elite Commercial REIT's business and investments and the UK market for properties used for commercial purpose or real estate-related assets;
- differences between Elite Commercial REIT's actual financial and operating results and those expected by investors and analysts;
- changes in analysts' recommendations or projections;
- changes in general economic or market conditions;
- the market value of Elite Commercial REIT's assets;
- the perceived attractiveness of the Units against those of other equity or debt securities, including those not in the real estate sector;
- the balance of buyers and sellers of the Units;
- the size and liquidity of the Singapore REIT market from time to time;
- any changes from time to time to the regulatory system, including the tax system, both generally and specifically in relation to Singapore REITs;
- the ability on the Manager's part to successfully implement its investment and growth strategies;
- foreign exchange rates; and
- broad market fluctuations, including increases in interest rates and weakness of the equity and debt markets.

Units may trade at prices that are higher or lower than the NAV per Unit. To the extent that Elite Commercial REIT retains operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of Elite Commercial REIT's underlying assets, may not correspondingly increase the market price of the Units. Any failure to meet market expectations with regards to future earnings and cash distributions may adversely affect the market price for the Units.

Where new Units are issued at less than the market price of Units, the value of an investment in Units may be affected. In addition, Unitholders who do not, or are not able to, participate in the new issuance of Units may experience a dilution of their interest in Elite Commercial REIT.

The Units are not capital-safe products. There is no guarantee that Unitholders can regain the amount invested. If Elite Commercial REIT is terminated or liquidated, investors may lose a part or all of their investment in the Units.

Third parties may be unable to recover in claims brought against the Manager as the Manager is not an entity with significant assets.

Third parties, in particular, Unitholders, may in future have claims against the Manager in connection with the carrying on of its duties as manager of Elite Commercial REIT (including in relation to the Offering, this Prospectus, as well as the duties of the Manager to supervise the Property Manager under the Property Management Agreement).

Under the terms of the Trust Deed, the Manager is indemnified from the Deposited Property against any actions, costs, claims, damages, expenses or demands to which it may be put as the manager of Elite Commercial REIT unless occasioned by the fraud, gross negligence, wilful default or breach of the Trust Deed by the Manager. In the event of any such fraud, gross negligence, wilful default or breach, only the assets of the Manager itself and not the Deposited Property would be available to satisfy a claim, and there is no assurance that the Manager will have sufficient assets to satisfy such claims.

The Trustee and the Manager may be unable to recover in claims brought against the Property Manager.

The Property Management Agreement contains provisions which limit the liability of the Property Manager, which, among other things, state that the Property Manager shall not be liable to Elite Gemstones Properties Limited and any member of its group of companies in contract, tort (including negligence or breach of statutory duty), misrepresentation or otherwise howsoever for indirect, special or inconsequential loss or damage or loss of profit whether arising of or in connection with the provision of the services or otherwise under the Property Management Agreement including any liability incurred to any third party.

In addition, aggregate liability of the Property Manager (and its affiliates) in contract (including under any indemnity), tort (including negligence), breach of statutory duty, or otherwise, shall not exceed £10,000,000. It should be noted that it is not uncommon to see provisions which limit the liability of property managers in property management agreements.

Under the terms of the Property Management Agreement, the Property Manager is only liable to Elite Gemstones Properties Limited in the case of fraud, negligence, wilful default and breach of the terms of the Property Management Agreement by the Property Manager.

In the event that the Trustee and/or the Manager is not able to recover all the losses which Elite Commercial REIT suffers, this may materially and adversely affect the business, financial condition and results of operations of Elite Commercial REIT.

USE OF PROCEEDS

ISSUE PROCEEDS

The Manager intends to raise gross proceeds of approximately £130.9 million from the Offering, and the Cornerstone Units. The total proceeds raised from the Offering and the issuance of the Cornerstone Units will be used towards the following:

- partial repayment of existing facility agreements/loans¹;
- redemption of a number of the Private Trust Units;
- payment of transaction costs incurred in relation to the Redemption and the Offering; and
- working capital.

The following table, included for the purpose of illustration, sets out the intended sources and applications of the total proceeds from the Offering, and the issuance of the the Cornerstone Units.

Sources	(£'000)	Uses	(£'000)
Offering	77,987	Partial repayment of existing facility agreements/loans ⁽¹⁾	101,940
Cornerstone Units	52,923	Redemption of a number of the Private Trust Units	18,915
		Transaction costs ⁽²⁾	8,305
		Working capital	1,750
Total	130,910	Total	130,910

Notes:

(1) The Deutsche Bank Loan will be partially repaid and the Pierfront Loan will be fully repaid by the Listing Date.

(2) Transaction costs include expenses incurred in relation to the Redemption and the Offering, where applicable.

The Manager will make periodic announcements on the utilisation of the net proceeds from the Offering and the issuance of the Cornerstone Units via SGXNET as and when such funds are materially utilised. The actual use of such proceeds will be disclosed in the annual report of Elite Commercial REIT.

LIQUIDITY

As at the Listing Date, Elite Commercial REIT is expected to have an available cash balance of approximately £10.3 million. The Manager believes that this cash balance, together with the undrawn portion of the Deutsche Bank Loan of £16.8 million, and the cash flows expected to be generated from operations after the Listing Date, will be sufficient for Elite Commercial REIT's working capital requirements over the next 12 months following the Listing Date.

1 The Deutsche Bank Loan will be partially repaid and the Pierfront loan will be fully repaid by the Listing Date.

OWNERSHIP OF THE UNITS

PRINCIPAL UNITHOLDERS OF ELITE COMMERCIAL REIT AND THEIR UNITHOLDINGS

As soon as practicable after the registration of this Prospectus, pursuant to the Sub-division, 95,000,000 existing Units held by the existing private trust investors (as listed in the table below) (the “**Private Trust Investors**”) will be sub-divided so that the total number of Units held by the Private Trust Investors is 167,521,580 Units (“**Private Trust Units**”). After completion of the Sub-division, a number of the Private Trust Units will be redeemed at the Offer Price (“**Redemption**”) so that the the total number of Units in issue and held by the Private Trust Investors after completion of the Sub-division and the Redemption prior to the Offering is 139,705,895 (the “**Initial Units**”).

The total number of Units in issue as at the date of this Prospectus is 95,000,000 Units, details of which are set out in the table below. The total number of Units in issue immediately after completion of the Sub-division, Redemption and Offering is 332,219,995 Units.

The following table sets out the principal Unitholders of Elite Commercial REIT and their Unitholdings immediately upon completion of the Sub-division, Redemption, Offering and the issuance of the Cornerstone Units:

Based on the Offering Price

Principal Unitholders of Elite Commercial REIT and their Unitholdings¹

	Initial Date of Joining Unitholders' Register	Units in issue immediately before the Sub-division and Redemption		Units in issue after the Sub-division and Redemption immediately before the issue of the Offering Units		Units in issue after the Offering (assuming that the Over-Allotment Option is not exercised)		Units in issue after the Offering (assuming that the Over-Allotment Option is exercised in full)	
		Units ('000)	(%)	Units ('000)	(%)	Units ('000)	(%)	Units ('000)	(%)
Private Trust Investors									
Ho Lee Group Trust	5 November 2018	25,000	26.3	36,765	26.3	36,765	11.1	35,882	10.8
Sunway RE Capital Pte. Ltd. ²	10 January 2020	20,000	21.1	29,412	21.1	29,412	8.9	27,206	8.2
Kim Seng Holdings Pte. Ltd.	9 November 2018	15,000	15.8	22,059	15.8	24,265	7.3	22,941	6.9
Sing Lun Industrial Pte. Ltd.	9 November 2018	5,000	5.3	7,353	5.3	7,353	2.2	7,353	2.2
Tan Kim Seng ³	12 November 2018	4,000	4.2	5,882	4.2	7,794	2.3	7,794	2.3
Zeng Fuzu	9 November 2018	3,500	3.7	5,147	3.7	5,147	1.5	5,147	1.5
Apricot Capital Pte. Ltd.	9 November 2018	3,000	3.2	4,412	3.2	4,412	1.3	4,412	1.3

¹ Kim Seng Holdings Pte. Ltd. and Tan Kim Seng have subscribed for, and would be allocated, Units under the Placement Tranche, and these additional Units are reflected in the unitholdings of Kim Seng Holdings Pte. Ltd. and Tan Kim Seng in the table above. The other Private Trust Investors may subscribe for Units under the Singapore Public Offer.

² Sunway Developments Pte. Ltd. subscribed for the Units on 9 November 2018. On 10 January 2020, Sunway Developments Pte. Ltd. transferred its Units to Sunway RE Capital Pte. Ltd..

	Initial Date of Joining Unitholders' Register	Units in issue immediately before the Sub-division and Redemption		Units in issue after the Sub-division and Redemption immediately before the issue of the Offering Units		Units in issue after the Offering (assuming that the Over-Allotment Option is not exercised)		Units in issue after the Offering (assuming that the Over-Allotment Option is exercised in full)	
		Units ('000)	(%)	Units ('000)	(%)	Units ('000)	(%)	Units ('000)	(%)
LB Venture Capital Pte. Ltd.	9 November 2018	3,000	3.2	4,412	3.2	4,412	1.3	4,412	1.3
Partner Reinsurance Asia Pte. Ltd.	16 May 2019	2,500	2.6	3,676	2.6	3,676	1.1	3,676	1.1
Lee Yong Miang	9 November 2018	2,000	2.1	2,941	2.1	2,941	0.9	2,941	0.9
Chua Hwee Chuang	9 November 2018	2,000	2.1	2,941	2.1	2,941	0.9	2,941	0.9
OKS Ventures Limited	9 April 2019	2,000	2.1	2,941	2.1	2,941	0.9	2,941	0.9
Ng Chee Chuan	9 November 2018	1,500	1.6	2,206	1.6	2,206	0.7	2,206	0.7
Tan Hai Peng Micheal ⁴	1 November 2019	500	0.5	735	0.5	735	0.2	147	0.0
Kan Phui Lin ⁵	1 November 2019	650	0.7	956	0.7	956	0.3	221	0.1
Te Kok Chiew	9 November 2018	1,000	1.1	1,471	1.1	1,471	0.4	1,471	0.4

3 Tan Kim Seng is the father of Tan Dah Ching and a major shareholder of Kim Seng Holdings Pte. Ltd.. For the avoidance of doubt, Tan Dah Ching is not deemed interested in the Units held by Kim Seng Holdings Pte. Ltd..

4 HLG subscribed for the Units on 9 November 2018. On 1 November 2019, HLG transferred its Units to Tan Hai Peng Micheal and his spouse. As at the date of this Prospectus, Tan Hai Peng Micheal holds 20.0% interest in Teck Lee Holdings Pte. Ltd., which in turns hold 81.25% interest in HLG (one of the three Sponsors). Tan Hai Peng Micheal also has a 16.25% interest in Ho Lee Group Trust.

5 Kan Phui Lin is the wife of Tan Hai Peng Micheal.

	Initial Date of Joining Unitholders' Register	Units in issue immediately before the Sub-division and Redemption		Units in issue after the Sub-division and Redemption immediately before the issue of the Offering Units		Units in issue after the Offering (assuming that the Over-Allotment Option is not exercised)		Units in issue after the Offering (assuming that the Over-Allotment Option is exercised in full)	
		Units ('000)	(%)	Units ('000)	(%)	Units ('000)	(%)	Units ('000)	(%)
Wang Wai Choy ⁶	10 July 2019	1,000	1.1	1,471	1.1	1,471	0.4	1,471	0.4
Lu Mo Ching Nee Keung	9 May 2019	750	0.8	1,103	0.8	1,103	0.3	1,103	0.3
Tan Dah Ching ⁷	9 May 2019	600	0.6	882	0.6	882	0.3	0	0.0
Tan Chin Hwee	12 November 2018	500	0.5	735	0.5	735	0.2	735	0.2
Toh Bee Na	9 May 2019	500	0.5	735	0.5	735	0.2	735	0.2
Wong Wai Yin Virginia	9 May 2019	500	0.5	735	0.5	735	0.2	735	0.2
Nikhil Srinivasan	27 May 2019	500	0.5	735	0.5	735	0.2	735	0.2
Cornerstone Investors⁶									
UBS AG, Singapore Branch and UBS AG, Hong Kong Branch (on behalf of certain Wealth Management clients) ⁸		–	–	–	–	77,828	23.4	77,828	23.4
Bank of Singapore Limited (on behalf of one or more of its private banking clients) ⁸		–	–	–	–				
CIMB Bank Berhad, Singapore Branch (on behalf of certain clients of its Private Banking Division) ⁸		–	–	–	–				

LOCK-UPS

Each of Ho Lee Group Trust, Sunway, Tan Hai Peng Micheal, Tan Dah Ching and Kan Phui Lin has agreed to (i) a lock-up arrangement during the First Lock-up Period in respect of its direct and indirect effective interest in the Lock-up Units, and (ii) a lock-up arrangement during the Second Lock-up Period in respect of its direct and indirect effective interest in 50.0% of the relevant Lock-up Units, subject to certain exceptions.

⁶ Wang Wai Choy has subscribed for 1,470,600 Units through one of the Cornerstone Investors and in relation to the table above, these Units are reflected under the Cornerstone Investors and not under Wang Wai Choy. Accordingly, Wang Wai Choy would hold an aggregate of 2,941,188 Units immediately after of the Offering (which represents 0.9% of the Units in issue).

⁷ As at the date of this Prospectus, Tan Dah Ching holds 20.0% interest in EPH (one of the three Sponsors).

⁸ Based on the separate subscription agreements entered into between each of UBS AG, Singapore Branch and UBS AG, Hong Kong Branch (on behalf of certain Wealth Management clients), Bank of Singapore Limited (on behalf of one or more of its private banking clients) and CIMB Bank Berhad, Singapore Branch (on behalf of certain clients of its Private Banking Division) and the Manager, none of UBS AG, Singapore Branch, UBS AG, Hong Kong Branch (on behalf of certain Wealth Management clients), Bank of Singapore Limited (on behalf of one or more of its private banking clients) and CIMB Bank Berhad, Singapore Branch (on behalf of certain clients of its Private Banking Division) will be a Substantial Unitholder immediately upon completion of the Offering.

In addition, each of the Private Trust Investors (other than Ho Lee Group Trust, Sunway, Tan Hai Peng Micheal, Tan Dah Ching and Kan Phui Lin) (“**Other Private Trust Investors**”) has agreed for a certain number of each of its Units to be subject to a lock-up arrangement during the First Lock-up Period. Save for Kim Seng Holdings Pte. Ltd. and Tan Kim Seng, the number of such Units subject to the lock-up arrangement has been calculated pursuant to Rule 229(4) of the Listing Manual as follows:

$$M = \frac{V_{IPO} - V_{CP}}{V_{IPO}} \times P$$

Where

M = the number of Units subject to moratorium;

V_{CP} = the total cash paid for the Units acquired by the Private Trust Investor within the period commencing on (and including) the date falling 12 months prior to the date of the listing application and ending on (but excluding) the Listing Date (the “**Pre-IPO Period**”);

V_{IPO} = the value of the Private Trust Investor’s total Unitholdings acquired during the Pre-IPO Period based on the Offering Price; and

P = the total number of Units paid for by the Private Trust Investor during the Pre-IPO Period.

In respect of Kim Seng Holdings Pte. Ltd. and Tan Kim Seng, the number of Units subject to the lock-up arrangement has been calculated pursuant to Rule 229(3) of the Listing Manual as follows:

$$M = \frac{V_{IPO} - V_{CP}}{V_{IPO}} \times P$$

Where

M = the number of Units subject to moratorium;

V_{CP} = the total cash paid for the Units acquired by the Private Trust Investor during the Pre-IPO Period;

V_{IPO} = the value of the Private Trust Investor’s total Units holdings acquired during the Pre-IPO Period based on the Offering Price; and

P = the total number of Units paid for by the Private Trust Investor during the Pre-IPO Period.

The Manager has also undertaken not to offer, issue, contract to issue any Units, or make any announcements in connection with any of the foregoing transactions, during the First Lock-up Period, subject to certain exceptions.

(See “Plan of Distribution – Lock-up Arrangements” for further details.)

SUBSCRIPTION BY THE CORNERSTONE INVESTORS

In addition, concurrently with, but separate from the Offering, each of the Cornerstone Investors has entered into separate subscription agreements with the Manager to subscribe for an aggregate of 77,827,900 Units at the Offering Price, conditional upon the Underwriting Agreement having been entered into, and not having been terminated, pursuant to its terms on or prior to the Settlement Date.

The Cornerstone Investors may subscribe for Units in the Offering.

In the event that any one or more of the Cornerstone Investors fails to subscribe for and pay for the Cornerstone Units which they have committed to subscribe, the Offering will still proceed and subscribers of the Units to be issued under the Offering will still be required to pay for and complete their subscriptions of Units pursuant to the Offering.

Information on the Cornerstone Investors

UBS AG, Singapore Branch and UBS AG, Hong Kong Branch (on behalf of certain Wealth Management clients)

UBS AG is a bank incorporated and domiciled in Switzerland. It operates under the Swiss Code of Obligations as an Aktiengesellschaft, a corporation limited by shares. UBS AG has its two headquarters in Zurich and Basel, Switzerland. Its scope of operations extends to banking, financial, advisory, trading and service activities in Switzerland and abroad. UBS AG has (through each of its Singapore branch and Hong Kong branch) entered into cornerstone subscription agreements to subscribe for 64,495,200 Units (amounting to approximately £43.9 million), on behalf of certain clients of its Wealth Management division. Upon subscription completion, UBS AG (through its Singapore branch and Hong Kong Branch) will safekeep the subscribed Units on behalf of these clients (without holding any beneficial ownership rights to the subscribed Units) and will place the subscribed Units with an appointed custodian.

Bank of Singapore Limited (on behalf of one or more of its private banking clients)

Bank of Singapore Limited is a wholly owned subsidiary of Oversea-Chinese Banking Corporation Limited, Southeast Asia's second largest bank. Headquartered in Singapore, Bank of Singapore Limited is one of the fastest growing private banks in Asia, offering a structured and consistent approach – an open architecture product platform with robust research capabilities to deliver a total risk-based solution customized to each client's needs. Bank of Singapore Limited has entered into a cornerstone subscription agreement, on behalf of one or more of its private banking clients, to subscribe for certain Units amounting to £3.0 million. Upon subscription completion, Bank of Singapore Limited will safekeep the subscribed Units on behalf of these clients (without holding any beneficial ownership rights to the subscribed Units) and will place the subscribed Units with an appointed custodian.

CIMB Bank Berhad, Singapore Branch (on behalf of certain clients of its Private Banking Division)

CIMB Group is a leading ASEAN universal bank and one of the region's foremost corporate advisors. It is also a world leader in Islamic Finance. CIMB Group is headquartered in Kuala Lumpur, Malaysia, and offers Consumer Banking, Commercial Banking, Investment Banking, Islamic Banking, Private Banking and Asset Management products and services in Singapore and the region. With a strong network, it is the fifth largest banking group by assets in ASEAN. CIMB Bank Berhad, Singapore Branch has entered into the cornerstone subscription agreement to subscribe for 8,921,000 Units (amounting to approximately £6.1 million), on behalf of certain clients of its Private Banking Division.

SUBSCRIPTION BY THE DIRECTORS

The directors of the Manager (the “**Directors**”, and each a “**Director**”) may subscribe for Units under the Singapore Public Offer and/or the Placement Tranche. Save for the Manager’s internal policy which prohibits the Manager from dealing in the Units at certain times, there is no restriction on the Directors disposing of or transferring all or any part of their Unitholdings. (See “The Manager and Corporate Governance – Corporate Governance of the Manager – Dealings in Units” for further details.)

SUBSCRIPTION BY RELATED ENTITIES AND PRIVATE TRUST INVESTORS

Entities within the Sponsors’ Group (including funds managed by such entities) may subscribe for Units under the Singapore Public Offer and/or the Placement Tranche.

Kim Seng Holdings Pte. Ltd. and Tan Kim Seng have subscribed for, and would be allocated, Units under the Placement Tranche. (See “Ownership of Units – Principal Unitholders of Elite Commercial REIT and their Unitholdings” for details regarding the Units which they would hold immediately after the Offering.)

Private Trust Investors may subscribe for Units under the Singapore Public Offer.

DISTRIBUTIONS

DISTRIBUTION POLICY

Elite Commercial REIT's distribution policy is to distribute 100.0% of Elite Commercial REIT's Annual Distributable Income for the period from the Listing Date to the end of Projection Year 2021. Thereafter, Elite Commercial REIT will distribute at least 90.0% of its Annual Distributable Income for each financial year. The actual level of distribution will be determined at the Manager's discretion and may be greater than 90.0% of its Annual Distributable Income for each financial year. The actual proportion of Annual Distributable Income distributed to Unitholders beyond the end of Projection Year 2021 may be greater than 90.0% to the extent that the Manager believes it to be appropriate, having regard to Elite Commercial REIT's funding requirements, other capital management considerations and the overall stability of distributions.

The Manager also has the discretion to distribute any additional amounts (including capital). In determining whether to distribute additional amounts (including capital), the Manager will consider a range of factors including but not limited to Elite Commercial REIT's funding requirements, its financial position, its growth strategy, compliance with relevant laws, regulations and covenants, other capital management considerations, the overall suitability of distributions and prevailing industry practice.

FREQUENCY OF DISTRIBUTIONS

After Elite Commercial REIT is admitted to the Main Board of the SGX-ST, it will make distributions to Unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates. Elite Commercial REIT's First Distribution will be for the period from the Listing Date to 30 June 2020 and will be paid by the Manager on or before 30 September 2020. Subsequent distributions will take place on a semi-annual basis. The Manager will endeavour to pay distributions no later than 90 days after the end of each distribution period.

Elite Commercial REIT's primary sources of liquidity for the funding of distributions, servicing of debt, payment of non-property expenses and other recurring capital expenditures will be the receipts of rental income and borrowings, where appropriate.

Under the Property Funds Appendix, if the Manager declares a distribution that is in excess of profits, the Manager should certify, in consultation with the Trustee, that it is satisfied on reasonable grounds that, immediately after making the distribution, Elite Commercial REIT will be able to fulfil, from the Deposited Property, the liabilities of Elite Commercial REIT as they fall due. The certification by the Manager should include a description of the distribution policy and the measures and assumptions for deriving the amount available to be distributed from the Deposited Property. The certification should be made at the time the distribution is declared.

DISTRIBUTION CURRENCY

Distributions will be declared in GBP. Each Unitholder will receive his distribution in Singapore dollars equivalent of the GBP distribution declared, unless he elects to receive the relevant distribution in GBP by submitting a "Distribution Election Notice" by the relevant cut-off date. For the portion of the distributions to be paid in Singapore dollars, the Manager will make the necessary arrangements to convert the distributions in GBP into Singapore dollars, at such exchange rate as the Manager may determine, taking into consideration any premium or discount that may be relevant to the cost of exchange. CDP, the Manager or Elite Commercial REIT shall not be liable for any loss arising from the conversion of distributions payable to Unitholders from GBP into Singapore dollars. Save for approved depository agents (acting as nominees of their customers), each Unitholder may elect to receive his entire distribution in Singapore dollars or GBP and shall not be able to elect to receive distributions in a combination of Singapore dollars and GBP.

EXCHANGE RATE INFORMATION

The tables below set forth, for the period from 2014 to the Latest Practicable Date, information concerning the exchange rates between Singapore dollars and GBP (in Singapore dollar per GBP). The exchange rates were based on the average between the bid and offer rates of the currency as obtained from Bloomberg L.P.⁽¹⁾. No representation is made that the GBP amounts actually represent such Singapore dollar amounts or could have been or could be converted into Singapore dollars at the rates indicated, at any other rate, or at all. The exchange rates set out below are historical rates for illustrative purposes only and no representation is made regarding any trends in exchange rates.

Period ended	Singapore dollar per GBP		
	Average	High	Low
2014	2.087	2.142	2.028
2015	2.101	2.225	2.000
2016	1.871	2.101	1.672
2017	1.779	1.833	1.718
2018	1.800	1.879	1.715
January 2019	1.750	1.787	1.723
February 2019	1.762	1.795	1.738
March 2019	1.784	1.804	1.767
April 2019	1.767	1.781	1.756
May 2019	1.760	1.792	1.737
June 2019	1.727	1.736	1.715
July 2019	1.697	1.714	1.665
August 2019	1.683	1.708	1.667
September 2019	1.705	1.727	1.678
October 2019	1.735	1.771	1.686
November 2019	1.755	1.769	1.737
December 2019	1.777	1.806	1.754
January 2020 ⁽²⁾	1.771	1.782	1.762

Notes:

(1) Source: Bloomberg L.P.. Bloomberg L.P. has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA), to the inclusion of the exchange rates quoted above in this Prospectus and therefore is not liable for such information under Sections 253 and 254 of the SFA (read with Section 302(1) of the SFA). While the Manager has taken reasonable action to ensure that the information from the above exchange rates published by Bloomberg L.P. is reproduced in its proper form and context, and that the information is extracted accurately and fairly, neither the Manager, the Joint Issue Managers, the Joint Bookrunners nor any other party has conducted an independent review of the information contained in such report or verified the accuracy of the contents of the relevant information.

(2) Until the Latest Practicable Date.

EXCHANGE CONTROLS

Currently, no exchange control restrictions exist in the UK and all financial transfers are free of exchange controls but are subject to compliance with all relevant applicable Sanctions.

“Sanctions” means any trade, economic or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by a Sanctions Authority; and

“Sanctions Authority” means:

- (a) the Security Council of the United Nations;
- (b) the United States of America;
- (c) the European Union;
- (d) the United Kingdom; and
- (e) the governments and official institutions or agencies of any of paragraphs (a) to (d) above, including (but not limited to) OFAC, the US Department of State and Her Majesty’s Treasury.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the pro forma capitalisation of Elite Commercial REIT as at the Listing Date and after application of the total proceeds from the Offering and the Cornerstone Units. The information in the table below should be read in conjunction with “Use of Proceeds”.

Based on the Offering Price:

	(£'000)
Borrowings	103,200
Units in issue	225,910
Total Capitalisation	329,110

INDEBTEDNESS

On the Listing Date, Elite Commercial REIT will have in place the following debt facilities, through its wholly-owned subsidiary, aggregating £135.0 million (the “**Loan Facilities**”), of which £103.2 million is expected to be drawn as of the Listing Date:

- £120,000,000 term loan facility (“**£120.0 Million Term Loan Facility**”); and
- £15,000,000 uncommitted bridge facility (“**£15.0 Million Bridge Facility**”).

As at the Listing Date, Elite Commercial REIT is expected to have an Aggregate Leverage of approximately 33.6%.

Existing Debt

As at the Latest Practicable Date, Elite Commercial REIT has in place the following debt facilities:

- the loan facility of £181.0 million entered into by Elite Gemstones Properties Limited with Deutsche Bank AG, Singapore Branch and bears interest based on bank margins above a prevailing benchmark (GBP Libor) (“**Deutsche Bank Loan**”). The Deutsche Bank Loan is not secured over the Properties and has a maturity date of 20 November 2024. The Deutsche Bank Loan will be partially repaid by the Listing Date; and
- the loan facility of US\$33.0 million entered into by ECHL with Pierfront Capital Mezzanine Fund Pte. Ltd. (“**Pierfront**”)¹ which was used to part finance the acquisition of the Properties on 16 November 2018 and has a fixed interest rate (“**Pierfront Loan**”). The Pierfront Loan is a junior facility which is not secured over the Properties and has a maturity date of 13 November 2020. For the avoidance of doubt, the Pierfront Loan will be fully repaid by the Listing Date.

¹ Based on Pierfront’s website at <https://www.cliffordcap.sg/pierfront-capital#>, Pierfront was established as an independent investment company offering junior debt, mezzanine and structured financing solutions in capital intensive businesses across a wide range of sectors including, but not limited to infrastructure, energy, transportation, telecommunications and logistics. Pierfront’s focus is on growth capital for asset and corporate acquisition, refinancing and project expansion. For the avoidance of doubt, Pierfront is not related to any of the Sponsors and/or the Manager. Pierfront has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA), to the inclusion of information above in this Prospectus and therefore is not liable for such information under Sections 253 and 254 of the SFA (read with Section 302(1) of the SFA). While the Manager has taken reasonable action to ensure that the information from the above website published by Pierfront is reproduced in its proper form and context, and that the information is extracted accurately and fairly, neither the Manager, the Joint Issue Managers, the Joint Bookrunners nor any other party has conducted an independent review of the information contained in such website or verified the accuracy of the contents of the relevant information.

Principal Terms of the Deutsche Bank Loan

The facility agreement relating to the Deutsche Bank Loan contains financial covenants requiring, inter alia, that Elite Gemstones Properties Limited shall ensure that at all times:

- (a) the interest cover ratio is no less than 1.75 times; and
- (b) the loan to value, defined as the debt exposure as a percentage of the aggregate market value of the Properties, does not exceed:
 - (i) if no bridge loan is outstanding:
 - (A) at any time prior to the Listing Date, 65.0%; or
 - (B) at any time on and following the Listing Date, 43.5%; or
 - (ii) at any time when a bridge loan is outstanding, 45.0%.

The Deutsche Bank Loan also contains certain covenants that require Elite Gemstones Properties Limited, to remain an indirect subsidiary of Elite Commercial REIT, a breach of which may result in a mandatory prepayment event under the Deutsche Bank Loan.

The financial covenants stated above will be met as at the Listing Date.

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The Manager is proposing to present pro forma income statements of comprehensive income and statements of cash flows of Elite Commercial REIT for the period from 7 June 2018 (being the date of constitution) to 31 December 2018 and the eight months ended 31 August 2019 and pro forma balance sheets as at 31 December 2018 and 31 August 2019 (collectively, the “**Unaudited Pro Forma Consolidated Financial Information**”) and a profit forecast for the period from 1 January 2020 to 31 December 2020 (“**Forecast Year 2020**”) and a profit projection for the period from 1 January 2021 to 31 December 2021 (“**Projection Year 2021**”).

The Manager is unable to provide the historical pro forma income statement or statement of comprehensive income of Elite Commercial REIT for the past three full financial years ended 31 December 2018 as:

- **Elite Commercial REIT completed the acquisition of all the Properties on 16 November 2018;**

Elite Commercial REIT completed the acquisition of all the Properties on 16 November 2018 from an unrelated third-party vendor, being a subsidiary of Telereal Trillium Limited¹. The acquisition was funded by a combination of (i) equity financing from the Private Trust Investors, (ii) the Pierfront Loan; and (iii) a loan taken out by Elite Gemstones Properties Limited from Lloyds Bank Corporate Market plc². While Elite Commercial REIT acquired the property holding company, London Wall Outsourcing Investments Limited³ (the “**Property Holding Company**”), the vendor which sold the Properties to Elite Commercial REIT did not warrant the accuracy of the underlying historical financials and operating data prior to the date of acquisition of the Properties. Hence, the Manager would not be able to prepare historical pro forma financial statements for the period prior to 16 November 2018.

- **the Property Holding Company underwent restructuring by the then vendor before the completion of the acquisition; and**

Prior to the acquisition of the Property Holding Company, the Property Holding Company held 71 other properties. The Property Holding Company was restructured by the vendor to transfer such other properties out of the Property Holding Company. Accordingly, the financials of the Property Holding Company are comingled with the financial information in relation to such other properties which have been transferred out of the Property Holding Company.

- **the Private Trust Investors are not willing to provide representations and warranties.**

Elite Commercial REIT was constituted on 7 June 2018 as a private trust known as Elite UK Commercial Fund. The Private Trust Investors are not willing and commercially not agreeable to warrant the accuracy of historical financial information on the Properties prior to the acquisition by Elite UK Commercial Fund.

1 Based on Telereal Trillium’s website at <http://www.telerealtrillium.com/>, Telereal Trillium is one of the UK’s largest property companies, owning and managing a £8.0 billion portfolio with a total floor area of approximately 79.0 million sq ft. Operating in property partnerships, investment, development and strategic land – Telereal Trillium has an established UK-wide portfolio of more than 12,000 properties. Telereal Trillium has not provided its consent, for the purposes of Section 249 of the SFA (read with Section 302(1) of the SFA), to the inclusion of the information quoted above in this Prospectus and therefore is not liable for such information under Sections 253 and 254 of the SFA (read with Section 302(1) of the SFA). While the Manager has taken reasonable action to ensure that the information from the above website published by Telereal Trillium is reproduced in its proper form and context, and that the information is extracted accurately and fairly, neither the Manager, the Joint Issue Managers, the Joint Bookrunners nor any other party has conducted an independent review of the information contained in such website or verified the accuracy of the contents of the relevant information.

2 This loan has been fully repaid and replaced by the Deutsche Bank Loan.

3 Now known as Elite Gemstones Properties Limited.

For the reasons stated above, Elite Commercial REIT has obtained confirmation from the SGX-ST that it has no further comments on the requirement for Elite Commercial REIT to prepare historical pro forma statements of total return for the latest three financial years of Elite Commercial REIT, subject to the inclusion of the following in this Prospectus:

- the pro forma statements of comprehensive income and statements of cash flows of Elite Commercial REIT for the period 7 June 2018 to 31 December 2018 and the eight months ended 31 August 2019;
- the unaudited pro forma balance sheet as at 31 December 2018 and 31 August 2019;
- the profit forecast for Forecast Year 2020 and Projection Year 2021; and
- full disclosure of the reasons that historical pro forma financial information cannot be provided for the latest three financial years of the Elite Commercial REIT Group.

The following tables are only an extract from, and should be read together with, “Unaudited Pro Forma Consolidated Financial Information” and the report set out in Appendix B, “Reporting Auditors’ Report on the Unaudited Pro Forma Consolidated Financial Information”.

Elite Commercial REIT was constituted on 7 June 2018. It acquired the subsidiaries which own the underlying Properties only on 16 November 2018 (“**Acquisition Date**”). Accordingly, the Unaudited Pro Forma Consolidated Statements of Comprehensive Income and Unaudited Pro Forma Consolidated Statements of Cash Flows of the Group for the period from 7 June 2018 to 31 December 2018 reflect the results and cash flows of the Properties only for the period from the Acquisition Date to 31 December 2018.

The following tables present the Unaudited Pro Forma Consolidated Statements of Financial Position of the Group as at the 31 December 2018 and 31 August 2019, the Unaudited Pro Forma Consolidated Statements of Comprehensive Income of the Group for the period from 7 June 2018 to 31 December 2018 and the eight months ended 31 August 2019 and the Unaudited Pro Forma Consolidated Statement of Cash Flows of the Group for the period from 7 June 2018 to 31 December 2018 and the eight months ended 31 August 2019. Such unaudited pro forma consolidated financial information should be read in conjunction with the related notes thereto.

The objective of the Unaudited Pro Forma Consolidated Financial Information is to show what the financial position, financial performance and cash flows might have been, had Elite Commercial REIT undertaken the Offering at an earlier date. However, the Unaudited Pro Forma Consolidated Financial Information is not necessarily indicative of the financial position, financial performance and cash flows that would have been attained had Elite Commercial REIT actually made its Offering earlier. The Unaudited Pro Forma Consolidated Financial Information has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of the Group’s actual financial position, financial performance or cash flows.

The Unaudited Pro Forma Consolidated Statements of Financial Position of the Group have been prepared to reflect the financial position of the Group as if it had undertaken the Offering, on 31 December 2018 and 31 August 2019 respectively, under the same terms set out in the Prospectus. The Manager confirms that there is no material information for the month of September 2019 which investors and their professional advisers would reasonably require and expect to find in this Prospectus, for the purpose of making an informed decision about the merits and risks of Elite Commercial REIT.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION⁽¹⁾

	As at 31 December 2018 £'000	As at 31 August 2019 £'000
Non-current assets		
Investment properties ⁽²⁾	289,463	295,968
	<u>289,463</u>	<u>295,968</u>
Current assets		
Trade and other receivables	2,425	811
Cash and cash equivalents	7,694	10,267
	<u>10,119</u>	<u>11,078⁽³⁾</u>
Total assets	<u>299,582</u>	<u>307,046</u>
Non-current liabilities		
Loans and borrowings	101,588	101,588
Deferred tax liabilities	1,263	2,462
	<u>102,851</u>	<u>104,050</u>
Current liabilities		
Trade and other payables	2,237	5,881
Current tax liabilities	2,301	914
	<u>4,538</u>	<u>6,795</u>
Total liabilities	<u>107,389</u>	<u>110,845</u>
	<u>192,193</u>	<u>196,201⁽³⁾</u>
Unitholders' funds	<u>192,193</u>	<u>196,201</u>

Notes:

- (1) The Unaudited Pro Forma Consolidated Statements of Financial Position as at 31 December 2018 and 31 August 2019 have been prepared assuming issuance of 192,514,100 Units at the Offering Price of £0.68.
- (2) Investment properties are stated at their fair values based on the average of the valuations of the Properties (31 December 2018: Colliers and Cushman & Wakefield; 31 August 2019: Colliers and Knight Frank) by two valuers based on the price that would be received for the sale of each Property, in accordance with the relevant accounting standard. The fair values are based on market values of the Properties in an exchange between market participants. It should be noted that the valuations by both valuers in respect of the purchase consideration for the purposes of the IPO are derived assuming that the IPO Portfolio is held in an SPV which is exchanged between market participants and stamp duty land tax payments would not be incurred. For the avoidance of doubt, the IPO Portfolio is currently held in an SPV (i.e. Elite Gemstones Properties Limited) and no stamp duty land tax payments will be incurred as part of the IPO of Elite Commercial REIT. Accordingly, the fair values of the Properties recorded under the accounting standards would not be same as the Colliers' valuation used in deriving the purchase consideration, even if the Colliers' valuation were to be adopted. The Manager has therefore adopted the average of the two valuations as the fair values of the Properties for the purposes of the pro forma consolidated statements of financial position.
- (3) Current assets and net assets as at 31 August 2019 have been adjusted for the estimated cash distribution of £4,695,000 assumed to be paid to the Private Trust Investors prior to the Offering.

The Unaudited Pro Forma Consolidated Statements of Comprehensive Income have been prepared to reflect the financial performance of the Group, assuming the Offering was undertaken on 7 June 2018, pursuant to the terms set out in the Prospectus.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME⁽¹⁾

	Period from 7 June 2018 (date of constitution) to 31 December 2018⁽²⁾ £'000	Eight months ended 31 August 2019 £'000
Revenue	2,862	15,278
Property operating expenses	(80)	(446)
Net property income	2,782	14,832
Manager's management fees	(157)	(1,095)
Trustee's fees	(60)	(71)
Other operating expenses	(2,429)	(856)
Finance income	8	4
Finance costs	(462)	(1,788)
Net finance costs	(454)	(1,784)
Net change in fair value of investment properties	(1,462)	6,505
(Loss)/Profit before tax	(1,780)	17,531
Tax expense	(1,512)	(2,814)
(Loss)/Profit after tax	(3,292)⁽³⁾	14,717

Notes:

- (1) The Unaudited Pro Forma Consolidated Statements of Comprehensive Income as at 31 December 2018 and 31 August 2019 have been prepared assuming issuance of 192,514,100 Units at the Offering Price of £0.68.
- (2) The Unaudited Pro Forma Consolidated Statement of Comprehensive Income reflect the results of the Properties only from 16 November 2018 (being the date the Properties were acquired by the Group) to 31 December 2018.
- (3) The loss after tax for the period from 7 June 2018 to 31 December 2018 was mainly due to unit issue costs of £1.9 million charged to profit or loss and recognition of fair value loss on investment properties of £1.5 million. The fair value loss mainly arose from the transaction costs incurred in relation to the acquisition of the Properties which had been capitalised as part of the carrying value of the investment properties on acquisition, in accordance with the accounting standards.

The Unaudited Pro Forma Consolidated Statements of Cash Flows have been prepared to reflect the cash flows of the Group, assuming the Offering was undertaken on 7 June 2018, pursuant to the terms set out in the Prospectus.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF CASH FLOWS⁽¹⁾

	Period from 7 June 2018 (date of constitution) to 31 December 2018⁽²⁾ £'000	Eight months ended 31 August 2019 £'000
Cash flows from operating activities		
(Loss)/Profit before tax	(1,780)	17,531
Adjustments for:		
Net finance costs	454	1,784
Fair value change in investment properties	1,462	(6,505)
Lease management fees payable in units	29	153
Manager's management fees payable in units	157	1,095
Unit issue costs	1,853	—
Operating income before working capital changes	2,175	14,058
Changes in working capital:		
Trade and other receivables	(1,934)	1,730
Trade and other payables	(533)	1,184
Income tax paid	—	(2,975)
Net cash (used in)/generated from operating activities	(292)⁽³⁾	13,997
Cash flows from investing activities		
Acquisition of subsidiaries	(286,477)	—
Interest received	8	4
Net cash (used in)/generated from investing activities	(286,469)	4

	Period from 7 June 2018 (date of constitution) to 31 December 2018 ⁽²⁾ £'000	Eight months ended 31 August 2019 £'000
Cash flows from financing activities		
Proceeds from issue of units	225,910	—
Redemption of existing units	(18,915)	—
Payment of transaction costs related to the issue of units	(8,561)	—
Proceeds from borrowings	358,421	—
Proceeds from convertible loan	25,360	—
Repayment of borrowings	(281,225)	—
Payment of transaction costs related to borrowings	(3,928)	—
Interest paid	—	(1,476)
Distribution to unitholders	—	(4,695)
Movement in restricted cash	(1,184)	—
Net cash generated from/(used in) financing activities	295,878	(6,171)
Net increase in cash and cash equivalents	9,117	7,830
Cash and cash equivalents at beginning of the period	—	9,117
Cash and cash equivalents at end of the period	9,117	16,947

Notes:

- (1) The Unaudited Pro Forma Consolidated Statements of Cash Flows as at 31 December 2018 and 31 August 2019 have been prepared assuming issuance of 192,514,100 Units at the Offering Price of £0.68.
- (2) The Unaudited Pro Forma Consolidated Statement of Cash Flows reflect the cash flows of the Properties only from 16 November 2018 (being the date the Properties were acquired by the Group) to 31 December 2018.
- (3) The negative operating cash flows for the period from 7 June 2018 to 31 December 2018 was mainly due to timing differences in respect of the following items: (a) rental income for the last week of December 2018 had not been received from the Property Manager which collects the rental income on behalf of the Group and (b) the Group's claim for value added tax on acquisition-related costs incurred which is assumed to be not yet received. Excluding the foregoing items, the Group would have generated positive operating cash flows.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Unaudited Pro Forma Consolidated Financial Information and notes thereto included elsewhere in this Prospectus. Statements contained in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" that are not historical facts may be forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions which could cause actual results to differ materially from those forecasted and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Manager or any other person, nor that these results will be achieved or are likely to be achieved. (See "Forward-looking Statements" and "Risk Factors" for further details.) Recipients of this Prospectus and all prospective investors in the Units are cautioned not to place undue reliance on these forward-looking statements.

The Unaudited Pro Forma Consolidated Financial Information has been prepared for illustrative purposes only, and is based on certain assumptions after making certain adjustments to show:

- (i) the Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 December 2018 and 31 August 2019 reflect the financial position of the Group, assuming the Offering was undertaken on 31 December 2018 and 31 August 2019 respectively;*
- (ii) the Unaudited Pro Forma Consolidated Statements of Comprehensive Income for the period from 7 June 2018 to 31 December 2018 and the eight months ended 31 August 2019 reflect the financial performance of the Group, assuming the Offering was undertaken on 7 June 2018 under the same terms as set out in the Prospectus; and*
- (iii) the Unaudited Pro Forma Consolidated Statement of Cash Flows for the period from 7 June 2018 to 31 December 2018 and the eight months ended 31 August 2019 reflect the cash flows of the Group, assuming the Offering was undertaken on 7 June 2018.*

The Unaudited Pro Forma Consolidated Financial Information is not necessarily indicative of the results of the operations or the financial position that would have been attained had the acquisition of the Properties and the Fee Arrangements actually occurred in the relevant periods. The Unaudited Pro Forma Consolidated Financial Information, because of its nature, may not give a true or accurate picture of Elite Commercial REIT's actual financial position, profit or loss or cash flows.

The following discussion and analysis of the financial condition and results and cash flows of operations is based on and should be read in conjunction with the Unaudited Pro Forma Consolidated Financial Information and related notes thereto, which are included elsewhere in this Prospectus.

(See Appendix B, "Reporting Auditors' Report on the Unaudited Consolidated Pro Forma Financial Information" and Appendix C, "Unaudited Pro Forma Consolidated Financial Information", for further details.)

General Background

Elite Commercial REIT is a Singapore REIT established with the investment strategy of principally investing, directly or indirectly, in commercial assets and real estate-related assets in the UK.

Elite Commercial REIT's key objectives are to provide Unitholders with regular and stable distributions and to achieve long-term growth in DPU and NAV per Unit, while maintaining an appropriate capital structure.

IPO Portfolio

The IPO Portfolio comprises 97 Properties located across the UK, with a total net internal area of approximately 2.6 million square feet and a total site area of approximately 47 hectares.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME DETAILS

Revenue

The Revenue of Elite Commercial REIT consists of rental income earned from the Properties. The Revenue for the relevant period consists of the following:

	Period from 7 June 2018 (date of constitution) to 31 December 2018 £'000	Period from 1 January 2019 to 31 August 2019 £'000
Rental income	2,862	15,278 ¹

Rental Income

Rental income principally comprises rental income received from rental of space. Rental rates are generally fixed with appropriate rental escalations for the tenure of the leases and are subject to review upon renewal or extension of the leases. More than 99.0% of the rental income is derived from the UK Government.

Property Operating Expenses

Property operating expenses arising from the Properties comprise the following:

	Period from 7 June 2018 (date of constitution) to 31 December 2018 £'000	Period from 1 January 2019 to 31 August 2019 £'000
Lease Management Fee	29	153
Property management fees	30	157
Insurance expenses	21	136
	80	446

¹ The reason for the significant increase in rental income is because for the period from 7 June 2018 to 31 December 2018, the rental income reflects approximately 1.5 months of rental income given that the acquisition of the Properties was only completed in mid-November 2018, while the rental income for the period from 1 January 2019 to 31 August 2019 reflects eight months of rental income.

Property Management Fees

Elite Commercial REIT, via Elite Gemstones Properties Limited, entered into a property management agreement with an independent third-party property manager. The property manager is entitled to an annual property management fee as defined in the Property Management Agreement. Property management fees are payable on a quarterly basis in advance.

Insurance Expense

Elite Commercial REIT, via Elite Gemstones Properties Limited, purchased property-related insurance for the Properties. The insurance coverage is in line with market practice based on the Properties' asset class.

Manager's Base Fee and Performance Fee

Pursuant to the Trust Deed, the Manager is entitled to a Base Fee of 10.0% per annum of the Annual Distributable Income and a Performance Fee of 25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year multiplied by the weighted average number of Units in issue for such financial year.

The Performance Fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in such financial year where the Performance Fee is payable may be less than the DPU in any preceding financial year.

No Performance Fee is payable for the period from 7 June 2018 to 31 December 2018 and the eight months ended 31 August 2019. It has been assumed that the Manager has elected to receive 100.0% of the Base Fee in the form of Units for the periods presented and that such Units are issued at the Offering Price for the pro forma years.

Trustee's Fee

The Trustee's fee shall not exceed 0.015% per annum of the value of the Deposited Property, subject to a minimum of S\$15,000 per month, excluding out-of-pocket expenses and GST in accordance with the Trust Deed.

The actual fee payable will be determined between the Manager and the Trustee from time to time.

Finance Income

Finance income consists of interest income on cash and the net gain on derivative financial instruments.

Finance Costs

Finance costs consist of interest expense incurred on borrowings, commitment fees on credit facilities and amortisation of debt-related transaction costs. Debt-related transaction costs are amortised over the term of the related debt on a straight-line basis.

Tax Expense

Tax expense consists of current and deferred tax expenses. The current tax expense is based on the prevailing UK corporate tax rate of 19.0%. The deferred tax expense relates to the capital allowances claimed and fair value gains on investment properties and has been provided based on the UK corporate tax rate of 17.0%, being the enacted tax rate at the respective reporting dates as the UK Government had announced a reduction to the corporation tax rate from 19.0% to 17.0% with effect from 1 April 2020.

It should be noted that during the campaign for the 2019 UK election, the Conservative Party (which won the election in December 2019) had mentioned that it intended to maintain the UK corporate tax rate at 19.0% and did not intend to proceed with the planned reduction to 17.0% in April 2020. Such change, if any, is likely to be announced in the UK Budget which is due to take place in March 2020. Further details are set out in the section “Taxation”.

ANALYSIS OF THE PERFORMANCE OF THE PROPERTIES

Revenue Trends

All Properties derive rental income that is subject to rent reviews on or during lease breaks. For the period from 7 June 2018 to 31 December 2018 and the eight months ended 31 August 2019, as none of the existing leases were subject to rent reviews.

Occupancy Trends

For the period from 7 June 2018 to 31 December 2018 and the eight months ended 31 August 2019, the occupancy rate for all the Properties was at 100.0%.

PROFIT FORECAST AND PROFIT PROJECTION

Statements contained in the Profit Forecast and Profit Projection section that are not historical facts may be forward-looking statements. Such statements are based on the assumptions set forth in this section of the Prospectus and are subject to certain risks and uncertainties which could cause actual results to differ materially from those forecast and projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by any of Elite Commercial REIT, the Joint Issue Managers, the Joint Bookrunners, the Trustee, the Sponsors or any other person, or that these results will be achieved or are likely to be achieved (see “Forward-looking Statements” and “Risk Factors” for further details). Investors in the Units are cautioned not to place undue reliance on these forward-looking statements which are made only as of the date of this Prospectus.

None of Elite Commercial REIT, the Joint Issue Managers, the Joint Bookrunners, the Trustee, or the Sponsors guarantee the performance of Elite Commercial REIT, the repayment of capital or the payment of any distributions, or any particular return on the Units. The forecast and projected yields stated in the following table are calculated based on:

- ***the Offering Price; and***
- ***the assumption that the Listing Date is 1 January 2020.***

Such yields will vary accordingly if the Listing Date is not 1 January 2020, or for investors who purchase Units in the secondary market at a market price that differs from the Offering Price.

The following table shows Elite Commercial REIT’s forecast and projected Consolidated Statements of Comprehensive Income and Distribution for Forecast Year 2020 and Projection Year 2021. The financial year end of Elite Commercial REIT is 31 December. The Profit Forecast and Profit Projection may be different to the extent that the actual date of issuance of Units is other than 1 January 2020, being the assumed date of the issuance of Units for the Offering. The Profit Forecast and Profit Projection are based on the assumptions set out below and have been examined by the Reporting Auditors, being KPMG LLP, and should be read together with the report “Reporting Auditors’ Report on the Profit Forecast and Profit Projection” set out in Appendix A, as well as the assumptions and the sensitivity analysis set out in this section of the Prospectus.

Forecast and Projected Statement of Total Return based on the Offering Price

Forecast and Projected Consolidated Statements of Comprehensive Income and Distribution

The forecast and projected Consolidated Statements of Comprehensive Income and Distribution are as follows:

	Forecast Year 2020 (Full Year from 1 January 2020 to 31 December 2020)	Projection Year 2021 (Full Year from 1 January 2021 to 31 December 2021)
	(£'000)	(£'000)
Revenue	23,274	23,274
Property operating expenses	(620)	(620)
Net Property Income	22,654	22,654
Manager's Management Fees	(1,612)	(1,642)
Trustee's fees	(102)	(102)
Other operating expenses	(3,482)	(1,411)
Finance costs	(2,817) ⁽¹⁾	(2,681) ⁽²⁾
Profit before tax	14,641	16,818
Tax expense	(2,771)	(2,816)
Profit after tax	11,870	14,002
Distribution adjustments	4,251 ⁽³⁾	2,415 ⁽⁴⁾
Income available for distribution to Unitholders	16,121	16,417
Number of Units issued and issuable at the end of the year ⁽⁵⁾ ('000)	334,933	337,690
Distribution per Unit		
– pence	4.83	4.88
– S\$ cents ⁽⁶⁾	8.50	8.58
Offering Price (£)	0.68	0.68
Distribution Yield (%)	7.1	7.2

Notes:

- (1) Finance costs comprise interest expense on borrowings, commitment fees on credit facilities and amortisation of debt-related transaction costs.
- (2) Finance costs comprise interest expense on borrowings and amortisation of debt-related transaction costs.
- (3) Distribution adjustments comprises Manager's Base Fee and Lease Management Fee to be paid in Units, amortisation of debt-related transaction costs, Trustee's Fees, deferred tax expenses and certain professional fees related to IPO.
- (4) Distribution adjustments comprises Manager's Base Fee and Lease Management Fee to be paid in Units, amortisation of debt-related transaction costs, Trustee's Fees and deferred tax expenses.
- (5) Includes the increase in number of Units in issue as a result of the payment of 100.0% of the Manager's Base Fee and Lease Management Fee for the relevant period in the form of Units issued at the Offering Price of £0.68.
- (6) Based on the exchange rate assumption of £1.00 to S\$1.76 for Forecast Year 2020 and £1.00 to S\$1.76 for Projection Year 2021.

ASSUMPTIONS

The Manager has prepared the Profit Forecast and Profit Projection on the following assumptions. The Manager considers these assumptions to be appropriate and reasonable as at the date of this Prospectus. However, investors should consider these assumptions as well as the Profit Forecast and Profit Projection and make their own assessment of the future performance of Elite Commercial REIT.

Revenue

Revenue comprises contracted income from the leasing of the office spaces of the IPO Portfolio. Over 99.0% of the Gross Rental Income is derived from the current leases leased to the UK Government via The Secretary of State for Housing, Communities and Local Government (with the DWP occupying each Property under a group sharing arrangement). The balance Gross Rental Income is from a small number of retail tenants at two of the 97 Properties.

Property Operating Expenses

Property operating expenses comprise the following:

	Forecast Year 2020 (Full Year from 1 January 2020 to 31 December 2020) (£'000)	Projection Year 2021 (Full Year from 1 January 2021 to 31 December 2021) (£'000)
Lease Management Fee	233	233
Property Management Fee	236	236
Insurance expenses	151	151
Total	620	620

The Lease Management Fee is payable to the Manager and is based on 1.0% per annum of Revenue of each Property. The Manager has elected to receive 100.0% of the Lease Management Fee in the form of Units for the period from the Listing Date to the end of Projection Year 2021. Where the Lease Management Fees are payable in Units, the Manager has assumed that such Units are issued at the Offering Price for Forecast Year 2020 and Projection Year 2021.

The Property Management Fee is the fee payable to the Property Manager, being Jones Lang LaSalle Limited. The Property Management Fee for Forecast Year 2020 is based on the agreed amount in the Property Management Agreement which will expire in November 2020. The Manager has assumed that the Property Management Agreement will be renewed at the same rate for the period up to end of Projection Year 2021.

Insurance expenses relating to property-related insurance coverage for the Properties have been estimated based on the actual insurance expense incurred on the Properties.

Net Property Income

The Properties are all let on co-terminus, full repairing and insuring (triple net) leases. Co-terminus leases are leases which will expire or terminate at the same time. Under a full repairing and insuring (triple net) lease, the responsibility for the repair of the external, internal and structural format of the property is placed with the tenant. Under the terms of such a fully repairing and insuring (triple net) lease, Elite Commercial REIT as the landlord has no repairing

or insuring liability and will not be required to bear the costs of material repairs to the Properties, if any. Elite Commercial REIT will not be required to bear any property operating expenses other than the fees described above (i.e. the Lease Management Fee, Property Management Fee and Insurance expenses).

Manager's Management Fees

Manager's Management Fees consists of the Base Fee and Performance Fee.

Pursuant to the Trust Deed, the Manager is entitled to a Base Fee of 10.0% per annum of the Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee) and a Performance Fee of 25.0% per annum of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the Performance Fee and after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year. The Performance Fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in the financial year where the Performance Fee is payable may be less than the DPU in any preceding financial year.

No Performance Fee is assumed to be payable for Forecast Year 2020 and Projection Year 2021.

The Manager has elected to receive 100.0% of the Base Fee in the form of Units for the period from the Listing Date to the end of Projection Year 2021. Where the management fees are payable in Units, the Manager has assumed that such Units are issued at the Offering Price for Forecast Year 2020 and Projection Year 2021.

Trustee's Fees

The Trustee's fee shall not exceed 0.015% per annum of the value of the Deposited Property, subject to a minimum of S\$15,000 per month, excluding out-of-pocket expenses and GST in accordance with the Trust Deed. The Trustee's fee for Forecast Year 2020 and Projection Year 2021 has been assumed to be based on the minimum of S\$15,000 per month.

Other Operating Expenses

Other operating expenses consist of Elite Commercial REIT's expenses such as audit and legal fees, valuation fees, listing and related fees, as well as expenses relating to investor communication such as preparation and distribution of reports to Unitholders and Unitholders meetings.

In Forecast Year 2020, other operating expenses also include approximately £1.9 million of professional fees that was incurred from the IPO of Elite Commercial REIT. These professional fees of approximately £1.9 million is added back in arriving at the income available for distribution to Unitholders and hence, have no impact to distributable income.

Finance Costs

Finance costs consists of interest expense on borrowings, commitment fees on credit facilities and amortisation of debt-related transaction costs.

On the Listing Date, Elite Commercial REIT will have in place a five-year, £120.0 Million Term Loan Facility.

The Manager has assumed the average effective interest rate for Forecast Year 2020 and Projection Year 2021 to be approximately 2.30% and 2.29% per annum respectively, excluding the amortisation of debt-related upfront fee and transaction costs, and commitment fee. An upfront debt establishment and structuring fee incurred in relation to the £120.0 Million Term Loan Facility are assumed to be amortised over five-years, being the term of the loan, and have been included as part of the finance costs. The amortisation of upfront debt establishment and transaction costs amount to £0.3 million for each of the Forecast Year 2020 and Projection Year 2021.

The amortisation of upfront fee and transactions costs in relation to the £120.0 Million Term Loan Facility are added back in arriving at the income available for distribution to Unitholders and hence, have no impact to distributable income.

Tax

Tax expense consists of current and deferred tax expenses. The current tax expense consists of UK corporation tax, which has been assumed to be 19.0% for Forecast Year 2020 and Projection Year 2021, applied to the applicable taxable income of the UK subsidiaries of Elite Commercial REIT. The deferred tax expense relates to the capital allowances claimed against the assumed UK corporation tax of 19.0%. The UK Government had previously announced a change in UK corporation tax rate from 19.0% to 17.0% with effect from 1 April 2020. However, during the campaign for the 2019 UK election, the Conservative Party (which won the election in December 2019) had mentioned that it intended to maintain the UK corporation tax rate at 19.0% and did not intend to proceed with the planned reduction to 17.0% in April 2020. Such change, if any, is likely to be announced in the UK Budget which is due to take place in March 2020. Further details are set out in the section "Taxation". The Manager has assumed the higher corporation tax rate of 19.0% in preparing the Profit Forecast and Profit Projection. In addition, in estimating the amount of deductible interest expense for UK corporation tax purposes, the Manager has assumed that RSIL is treated as the ultimate parent of the CIR worldwide group. The Manager has also assumed that no WHT is payable by Elite Commercial REIT. Further details on UK corporation tax and WHT is set out in the section "Taxation".

Other Assumptions

The Manager has made the following additional assumptions in preparing the Profit Forecast and Profit Projection:

- the portfolio of Elite Commercial REIT remains unchanged for Forecast Year 2020 and Projection Year 2021;
- the fair values of the IPO Portfolio remain unchanged during Forecast Year 2020 and Projection Year 2021;
- no Lease Commissions are paid in Forecast Year 2020 and Projection Year 2021;
- there will be no pre-termination of any committed leases;
- there are no further equity capital raised during Forecast Year 2020 and Projection Year 2021;
- there are no changes to the terms of the Loan Facilities during Forecast Year 2020 and Projection Year 2021;
- there are no changes in applicable tax legislation, other applicable legislation, or regulatory or judicial interpretation of the same during Forecast Year 2020 and Projection Year 2021, except as disclosed above; and

- 100.0% of Elite Commercial REIT's Distributable Income for Forecast Year 2020 and Projection Year 2021 is distributed.

Sensitivity Analysis

The forecast and projected distributions included in this Prospectus are based on a number of assumptions that have been outlined above. The forecast and projected distributions are also subject to a number of risks as outlined in the section "Risk Factors".

Investors should be aware that future events cannot be predicted with any certainty and deviations from the figures forecast or projected in this Prospectus are to be expected. To assist investors in assessing the impact of these assumptions on the Profit Forecast and Profit Projection, a series of tables demonstrating the sensitivity of the distribution yield to changes in the principal assumptions are set out below.

The sensitivity analyses are intended only as a guide. Variations in actual performance could exceed the ranges shown. Movement in other variables may offset or compound the effect of a change in any variable beyond the extent shown.

Fees of the Manager Paid in Units

The Manager has assumed that 100.0% of the Base Fees and the Lease Management Fees will be paid in Units for Forecast Year 2020 and Projection Year 2021. No Performance Fee is assumed to be payable for Forecast Year 2020 and Projection Year 2021. The Manager has assumed that such Units are issued at the Offering Price. The effect of variations in the level of the Management Fees and Lease Management Fees paid in Units on the distribution yield is set out below.

	Forecast Year 2020	Projection Year 2021
Base case (100.0% of Base Fees and Lease Management Fees paid in Units)	7.1%	7.2%
50.0% of Base Fees and Lease Management Fees paid in Units	6.7%	6.8%
0% of Base Fees and Lease Management Fees paid in Units	6.3%	6.4%

Interest Rate

Changes in interest rate will impact the net income of Elite Commercial REIT and, consequently, distribution yield. The effect of variations in the interest rate on the distribution yield for Unitholders is set out below:

	Forecast Year 2020	Projection Year 2021
25 basis points above base case	7.0%	7.1%
Base Case	7.1%	7.2%
25 basis points below base case	7.2%	7.3%

Foreign Exchange Rate

Elite Commercial REIT receives all of its income from the Properties in pound sterling. Distributions will be declared in pound sterling. Each Unitholder will receive his distribution in Singapore dollars equivalent of the pound sterling distribution declared, unless he elects to receive the relevant distribution in pound sterling by submitting a "Distribution Election Notice" by the relevant cut-off date.

The effect of variations in the foreign exchange rate on the distribution yield for Unitholders who will receive their distribution in Singapore Dollars is set out below.

	Forecast Year 2020	Projection Year 2021
5.0% depreciation of SGD	7.5%	7.5%
Base case	7.1%	7.2%
5.0% appreciation of SGD	6.7%	6.8%

UK Corporation Tax Rate

The UK corporate tax rate has been assumed at 19.0% in the preparation of the Profit Forecast and Profit Projection as the Conservative Party (which won the UK election in December 2019) had mentioned during its election campaign that it intended to maintain in the UK corporation tax rate at 19.0% and did not intend to proceed with the previously announced planned reduction in UK corporation tax rate from 19.0% to 17.0% with effect from 1 April 2020. Such a change, if any, is likely to be announced in the UK Budget which is due to take place in March 2020. The effect of applying a 17.0% corporation tax rate with effect from 1 April 2020 on the distribution yield for Unitholders is set out below:

	Forecast Year 2020	Projection Year 2021
Base case	7.1%	7.2%
Decrease in UK corporation tax rate to 17.0% with effect from 1 April 2020	7.2%	7.3%

The UK corporation tax is based on the assumption that RSIL is treated as the ultimate parent of the CIR worldwide group. (See "Taxation – UK Tax Overview – Overview of UK CIR/Anti-hybrid Rules" for further details regarding the relevant CIR rules.) If the ultimate parent of the CIR worldwide group is deemed to be Elite Commercial REIT instead of RSIL, the amount of interest expense that is tax deductible for UK corporation tax purposes overall should be reduced. Accordingly, this may result in higher UK corporation tax payable by the Group, taking into account all other UK tax legislation. The potential effect on the distribution yield in the event that the ultimate parent of the CIR worldwide group is deemed to be Elite Commercial REIT instead of RSIL is set out below:

	Forecast Year 2020	Projection Year 2021
Base case	7.1%	7.2%
Elite Commercial REIT deemed as ultimate parent of the CIR worldwide group	6.8%	6.9%

STRATEGY

INTRODUCTION

Elite Commercial REIT's key strategic objectives are to provide investors with a diversified, stable and sustainable income stream, while also benefiting from organic growth and value-add opportunities aiming to maximise Unitholders' returns.

The IPO Portfolio of Elite Commercial REIT comprises 97 quality commercial buildings located across the UK, with a total net internal area of approximately 2.6 million square feet and a total site area of approximately 47 hectares. The initial portfolio is predominantly freehold. This provides Elite Commercial REIT with a broad and stable income base with the potential to achieve further growth through rental escalations and acquisition of new properties.

INVESTMENT STRATEGY

Elite Commercial REIT is a Singapore REIT established with the investment strategy of principally investing, directly or indirectly, in commercial assets and real estate-related assets in the UK.

In accordance with the requirements of the Listing Manual, the Manager's investment strategy for Elite Commercial REIT will be adhered to for at least three years following the Listing Date. The Manager's investment strategy for Elite Commercial REIT may only be changed within three years from the Listing Date if an Extraordinary Resolution is passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

KEY OBJECTIVES

Elite Commercial REIT's key objectives are (i) to provide Unitholders with regular and stable distributions and (ii) to achieve long-term growth in DPU and NAV per Unit, while maintaining an appropriate capital structure.

KEY STRATEGIES

The Manager plans to achieve Elite Commercial REIT's objectives through the following key strategies:

- **Acquisition growth strategy supported by a rigorous research driven selection process and an extensive expertise in the UK with strong sourcing capabilities** – The Manager will seek portfolio growth through the acquisition of quality income-producing properties across the UK used mainly for commercial purpose. The Manager will adopt a rigorous selection process focused on long-term sector trends and fundamental real estate qualities to ensure that investments are focused on the right locations that can provide attractive cash flows and yields and which fit within Elite Commercial REIT's investment strategy to enhance returns to Unitholders and improve opportunities for future income and capital growth.
- **Active asset management and enhancement strategy** – The Manager will actively manage Elite Commercial REIT's property portfolio and will seek to drive organic growth in Revenue and Net Property Income and maintain strong tenant relationships. While at present, over 99.0% of Elite Commercial REIT's Gross Rental Income is derived from a single tenant, nonetheless whilst growing Elite Commercial REIT's portfolio, the Manager may, in future, source other tenants. The Manager has a proactive tenant management strategy which focuses on, but is not limited to, engaging existing tenants and growing with them, sourcing of high quality tenants with strong credit profiles such as government and government-related entities, optimising lease tenures to increase stability of income,

maximising property cost efficiencies and striving to diversify tenant mix. The Manager will also regularly evaluate its properties to identify potential property enhancement or redevelopment opportunities that can improve and/or enhance Elite Commercial REIT's income streams.

- **Prudent capital management strategy** – The Manager will endeavour to employ an appropriate mix of debt and equity in financing acquisitions and asset enhancement. The Manager will also seek to optimise its cost of debt financing and utilise interest rate hedging strategies where appropriate, in order to minimise exposure to market volatility and maximise risk-adjusted returns to Unitholders.

Investments and Acquisition Growth Strategy

The Manager will pursue opportunities to undertake acquisitions of assets that it believes will be accretive to Elite Commercial REIT's portfolio and/or improve returns to Unitholders relative to Elite Commercial REIT's weighted average cost of capital, and opportunities for future income and capital growth. In evaluating future acquisition opportunities, the Manager will seek acquisitions that may enhance the diversification of the portfolio by location and tenant profile, and optimise risk-adjusted returns to the Unitholders.

The Manager believes it is well qualified to pursue its acquisition strategy. The management of the Manager has extensive experience and a strong track record in sourcing, acquiring and financing real estate assets in the UK. The industry knowledge, relationships and access to market information of the management of the Manager provide a competitive advantage with respect to identifying, evaluating and acquiring additional real estate assets.

In addition, the Manager believes Elite Commercial REIT will be able to benefit from the Sponsors' extensive expertise and strong sourcing capabilities in the UK which can help increase potential acquisition opportunities. In particular, a right of first refusal has been granted by Elite UK Commercial Fund II, a private trust managed by EPC (which is a wholly-owned subsidiary of EPH) over 62 commercial properties located across the UK, which are primarily long-term leased to the UK Government. Given that the acquisition of such properties was only completed by Elite UK Commercial Fund II on 30 December 2019, these properties have not been included in the IPO Portfolio.

Investment criteria

In evaluating future acquisition opportunities for Elite Commercial REIT, the Manager will focus primarily on the following investment criteria in relation to the property under consideration:

- **Yield requirements** – The Manager will seek to invest in income-producing properties that provide increasing distributions to Unitholders over time, through the ability to increase the building's occupancy rate, renew existing leases to higher market rents at lease expiration, and from contractual rental increases in the tenants' leases.
- **Tenant mix and occupancy characteristics** – The Manager will seek to acquire properties with high quality and reputable tenants, or properties with the potential to generate higher rentals and properties with potential for high tenant retention rates, relative to comparable properties in their respective micro-property markets. In addition, the Manager will evaluate the following prior to the acquisition of a property: (i) tenant credit quality in order to reduce the probability of collection losses; (ii) rental rates and occupancy trends to estimate rental income and occupancy rate going forward; and (iii) the impact of the acquisition on the entire portfolio's tenant, business sector and lease expiry profiles.

- **Location** – The Manager will assess each property’s location and the potential based on business growth in its market, as well as its impact on the overall geographic diversification of the portfolio. The Manager will evaluate potential acquisition targets for micro-market location and convenient access to major roads and public transportation.
- **Value-adding opportunities** – The Manager will seek to acquire properties with opportunities to increase occupancy rates and enhance value through proactive property management. The potential to add value through selective renovation or other types of asset enhancement initiatives will also be assessed.
- **Building and facilities specification** – The Manager will endeavour to conduct thorough property due diligence and adhere strictly to the relevant quality specifications, with due consideration given to the size and age of the buildings, with respect to potential properties to be acquired by Elite Commercial REIT. The Manager will seek to acquire buildings with good quality specifications (i.e. those which are in line with relevant industry building and construction standards) and which are in compliance with the relevant building and zoning regulations, including energy conservation, health and safety regulations.

In particular, for commercial properties, the Manager will endeavour to secure buildings with, but not limited to, flexible floor plates, capability of achieving high energy efficiency, and good amenities to support future releasing.

The Manager will rely on due diligence reports submitted by experts relating to the structural soundness of the building, repairs, maintenance, capital expenditure requirements and encroachment of site boundaries. These reports will be the basis upon which the Manager will assess building conditions and the expected levels of future capital expenditures.

- **Acquisition strategy** – The Manager aims to provide investors with diversified, stable and sustainable income streams, while also benefiting from organic growth and value-add opportunities to maximise unitholder returns.

While the Manager will look to have Elite Commercial REIT hold the properties it acquires on a long-term basis, it will retain the flexibility to consider any options which may present themselves and which it may regard to be in the interests of Elite Commercial REIT. Where the Manager considers that any property has reached a stage that offers limited scope for further growth, the Manager may recommend divesting a property and recycling the proceeds into the acquisition of properties that meet its investment criteria.

Active Asset Management and Asset Enhancement Strategy

The Manager’s strategy for organic growth is to implement pro-active measures to improve the returns from the Properties, including but not limited to active leasing, marketing of any vacancies and expiring leases, tenant management, mitigating risks relating to new leases and lease renewals, in addition to asset refurbishment and enhancement initiatives. Through such active asset management, the Manager seeks to improve and maintain high occupancy levels and high tenant retention to achieve stable rental growth.

The Manager believes that the strong fundamentals and positive growth outlook of the various sectors to which the IPO Portfolio has exposure, will provide Elite Commercial REIT the opportunity to improve the average occupancy rate of the IPO Portfolio from its prevailing level and minimise vacancies going forward.

Taking into account sector specific nuances, the Manager intends to meet its objective of increasing the returns from Elite Commercial REIT’s existing properties through the measures detailed below.

Maintaining and improving high occupancy rates and rental income rates

The Manager will work with the Property Manager to ensure it continues to provide superior services to tenants to maintain existing occupancy rates for the IPO Portfolio and maintain a high occupancy rate going forward by working with the Property Manager to:

- work towards optimal rental benchmarks established for each Property;
- actively market current and impending vacancies to minimise vacant periods;
- proactively engage in early renewal negotiations with tenants whose leases are about to expire;
- identify and rectify leases that are about to expire with passing rents which are below market levels;
- actively monitor rental arrears to minimise defaults by tenants and other aspects of tenant performance;
- increase the overall marketability and profile of Elite Commercial REIT's portfolio of properties to increase the prospective tenant base;
- incorporate inflation-linked or contractual periodic rental step-up provisions in leases to provide an additional source of organic growth;
- seek to diversify tenant base with tenants of strong credit profile;
- monitor and assess spaces which are sub-optimal or remain vacant for long periods and to redevelop or conduct asset enhancement works (for example, pre-building vacant suites that have old and undesirable tenant finishes) to suit prospective tenants' needs and thereby improving the marketability of such spaces;
- explore and satisfy the expansion needs of existing tenants; and
- initiate tenant retention programmes to further strengthen tenant relationships.

Implementing asset enhancement initiatives

The Manager will work closely with the Property Manager to improve the rental income and value of the portfolio by undertaking asset enhancement initiatives. To the extent possible and permitted by law and regulations, the Manager may:

- seek to rationalise the use of space, create more leasable area, identify sub-optimal and ancillary areas that can be converted for higher returns and improve building efficiency;
- undertake retrofitting and refurbishments of Elite Commercial REIT's properties where necessary, to improve the interior and exterior signages, lighting and other aesthetic aspects of the properties to enhance their attractiveness and achievable rental rates; and
- regularly assess existing properties and where legally permitted, explore a potential change of use for properties on a "best use" to improve rental income.

Implementing pro-active marketing plans

The Manager intends to work with the Property Manager to develop customised pro-active marketing plans for each applicable property. Each plan will focus on property-specific needs to maximise tenant interest and enhance the public profile and visibility with a view to increasing the value and appeal of the properties and to maintain the long-term value of the properties.

Prudent Capital Management Strategy

The Manager will seek to optimise Elite Commercial REIT's capital structure and cost of capital within the borrowing limits set out in the Property Funds Appendix and intends to employ a combination of debt and equity in financing acquisitions and asset enhancement initiatives.

The Manager will also endeavour to:

- employ an appropriate mix of debt and equity in financing acquisitions and asset enhancement; and
- adopt appropriate interest rates hedging strategies to minimise exposure to market volatility.

The Manager will seek to achieve the above by pursuing the following strategies:

- **Optimal capital structure strategy** – Within the borrowing limits set out in the Property Funds Appendix, the Manager will endeavour to employ an optimal capital structure, comprising an appropriate mix of debt and equity in financing the acquisition of properties and asset enhancement activities of its properties. The Manager's capital management strategy involves adopting and maintaining aggregate leverage levels and debt maturity schedules that it believes will provide optimal returns to Unitholders, while maintaining flexibility in respect of future capital expenditures or acquisitions.

At the Listing Date, Elite Commercial REIT is expected to have borrowings of £103.2 million with an Aggregate Leverage of 33.6%. (See "Capitalisation and Indebtedness – Indebtedness" for further details.)

- **Debt diversification strategy** – As and when appropriate, the Manager may consider diversifying sources of debt financing in the future by way of accessing the public debt capital markets through the issuance of investment grade bonds to further enhance the debt maturity profile of Elite Commercial REIT.

In the event that Elite Commercial REIT incurs any future borrowings, the Manager will periodically review Elite Commercial REIT's capital management policy with respect to its Aggregate Leverage and modify its strategy in light of prevailing market conditions. The Manager will endeavour to employ long-term, fixed-rate debt to the extent practicable in view of market conditions in existence from time to time.

- **Proactive Treasury management strategy** – The Manager will manage interest rate volatility through the use of hedging instruments and regularly evaluate the feasibility of implementing the appropriate level of hedges, after taking into account the prevailing market conditions.

The Manager intends to adopt a currency risk management strategy that includes the use of foreign currency-denominated borrowings to match the currency of the asset investment as a natural currency hedge.

BUSINESS AND PROPERTIES

Unless otherwise specified, all information relating to the Properties in this Prospectus are as at 31 August 2019.

Elite Commercial REIT is a Singapore REIT established with the investment strategy of principally investing, directly or indirectly, in commercial assets and real estate-related assets in the UK.

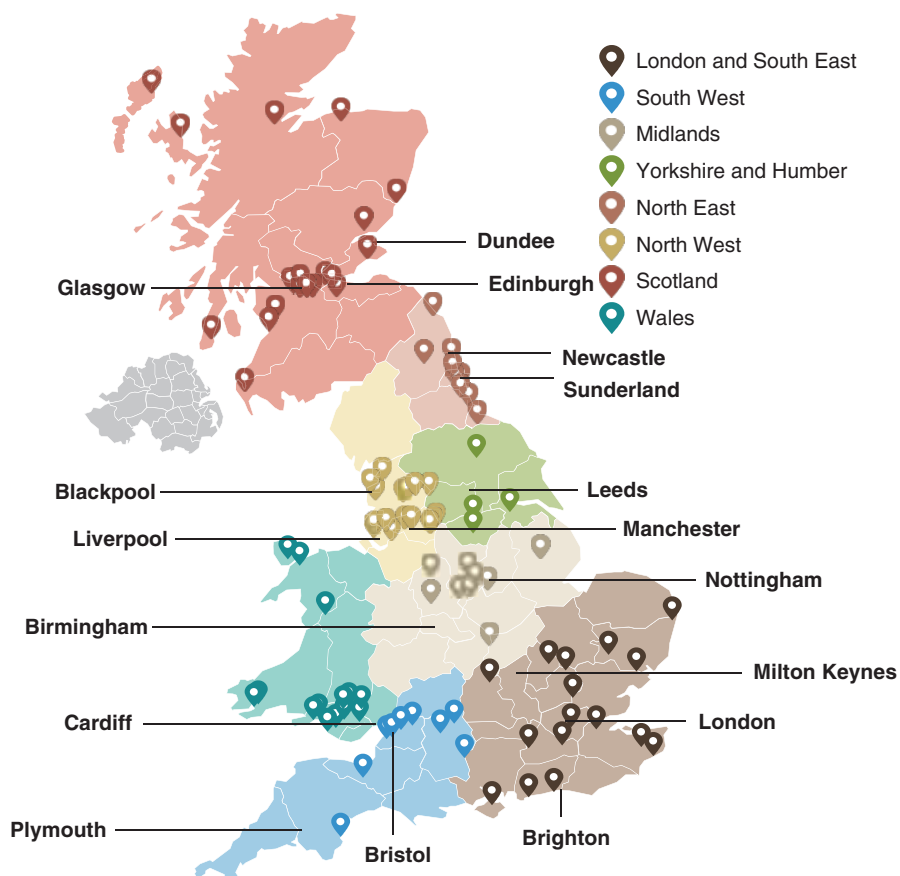
The IPO Portfolio of Elite Commercial REIT comprises 97 quality commercial buildings located across the UK, with a total net internal area of approximately 2.6 million square feet and a total site area of approximately 47 hectares. The initial portfolio is predominantly freehold. Of the 97 Properties, 96 Properties are freehold Properties and one Property is on a long leasehold tenure expiring on 19 May 2255. The initial portfolio has an aggregate indicative Appraised Value of approximately GBP 319.1 million as at 31 August 2019¹. Over 99.0% of the Gross Rental Income is derived from the current leases with the UK Government via The Secretary for Housing, Communities and Local Government (with the DWP occupying each Property under a group sharing arrangement²).

DWP is responsible for welfare, pensions and child maintenance policy. As the UK Government's biggest public service department, it administers the State Pension and a range of working age, disability and ill health benefits for approximately 20 million claimants and customers.

1 Based on the valuation report prepared by Colliers International Valuation UK LLP.

2 Under a “**group sharing arrangement**”, a group of companies, or in the case of the UK Government, the various departments of the UK Government, may share occupation of the tenanted Property pursuant to the tenancy agreement on the basis that (a) no relationship of landlord and tenant is created or allowed to arise between the tenant and occupier; (b) the sharing arrangement ends if the occupier ceases to be a group company; and (c) the tenant notifies the landlord of the identity of the occupier, the area occupied and the date on which such occupation ceases. DWP is a UK Government division under the umbrella of the tenant (The Secretary of State for Communities and Local Government). Such arrangement does not in any way affect the liability of the tenant under the tenancy contracts and is common practice in the UK. For the avoidance of doubt, in this case, (i) the landlord refers to Elite Commercial REIT, through its indirect wholly-owned subsidiary, Elite Gemstones Properties Limited, (ii) the tenant refers to the UK Government and (iii) the occupier refers to the DWP.

The spread of the IPO Properties across the UK is set out in the diagram and table below.



The IPO Portfolio has an attractive geographical spread, with approximately 40.0% of the IPO Portfolio by Gross Rental Income situated in London, as well as the South, and the Midlands of the UK.

Region	Number of Properties	Gross Rental Income for Forecast Year 2020 (£'Million)	% of Gross Rental Income for Forecast Year 2020
London and South East	16	4.7	20.3%
South West	9	2.5	10.5%
Midlands	9	1.6	6.8%
Yorkshire and Humber	4	0.3	1.2%
North East	9	1.2	5.2%
North West	16	5.3	22.9%
Scotland	20	5.9	25.4%
Wales	14	1.8	7.7%
Total	97	23.3	100.0%

CERTAIN INFORMATION ON THE PROPERTIES

BREAKDOWN BY LAND TENURE

As of 31 August 2019, all Properties within the IPO Portfolio are freehold assets with the exception of Parc Menai, Bangor (on a long leasehold tenure expiring on 19 May 2255) which contributes to 1.3% of the IPO Portfolio by Appraised Value.

TOP 10 PROPERTIES

The table below shows the top 10 Properties by Appraised Value¹. These top 10 Properties in aggregate contribute 37.5%² to the total Appraised Value of the IPO Portfolio as at 31 August 2019 and 33.5% of Revenue for the Forecast Year 2020 with no single asset² contributing more than 10.0% of Appraised Value as at 31 August 2019 and 9.0% of Revenue for the Forecast Year 2020, respectively.

S/N	Property	Address	Usage	Valuation by Colliers	Valuation by Knight Frank	WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	WAULT to Break by Gross Rental Income for the month of August 2019 (years)	Revenue for Forecast Year 2020
1	Glasgow Benefits Centre, Glasgow	Northgate, 96 Milton Street, Glasgow, G4 0DX	Back Office	£31,765,000	£32,600,000	8.6	8.6	£1,940,350
2	Peel Park, Blackpool	Brunel Way, Blackpool, FY4 5ES	Back Office	£28,210,000	£26,250,000	8.6	8.6	£1,695,000
3	Nutwood House, Canterbury	Chaucer Road, Canterbury, CT1 1ZZ	Back Office	£9,600,000	£8,600,000	8.6	8.6	£512,000
4	Broadlands House, Newport (IOW)	Staplers Road, Newport, Isle of Wight, PO30 2HX	Jobcentre Plus	£8,360,000	£7,400,000	8.6	8.6	£468,311
5	Spring Gardens House, Swindon	Princes Street, Swindon, SN1 2HY	Jobcentre Plus	£7,807,501	£7,550,000	8.6	3.6	£617,373
6	Parklands, Falkirk	Callendar Boulevard, Falkirk, FK1 1XT	Back Office	£7,413,651	£8,675,000	8.6	3.6	£683,789
7	Hilden House, Warrington, WA1 1LA	Winmarleigh Street, Warrington, WA1 1LA	Back Office	£7,083,512	£7,100,000	8.6	3.6	£560,215

1 Based on the valuation report prepared by Colliers International Valuation UK LLP.

2 Based on Colliers valuation.

S/N	Property	Address	Usage	Valuation by Colliers	Valuation by Knight Frank	WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	WAULT to Break by Gross Rental Income for the month of August 2019 (years)	Revenue for Forecast Year 2020
8	Crown House, Chatham	The Brook, Chatham, ME4 4LQ	Jobcentre Plus	£6,654,910	£5,660,000	8.6	3.6	£432,326
9	Holborn House, Derby	Wyvern Business Park, Stanier Way, Derby, DE21 6BF	Call Centre	£6,440,609	£5,925,000	8.6	3.6	£452,639
10	Beaufort House, Harlow	Crown Gate, Harlow, CM20 1NA	Jobcentre Plus	£6,411,650	£5,885,000	8.6	3.6	£433,899

ENCUMBRANCES

The Deutsche Bank Loan is not secured over the Properties. There will be no encumbrances over the Properties. (See “Capitalisation and Indebtedness – Indebtedness” for further details.)

CAPITAL EXPENDITURES

No material capital expenditure has been budgeted for Forecast Year 2020 and Projection Year 2021.

(See “Profit Forecast and Profit Projection – Assumptions – Capital expenditures” for further details.)

COMPETITION

Unless otherwise stated herein, the following section has been extracted from the Independent United Kingdom Property Market Research Report set out in Appendix F, “Independent United Kingdom Property Market Research Report” which has been prepared by the Independent Market Research Consultant.

The UK Office Market

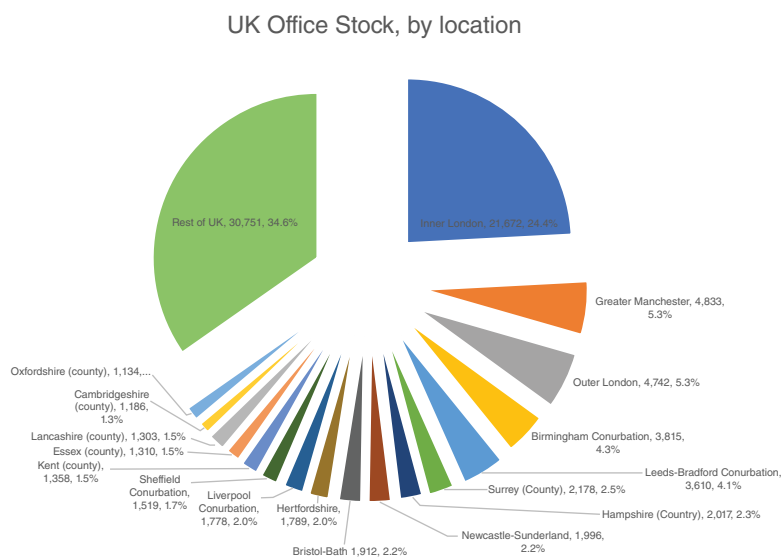
The UK’s office stock amounts to 856.8 million sq ft and is relatively concentrated in a handful of locations. According to the 2018/2019 Business Floorspace statistics produced by the UK Government’s Valuation Office Agency, published in July 2019, The City of London, with 61.0 million sq ft, and Westminster, with 58.6 million sq ft, alone account for an eighth (12.5%) of the entire stock in England & Wales.

If other London Boroughs with significant office stocks – Tower Hamlets, Camden, Islington, Southwark, Lambeth, Hammersmith & Fulham, Hounslow and Hillingdon – are added to this picture, alongside the four English cities within the Big Six (Manchester, Birmingham, Leeds and Bristol), this figure rises to a third (33.4%).

Other cities with relatively significant office stocks include Liverpool (11.0 million sq ft), Cardiff (10.7 million sq ft), Sheffield (9.6 million sq ft), Nottingham (8.0 million sq ft), Bradford (8.0 million sq ft), Milton Keynes (7.2 million sq ft), Salford (6.4 million sq ft) and Reading (6.2 million sq ft).

In short, 43 local authorities account for 50.0% of stock, with the remaining 50.0% distributed among some 450 authorities.

Looking at city-regions and counties, rather than local authorities, the picture is somewhat sharper. The same statistics report that some 24.4% of the UK's office stock is Inner London, with Greater Manchester, Outer London and the Birmingham conurbation accounting for a further 15.0%. If another 10 major office locations are included (see the chart below) the total reaches roughly half.



Source: Valuation Office Agency

Detailed statistics are not available for Scotland. However, in 2015 the Scottish Property Federation reported that there was 96.3 million sq ft of existing space, together with 2.0 million under construction. Five years earlier, a report by Edinburgh council on office stock concluded that there was 20.8 million sq ft of office space in the city. CoStar estimates Edinburgh stock at 26.8 million sq ft, and Glasgow at 40.1 million sq ft. Together with Aberdeen at 13.5 million sq ft, this demonstrates that the stock in Scotland is even more concentrated than in England & Wales, and in just three locations.

IPO PROPERTIES

Nutwood House, Canterbury

Chaucer Road, Canterbury, CT1 1ZZ

Property Description

Nutwood House is a modern, detached two-storey office building, located in Canterbury which is within the English county of Kent. Canterbury is 62 miles (100km) south east of Central London and 20 miles (32km) north west of Dover. Traveling time from Canterbury to London St Pancras Station is just under one hour by train.

The property is approximately 1 mile (1.6km) east of Canterbury town centre and Canterbury West train station. The property is located on Chaucer Road which connects to the M20. The surrounding area contains some commercial offices and residential accommodation. The property is configured in three wings set around a central courtyard and it has external parking for approximately 170 vehicles.

Summary of Selected Information

The table below sets out a summary of selected information on Nutwood House, Canterbury.

Usage	Back Office
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	27,673
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	8.6
Valuation by Colliers as at 31 August 2019	£9,600,000
Valuation by Knight Frank as at 31 August 2019	£8,600,000
Purchase Consideration (£ pound)	£9,600,000
Revenue for Forecast Year 2020	£512,000

Broadlands House, Newport (IOW)

Staplers Road, Newport, Isle of Wight, PO30 2HX

Property Description

Broadlands House is a three-storey building located in Newport, a town situated in the centre of the Isle of Wight. Isle of Wight is 5 miles (8km) off the south coast of England and accessible by ferry from Portsmouth and Southampton, with travelling times as little as 40 minutes.

Situated in the north east of Newport, Broadlands House is accessible via Staplers Road, one of the key roads through the town, linking the ferry port to the main roads of Newport. The property, currently utilised as a Jobcentre Plus, is the only job centre within a radius of 6.7 miles (11km). The property consists of an original, historical building and a modern extension which was constructed to mirror the historical appearance of the original building. The two buildings are interconnected and there is a surface level car park providing 76 parking spaces.

Summary of Selected Information

The table below sets out a summary of selected information on Broadlands House, Newport (IOW).

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	31,930
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	8.6
Valuation by Colliers as at 31 August 2019	£8,360,000
Valuation by Knight Frank as at 31 August 2019	£7,400,000
Purchase Consideration (£ pound)	£8,360,000
Revenue for Forecast Year 2020	£468,311

Beaufort House, Harlow

Crown Gate, Harlow, CM20 1NA

Property Description

Beaufort House is a three-storey office building located in Harlow, a local government district in the west of Essex. Harlow is approximately 20 miles (32km) north east from Central London with frequent train services connecting Harlow to Central London. It is approximately 6 miles (10km) north of Junction 7 of the M11 Motorway which is linked to the London Stansted Airport and Cambridge.

The property is situated within the town centre of Harlow and directly south of Harlow Town Train Station. It is adjacent to the Water Gardens Shopping Centre and Harlow Police Station and is close to the entrance of The Harvey Shopping Centre. It comprises two linked three-storey buildings with an external, surface level car park providing 22 car parking spaces.

Summary of Selected Information

The table below sets out a summary of selected information on Beaufort House, Harlow.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	28,170
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£6,411,650
Valuation by Knight Frank as at 31 August 2019	£5,885,000
Purchase Consideration (£ pound)	£6,411,650
Revenue for Forecast Year 2020	£433,899

Crown House, Chatham

The Brook, Chatham, ME4 4LQ

Property Description

The property is a detached, five-storey office building located in Chatham in North Kent on the Medway River. London is 30 miles (48km) to the northwest, while Maidstone lies 9 miles (14km) to the south. Chatham is serviced by the A2 trunk road which provides direct access to Central London and leads into M2 Motorway, linking it to Ashford and Folkestone. Chatham is approximately 40 minutes by train from London.

The property is prominently situated on A231, a main route through Chatham. High Street and Chatham Train Station are situated within five and 10 minutes walking distance respectively. The property is adjacent to the Magistrates Court and opposite the Pentagon Shopping Centre. It has a detached car park providing 26 parking spaces.

Summary of Selected Information

The table below sets out a summary of selected information on Crown House, Chatham.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	30,317
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£6,654,910
Valuation by Knight Frank as at 31 August 2019	£5,660,000
Purchase Consideration (£ pound)	£6,654,910
Revenue for Forecast Year 2020	£432,326

High Road, Ilford

564-570 High Road, Ilford, IG3 8EJ

Property Description

The property is a modern three-storey office building, situated in Ilford, a large town in east London. Ilford is located 9 miles (14km) north east of Central London and 6 miles (10km) west of Romford.

The property is situated at the east of the town centre of Ilford. It is accessible by bus services on High Road and Seven Kings Station, a station which will be serviced by Crossrail railway line services in the near future, is a short three minutes walking distance away. The property is situated in a primarily residential location and is in proximity with Halfords, Kwik Fit and various commercial buildings.

The property is purpose built for DWP with its ground and first floor occupied by Jobcentre Plus and its second floor is utilised as a canteen and breakout area. There are multiple car park spaces at the rear of High Road.

Summary of Selected Information

The table below sets out a summary of selected information on High Road, Ilford.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	18,741
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£5,791,915
Valuation by Knight Frank as at 31 August 2019	£5,835,000
Purchase Consideration (£ pound)	£5,791,915
Revenue for Forecast Year 2020	£356,394

Crown House, Worthing

High Street, Worthing, BN11 1NG

Property Description

The property is a purpose built detached three-storey building, with a basement office containing a Jobcentre Plus, with additional offices on the first and second floors. The property was refurbished in 2005 and there is a basement and rear surface car park providing approximately 114 parking spaces.

The property is located in Worthing, a large coastal town in West Sussex at the southern edge of the South Downs National Park. Central London lies 59 miles (95km) north while Brighton is 18 miles (29 km) east of Worthing. A regular train service runs from Worthing to London. The property is situated close to A24 in central Worthing and it is surrounded by a mix of retail and residential buildings.

Summary of Selected Information

The table below sets out a summary of selected information on Crown House, Worthing.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	31,503
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	8.6
Valuation by Colliers as at 31 August 2019	£6,100,000
Valuation by Knight Frank as at 31 August 2019	£5,225,000
Purchase Consideration (£ pound)	£6,100,000
Revenue for Forecast Year 2020	£326,711

The Forum, Stevenage

Stevenage, SG1 1EZ

Property Description

The property is a purpose built, three-storey office which has three ground floor retail units which are fully let out. There are car parks to the north and south of the property.

The Forum is located in Stevenage which is situated to the east of Junctions 7 and 8 of A1(M) Motorway. Central London lies 33 miles (53km) to the south, while Welwyn Garden City and Letchworth Garden City are 7 miles (11km) to the south and 6 miles (10km) to the north of Stevenage respectively. The property is located within the town centre of Stevenage, with surrounding buildings predominately occupied by retailers. The property is within walking distance of the train and bus stations and traveling time to central London is approximately 40 minutes by train.

Summary of Selected Information

The table below sets out a summary of selected information on The Forum, Stevenage.

Usage	Jobcentre Plus/Retail
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	18,609
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£4,818,873
Valuation by Knight Frank as at 31 August 2019	£5,000,000
Purchase Consideration (£ pound)	£4,818,873
Revenue for Forecast Year 2020	£302,522

Palting House, Folkestone

Trinity Road, Folkestone, CT20 2RH

Property Description

Palting House is a purpose built detached three-storey office located in the coastal port town of Folkestone, Kent. It lies approximately 16 miles (26km) south east of Ashford and is 70 miles (113km) south east of Central London.

The property is within the town centre and walking distance to train and bus stations. It is surrounded by commercial and residential use buildings. A car park with approximately 57 vehicle spaces is available at the rear of the property.

Summary of Selected Information

The table below sets out a summary of selected information on Palting House, Folkestone.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	36,566
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	8.6
Valuation by Colliers as at 31 August 2019	£4,800,000
Valuation by Knight Frank as at 31 August 2019	£4,050,000
Purchase Consideration (£ pound)	£4,800,000
Revenue for Forecast Year 2020	£268,840

Crown Buildings, Colchester

40 Chapel Street South, Colchester, CO2 7AZ

Property Description

The property is a purpose built office building located in the county of Essex and is the largest urbanised area in Essex. The town is approximately 63 miles (101km) north east of London and 24 miles (39km) north east of Chelmsford. Colchester provides a train service into Central London with an average journey time of 60 minutes.

The property is situated within the town centre and easily accessible by train and bus services. Surrounding buildings are a mixture of offices and residential uses.

The property consists of ground, basement and five upper floors with 36 external car parking spaces.

Summary of Selected Information

The table below sets out a summary of selected information on Crown Buildings, Colchester.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	19,152
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	8.6
Valuation by Colliers as at 31 August 2019	£3,825,000
Valuation by Knight Frank as at 31 August 2019	£3,450,000
Purchase Consideration (£ pound)	£3,825,000
Revenue for Forecast Year 2020	£204,330

Crown Building, Banbury

Southam Road, Banbury, OX16 2EX

Property Description

The property is a purpose built three-storey office located in Banbury, a market town within the county of Oxfordshire. The town is located 64 miles (103km) north west of London, 25 miles (40km) north of Oxford and 38 miles (61km) south east of Birmingham. Banbury has excellent road communications, being conveniently located close to Junction 11 of the M40 motorway.

The property sits within a largely residential area on the periphery of the town centre and is easily accessible by train and bus services. The property has surface level parking, located at the rear of the property, consisting of 15 spaces.

Summary of Selected Information

The table below sets out a summary of selected information on Crown Building, Banbury.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	25,051
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£4,112,260
Valuation by Knight Frank as at 31 August 2019	£3,100,000
Purchase Consideration (£ pound)	£4,112,260
Revenue for Forecast Year 2020	£253,085

St Andrew's House, Bury St Edmunds

St Andrew's Street North, Bury St Edmunds, IP33 1TT

Property Description

St Andrew's House is a purpose built "L-shaped" four-storey office situated in Bury St Edmunds, a town located 25 miles (40km) east of Cambridge, 23 miles (37km) north west of Ipswich and 82 miles (132km) north east of Central London. The A14 acts as the main road connection to the town and the wider regions arterial communications.

The property is situated in the northern edge of the town centre, conveniently accessible by bus services. It fronts the St Andrew's Street which runs directly through the town centre. Buildings with commercial, municipal and residential uses are in proximity to the property. Jobcentre Plus occupies the ground, first and second floors while the Benefit Delivery Centre occupies the third floor. There are 66 car parking spaces to the front and rear of the property.

Summary of Selected Information

The table below sets out a summary of selected information on St Andrew's House, Bury St Edmunds.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	28,863
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£3,272,432
Valuation by Knight Frank as at 31 August 2019	£3,000,000
Purchase Consideration (£ pound)	£3,272,432
Revenue for Forecast Year 2020	£229,930

Wyvern House, Bedford

53-57 Bromham Road, Bedford, MK40 2EH

Property Description

Wyvern House is a three-storey office located in the county town of Bedford which lies approximately 50 miles (80km) north of Central London and 10 miles (16km) east of Junction 13 of the M1 motorway. Nearby regional centres include Milton Keynes and Northampton.

The property is situated on Bromham Road, one of the main arterial roads into Bedford Town Centre. The property is within 400 metres of Bedford Train station which provides a direct service to London St Pancras station with the fastest journey time of around 40 minutes. There is a car park at the rear of the property for approximately 50 vehicles.

Summary of Selected Information

The table below sets out a summary of selected information on Wyvern House, Bedford.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	23,803
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£3,162,386
Valuation by Knight Frank as at 31 August 2019	£2,235,000
Purchase Consideration (£ pound)	£3,162,386
Revenue for Forecast Year 2020	£187,741

Gloucester House, Bognor Regis

High Street, Bognor Regis, PO21 1HH

Property Description

Gloucester House is a five-storey, purpose built office which is located in the West Sussex seaside resort town of Bognor Regis. The city of Brighton lies 27 miles (43km) to the east of Bognor Regis. The large coastal cities of Portsmouth and Southampton lie 18 miles (29km) and 30 miles (48km) respectively to the east of Bognor Regis.

The property is situated along the High Street leading to the main retail centre. There is a mix of commercial and residential properties in proximity to the property. A surface level car park surrounds the property and provides approximately 26 vehicle parking spaces.

Summary of Selected Information

The table below sets out a summary of selected information on Gloucester House, Bognor Regis.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	21,254
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£3,029,171
Valuation by Knight Frank as at 31 August 2019	£3,125,000
Purchase Consideration (£ pound)	£3,029,171
Revenue for Forecast Year 2020	£214,083

Rishton House, Lowestoft

Clapham Road South, Lowestoft, NR32 1RW

Property Description

Rishton House is a purpose built, three-storey building located in Lowestoft, Norfolk. Norfolk is 145 miles (233km) north east of Central London, 11 miles (18km) south of Great Yarmouth and 28 miles (45km) south east of Norwich.

The property is situated in the town centre of Lowestoft. It is 250 metres north of Lowestoft Train Station and 50 metres west of the prime retail area. The ground floor is occupied by Jobcentre Plus and the first and second floors are occupied by ancillary offices. The property has an under-croft parking and additional parking spaces surrounding the building.

Summary of Selected Information

The table below sets out a summary of selected information on Rishton House, Lowestoft.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	41,656
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£2,710,616
Valuation by Knight Frank as at 31 August 2019	£2,725,000
Purchase Consideration (£ pound)	£2,710,616
Revenue for Forecast Year 2020	£214,530

South Western House, Aldershot

Station Road, Aldershot, GU11 1HP

Property Description

South Western House comprises a four-storey building located in Aldershot, Hampshire, approximately 37 miles (60km) south west of Central London, 7 miles (11km) south of Frimley and 10 miles (16km) west of Guildford. Aldershot is just 17 miles (27km) south of Junction 4 of the M3 motorway, providing excellent links to Central London and the south west of England.

The property is situated in the town centre, a short 100 metres north of the Aldershot Railway Station. It has dual frontage on both Arthur Street and Station Road, both of which provide immediate access to the railway station. The surrounding area is predominantly residential with several local retailers in the vicinity. The Jobcentre Plus is on the ground floor with ancillary office on the upper floors. The property has a car park providing approximately 11 vehicle spaces.

Summary of Selected Information

The table below sets out a summary of selected information on South Western House, Aldershot.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	19,924
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£2,241,471
Valuation by Knight Frank as at 31 August 2019	£2,480,000
Purchase Consideration (£ pound)	£2,241,471
Revenue for Forecast Year 2020	£164,174

East Street, Epsom

50 East Street, Epsom, KT17 1HQ

Property Description

The property is a semi-detached, four-storey office building located in Epsom, Surrey. Surrey is 17 miles (27km) south west of Central London. It has a direct train service connecting Epsom Train Station to London Waterloo Station, with a travelling time of just over 30 minutes.

The property is located to the east of Epsom Train Station and 4 miles (6km) north east of Junction 9 of the M25 motorway. There is a bus stop situated directly outside the property and it is also accessible within an hour's drive from Gatwick and Heathrow Airports. Buildings in the immediate vicinity are predominantly offices, with some retail and leisure uses. There is a small car park at the rear of the property.

Summary of Selected Information

The table below sets out a summary of selected information on East Street, Epsom.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	8,687
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£2,554,234
Valuation by Knight Frank as at 31 August 2019	£2,350,000
Purchase Consideration (£ pound)	£2,554,234
Revenue for Forecast Year 2020	£143,158

Spring Gardens House, Swindon

Princes Street, Swindon, SN1 2HY

Property Description

Spring Gardens House is a nine-storey office building located in Swindon, Wiltshire, the western end of the 'Thames Valley Corridor'. Swindon is approximately 85 miles (137km) west of Central London, 24 miles (39km) north west of Newbury, 30 miles (48km) south east of Gloucester, 36 miles (58km) west of Reading and 38 miles (61km) east of Bristol.

The property is situated on Princes Street in the centre of Swindon, close to the town's main leisure and retail areas, approximately 10 minutes walk to the Swindon Train Station. Swindon Train Station has regular connections to London Paddington Station with travelling time of around an hour, and Bristol of around 45 minutes. Other surrounding occupiers include retail and office users. Externally, there is a surface car parking area for approximately 70 vehicles.

Summary of Selected Information

The table below sets out a summary of selected information on Spring Gardens House, Swindon.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	47,918
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£7,807,501
Valuation by Knight Frank as at 31 August 2019	£7,550,000
Purchase Consideration (£ pound)	£7,807,501
Revenue for Forecast Year 2020	£617,373

Brendon House, Taunton

Upper High Street, Taunton, TA1 3RL

Property Description

Brendon House comprises a detached five-storey office building situated within the Taunton town centre, on the edge of the commercial area.

The property is around 0.8 mile (1.3km) from the Taunton Train Station and is in proximity to the main town centre car park. The property is surrounded by retail and office buildings and it has a surface car park with approximately 75 vehicle parking spaces.

Summary of Selected Information

The table below sets out a summary of selected information on Brendon House, Taunton.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	41,750
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£5,560,238
Valuation by Knight Frank as at 31 August 2019	£4,850,000
Purchase Consideration (£ pound)	£5,560,238
Revenue for Forecast Year 2020	£381,723

Lodge House, Bristol

Fishponds Road, Bristol, BS16 3HZ

Property Description

Lodge House comprises a three-storey office building located in Bristol, the principal city of South West England. Bristol is the major conurbation within the region and is also home to the third largest financial centre in England. It borders North Somerset and South Gloucestershire and is approximately 12 miles (19km) north west of Bath and 25 miles (40km) south west of Gloucester. Bristol has excellent road connections and is serviced by the M4, M32, and M5 motorways, providing direct access to London and the north of England. The east Bristol suburb of Fishponds is situated 5 miles (8km) from the city centre.

The property is located at the junction of Fishponds Road (A432), a main arterial route, and Lodge Causeway. Junction 3 of the M32 motorway is also located 1 mile (1.6km) away. The surrounding area is characterised by high density housing, tertiary retail and industrial estates. There are approximately 56 vehicle spaces to the rear of the building.

Summary of Selected Information

The table below sets out a summary of selected information on Lodge House, Bristol.

Usage	Back Office
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	25,979
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	1.6
Valuation by Colliers as at 31 August 2019	£4,000,000
Valuation by Knight Frank as at 31 August 2019	£3,450,000
Purchase Consideration (£ pound)	£4,000,000
Revenue for Forecast Year 2020	£366,588

St Paul's House, Chippenham

Marshfield Road, Chippenham, SN15 1LA

Property Description

St Paul's House comprises a four-storey office building located in Chippenham, a historic town in Wiltshire. It is approximately 13 miles (21km) north east of Bath, 20 miles (32km) south west of Swindon and 98 miles (158km) west of London. Chippenham has regular direct train services to London Paddington Station.

The property is situated in a prominent position at the junction of Marshfield Road and St Paul's Road and approximately 300m north of the city centre. Occupiers in the vicinity are predominantly residential, with retail users located to the south of the property. The property has 22 car parking spaces.

Summary of Selected Information

The table below sets out a summary of selected information on St Paul's House, Chippenham.

Usage	Back Office
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	16,207
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£3,695,242
Valuation by Knight Frank as at 31 August 2019	£3,000,000
Purchase Consideration (£ pound)	£3,695,242
Revenue for Forecast Year 2020	£272,877

Cotswold House, Torquay

Warren Road, Torquay, TQ2 5UX

Property Description

Cotswold House is a purpose built office building located in Torquay, a seaside town located in Devon and part of the unitary authority area of Torbay. Torquay is situated 18 miles (29km) south of Exeter and 28 miles (45km) north east of Plymouth and 158 miles (254km) south west of London. The town centre is located around 8 miles (12km) south of the South Devon Highway (A380) which links to Newton Abbot, Exeter and the M5 motorway to the north. It is also located 5 miles (8km) north of the A385 which links to Tones, Dartmoor National Park and the Devon Expressway (A38).

The property is located within five minutes walking distance to the town centre and its immediate surrounding area consists of buildings with a mixture of retail, residential and hotel uses. The property has parking facilities with a total of around 35 vehicle parking spaces.

Summary of Selected Information

The table below sets out a summary of selected information on Cotswold House, Torquay.

Usage	Back Office
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	21,895
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	8.6
Valuation by Colliers as at 31 August 2019	£3,250,000
Valuation by Knight Frank as at 31 August 2019	£2,865,000
Purchase Consideration (£ pound)	£3,250,000
Revenue for Forecast Year 2020	£206,540

Regent House, Weston Super Mare

High Street, Weston Super Mare, BS23 1JH

Property Description

Regent House is a five-storey building situated in the High Street of Weston Super Mare. Weston Super Mare is a busy seaside resort town located at the mouth of the River Severn. The town is 21 miles (34km) south west of Bristol and within 4 miles (6km) of Junction 21 of the M5 motorway. The town is serviced by a direct rail link to London Paddington Station.

Located in the town's core retail area, the property is within 10 minutes walking distance to the Weston Super Mare Station which is serviced by a direct rail link to London Paddington Station. There is a multi-storey NCP car park situated to the rear of the property.

Summary of Selected Information

The table below sets out a summary of selected information on Regent House, Weston Super Mare.

Usage	Jobcentre Plus/Retail
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	21,704
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£2,722,200
Valuation by Knight Frank as at 31 August 2019	£2,600,000
Purchase Consideration (£ pound)	£2,722,200
Revenue for Forecast Year 2020	£212,637

Summerlock House, Salisbury

Summerlock Approach, Salisbury, SP2 7RW

Property Description

Summerlock House is a purpose built, three-storey building located in Salisbury, southern Wiltshire. Wiltshire is 87 miles (140km) south west of London, 21 miles (33km) North West of Andover, 22 miles (35km) north west of Southampton and 29 miles (47km) west of Winchester. Wiltshire is accessible to the junction of the A36, A338 and A354 roads and is also 8 miles (13km) from the A303 road, which provides a direct link to the M3 motorway.

The property is located in the town centre of Salisbury, west of the main shopping area and five minutes walk to the Salisbury Train Station. The ground floor is occupied by Jobcentre Plus and a medical centre, and its first and second floors are occupied by Universal Credit. There is also a car park providing nine parking spaces at the front of the building.

Summary of Selected Information

The table below sets out a summary of selected information on Summerlock House, Salisbury.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	17,136
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£2,722,200
Valuation by Knight Frank as at 31 August 2019	£2,100,000
Purchase Consideration (£ pound)	£2,722,200
Revenue for Forecast Year 2020	£185,327

Monks Park Avenue, Bristol

1 Monks Park Avenue, Horfield, Bristol, BS7 0UD

Property Description

The property is a two-storey office building located in Bristol, the principal city of South West England. Bristol is the major conurbation within the region and is also home to the third largest financial centre in England. It borders North Somerset and South Gloucestershire and is approximately 12 miles (19km) north west of Bath and 25 miles (40km) south west of Gloucester. Bristol has excellent road connections and is serviced by the M4, M32 and M5 motorways, providing direct access to London and the North of England.

The property is situated on the south side of Monk's Park Avenue in a mixed retail and residential area, whilst Southmead Hospital is located to the west. There is a car parking area to the rear of the building providing approximately 20 spaces.

Summary of Selected Information

The table below sets out a summary of selected information on Monks Park Avenue, Bristol.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	10,183
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	8.6
Valuation by Colliers as at 31 August 2019	£2,160,000
Valuation by Knight Frank as at 31 August 2019	£1,750,000
Purchase Consideration (£ pound)	£2,160,000
Revenue for Forecast Year 2020	£115,477

Kent Street, Bristol

17-19 Kent Street, Bedminster, Bristol, BS3 3NW

Property Description

The property is a two-storey office building located in Bristol, the principal city of South West England. Bristol is the major conurbation within the region and is also home to the third largest financial centre in England. It borders North Somerset and South Gloucestershire and is approximately 12 miles (19km) north west of Bath and 25 miles (40km) south west of Gloucester. Bristol has excellent road connections and is serviced by the M4, M32 and M5 motorways, providing direct access to London and the North of England.

The property is situated within Bedminster, a residential suburb approximately 2 miles (3km) south of Bristol city centre. The property is located on Kent Street surrounded by light industrial units and fronting a retail parade. Externally, there is a surface car park to the east of the property with parking for 10 vehicles, whilst to the rear is a small yard area.

Summary of Selected Information

The table below sets out a summary of selected information on Kent Street, Bristol.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	6,339
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,040,000
Valuation by Knight Frank as at 31 August 2019	£1,025,000
Purchase Consideration (£ pound)	£1,040,000
Revenue for Forecast Year 2020	£95,083

Holborn House, Derby

Wyvern Business Park, Stanier Way, Derby, DE21 6BF

Property Description

Holborn House is a three-storey L-shaped office building located within Wyvern Business Park, on the southern side of Stanier Way. Surrounding occupiers include Capita and local tenants. Wyvern Business Park is accessible directly off the A52 and Derby Midland Station is located 1.7 miles (3km) to the west, with the station offering links to Nottingham, Lincoln, Stoke-on-Trent and London with local buses offering regular services to the station. The property has a 144 space car park and a bike shelter.

Summary of Selected Information

The table below sets out a summary of selected information on Holborn House, Derby.

Usage	Call Centre
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	35,120
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£6,440,609
Valuation by Knight Frank as at 31 August 2019	£5,925,000
Purchase Consideration (£ pound)	£6,440,609
Revenue for Forecast Year 2020	£452,639

Lothersdale House, Wellingborough

West Villa Road, Wellingborough, NN8 4TA

Property Description

Lothersdale House is a purpose built, four-storey building located in Wellingborough, Northamptonshire. Wellingborough is 12 miles (19km) north east of Northampton, 8 miles (13km) south of Kettering and 13 miles (21km) south of Corby. Wellingborough is located just off the A45 road, which provides access to Northampton and the M1 motorway. The property is located on the edge of the town centre of Wellingborough and is 500 metres from Swansgate Shopping Centre.

Summary of Selected Information

The table below sets out a summary of selected information on Lothersdale House, Wellingborough.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	32,113
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£4,019,589
Valuation by Knight Frank as at 31 August 2019	£3,150,000
Purchase Consideration (£ pound)	£4,019,589
Revenue for Forecast Year 2020	£265,055

Upper Huntbach Street, Stoke On Trent

91 Upper Huntbach Street, Hanley, Stoke-on-Trent, ST1 2BX

Property Description

The property comprises a purpose built three-storey office building located within the town centre of Hanley, Stoke On Trent. The property is located just 0.9 miles (1.5km) to the west of A52 and 1.4 miles (2km) to the south east of A53. Stoke-On-Trent Railway Station is located 1.7 miles (3km) to the south of the property and offers links to Manchester Piccadilly, Birmingham Grand Central and London Euston.

Summary of Selected Information

The table below sets out a summary of selected information on Upper Huntbach Street, Stoke On Trent.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	21,540
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£2,739,576
Valuation by Knight Frank as at 31 August 2019	£2,575,000
Purchase Consideration (£ pound)	£2,739,576
Revenue for Forecast Year 2020	£209,815

Crown House, Grantham

49A Castlegate, Grantham, NG31 6SY

Property Description

The property comprises a three-storey office building located on the peripheral of Grantham town centre, in a predominantly residential area. Grantham Train Station, which offers fast links to London Kings Cross, Leeds and Nottingham, is located 0.8 miles (1.3km) to the south of the property and a bus stop located 0.2 miles (0.3km) to the west of the property. Externally, the property has surface level parking for about 30 vehicles.

Summary of Selected Information

The table below sets out a summary of selected information on Crown House, Grantham.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	24,962
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	8.6
Valuation by Colliers as at 31 August 2019	£2,650,000
Valuation by Knight Frank as at 31 August 2019	£1,925,000
Purchase Consideration (£ pound)	£2,650,000
Revenue for Forecast Year 2020	£141,407

Beecroft Road, Cannock

Beecroft Road, Cannock, WS11 1JR

Property Description

The property comprises a part six storey and part single storey property. There is a reasonably sized external area with two levels of parking which has approximately 56 spaces. Part of the existing basement parking has been converted into a storeroom. The ground floor is currently used as a job centre, with the rest of the floors currently used as offices, ancillary and a canteen.

The property is located at a junction between the A34 and Beecroft Road, within Cannock town centre, with direct access off Beecroft Road. Surrounding occupiers include national tenants such as McDonald's, Halifax and Lloyds Bank. The property is easily accessible being adjacent to the A34 ring way and the M6 motorway only 1.5 miles (2.4km) to the south. The property is located 0.9 miles (1.4km) to the south east of the property, offering links to Regeley Trent Valley, London Euston and Birmingham International.

Summary of Selected Information

The table below sets out a summary of selected information on Beecroft Road, Cannock.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	31,517
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,778,118
Valuation by Knight Frank as at 31 August 2019	£1,650,000
Purchase Consideration (£ pound)	£1,778,118
Revenue for Forecast Year 2020	£137,015

Crown Buildings, Ilkeston

58 South Street, Ilkeston, DE7 8TU

Property Description

The property comprises a part three storey and part four storey office building. Externally, there are car parking spaces for approximately 16 vehicles.

The property is located within Ilkeston town centre with the immediate area predominantly retail and residential. The A609 is located just 0.1 miles (0.2km) to the south of the property and the M1 motorway located 2 miles (3km) to the south east of the property. Ilkeston Train Station is located 1.5 miles (2.4km) north east of the property.

Summary of Selected Information

The table below sets out a summary of selected information on Crown Buildings, Ilkeston.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	18,352
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,419,019
Valuation by Knight Frank as at 31 August 2019	£1,100,000
Purchase Consideration (£ pound)	£1,419,019
Revenue for Forecast Year 2020	£112,904

Tannery House, Alfreton

King Street, Alfreton, DE55 7AF

Property Description

Tannery House comprises a part single storey and part two storey purpose built office building. There are approximately 144 external car parking spaces.

The property is situated to the eastern side of A61 (King Street), with access to the car parks via Hill Street. Adjacent to the south of the property is a Tesco Superstore and to the east of the property lies the town centre. The property is easily accessible being located on the A61 and A38 only 3.8 miles (6km) to the south. In addition, Alfreton Train Station is located 1 mile (1.6km) to the east of the property, offering links to Nottingham, Sheffield and Leeds, local buses also serve the property.

Summary of Selected Information

The table below sets out a summary of selected information on Tannery House, Alfreton.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	10,226
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,164,175
Valuation by Knight Frank as at 31 August 2019	£975,000
Purchase Consideration (£ pound)	£1,164,175
Revenue for Forecast Year 2020	£86,499

Acacia Walk, Nottingham

3 Acacia Walk, Beeston, Nottingham, NG9 2LW

Property Description

The property comprises a single storey office building. Externally, there is a small staff car park for approximately 10 vehicles. The property is predominantly used as a Jobcentre Plus with small offices and ancillary accommodation to the rear.

The property is situated to the north east of Acacia Walk, located adjacent to a Tesco Extra and public car park, near the town centre. The A52 is 1.2 miles (2km) to the north of the property and the M1 motorway is 5 miles (8km) to the west. Beeston Train Station is 0.6 miles (1km) to the south of the property, offering links to Nottingham, London St Pancras International, Cardiff Central and Birmingham Grand Central.

Summary of Selected Information

The table below sets out a summary of selected information on Acacia Walk, Nottingham.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	4,306
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£776,117
Valuation by Knight Frank as at 31 August 2019	£725,000
Purchase Consideration (£ pound)	£776,117
Revenue for Forecast Year 2020	£57,656

Crown House, Burton On Trent

New Street, Burton On Trent, DE14 3SL

Property Description

The property comprises a six-storey office block. The property is located on the northern side of New Street, within Burton Town Centre and it adjoins to the main shopping centre in Burton. The property is located 0.3 miles (0.5km) to the north of the A5189 and 2.6 miles (4km) to the east of A38. Burton On Trent Station is located 0.6 miles (1km) to the west of the property, which offers links to Leeds, Nottingham, Birmingham Grand Central, Edinburgh, Cardiff Central and London St Pancras.

Summary of Selected Information

The table below sets out a summary of selected information on Crown House, Burton On Trent.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	45,897
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,766,534
Valuation by Knight Frank as at 31 August 2019	£1,500,000
Purchase Consideration (£ pound)	£1,766,534
Revenue for Forecast Year 2020	£128,185

Elder House, Northallerton

East Road, Northallerton, DL6 1NU

Property Description

Elder House comprises a detached two-storey office building. External car parking is arranged over the ground floor and first floor, which can be accessed via a ramp, with 28 spaces in total.

Northallerton is a town situated in a prosperous, predominantly agricultural area of North Yorkshire. Northallerton is located approximately 25 miles (40km) south west of Middlesbrough, 30 miles (48km) north of York and 40 miles (64km) west of Scarborough. Road communications are well established and the town lies approximately 6 miles (10km) to the east of the A1 (London to Edinburgh) trunk road and approximately 5 miles (8km) to the west of the A19 trunk road which connects with the A1 near Ripon, northwards to Teeside and Newcastle-upon-Tyne. The property is located within Northallerton town centre and surrounding occupiers include retail and residential apartment buildings.

Summary of Selected Information

The table below sets out a summary of selected information on Elder House, Northallerton.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	14,517
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£978,834
Valuation by Knight Frank as at 31 August 2019	£1,025,000
Purchase Consideration (£ pound)	£978,834
Revenue for Forecast Year 2020	£94,349

Low Hall, Pontefract

Market Street, Hemsworth, Pontefract, WF9 4HP

Property Description

Low Hall comprises a three-storey office building. The property has a car park with 26 parking spaces.

Hemsworth is a town in West Yorkshire located about 20 miles (32km) to the south east of Leeds, 8 miles (13km) to the south east of Wakefield, 7 miles (11km) to the north east of Barnsley and 11 miles (18km) north west of Doncaster. The A1 road is located approximately 5 miles (8km) to the south east of the town and connects London to Edinburgh. The town has a central bus station which provides access to Barnsley, Wakefield, Pontefract and Doncaster. The property is situated within Hemsworth town centre adjacent to a Tesco Superstore and petrol station.

Summary of Selected Information

The table below sets out a summary of selected information on Low Hall, Pontefract.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	14,208
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£874,579
Valuation by Knight Frank as at 31 August 2019	£700,000
Purchase Consideration (£ pound)	£874,579
Revenue for Forecast Year 2020	£76,832

Crown Buildings, Mexborough

Adwick Road, Mexborough, S64 0BD

Property Description

The property comprises two two-storey office buildings which are joined internally by a central corridor at ground and first floor. The property occupies a sloping site with a car park to the south with approximately 32 spaces.

The property is located in the town of Mexborough which lies midway between Rotherham (7 miles (11km) to the south west) and Doncaster (8 miles (13km) to the east). Junction 37 of the A1(M) motorway lies approximately 7 miles (11km) to the north east at Marr. The property is situated in a predominantly residential area half a mile (0.8km) north of Mexborough town centre.

Summary of Selected Information

The table below sets out a summary of selected information on Crown Buildings, Mexborough.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	14,994
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£660,278
Valuation by Knight Frank as at 31 August 2019	£600,000
Purchase Consideration (£ pound)	£660,278
Revenue for Forecast Year 2020	£61,774

Mulberry House, Goole

North Street, Goole, DN14 5RA

Property Description

Mulberry House comprises a modern detached two-storey office building. There are approximately 100 car parking spaces to the rear of the property.

The inland port town of Goole lies approximately 21 miles (34km) north of Doncaster, 29 miles (47km) west of Hull and 33 miles (53km) east of Leeds. The town has good road communications being situated immediately south east of junction 36 of the M62 motorway. Its intersection with the M18 motorway (providing access to the south and west) is at Junction 35 which lies approximately 4 miles (6km) to the west. The property is located within Goole town centre, 0.3 miles (0.5km) from Goole Railway Station.

Summary of Selected Information

The table below sets out a summary of selected information on Mulberry House, Goole.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	6,202
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£417,018
Valuation by Knight Frank as at 31 August 2019	£400,000
Purchase Consideration (£ pound)	£417,018
Revenue for Forecast Year 2020	£36,732

St Andrew's House, Hexham

Haugh Lane, Hexham, NE46 3RB

Property Description

St Andrew's House comprises a modern detached two-storey office building. There is a car park providing a total of 83 parking spaces.

Hexham lies approximately 22 miles (35km) west of Newcastle-Upon-Tyne, 32 miles (51km) east of Carlisle and 17 miles (27km) north west of Consett. Principal access to the town is via the A69 dual carriageway. The property is situated on the edge of the town centre in a mixed-use area incorporating a variety of commercial uses including industrial and retail. The A69 lies approximately 0.5 miles (0.8km) to the north and provides access to the wider region.

Summary of Selected Information

The table below sets out a summary of selected information on St Andrew's House, Hexham.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	21,451
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£3,058,131
Valuation by Knight Frank as at 31 August 2019	£2,200,000
Purchase Consideration (£ pound)	£3,058,131
Revenue for Forecast Year 2020	£241,936

Ward Jackson House, Hartlepool

Wesley Square, Hartlepool, TS24 8EZ

Property Description

Ward Jackson House comprises a purpose built three-storey office building. To the rear of the property is a surface car park for 95 vehicles with security gate access.

Hartlepool is a coastal town located in County Durham in the north east of England. The property is situated in Hartlepool town centre adjacent to the Hartlepool Train Station and the Middleton Grange shopping centre. Primary access to the property is via the A689 which connects Hartlepool (east) to Junction 60 of the A1 motorway (west). The A689 and A179 also connect the town centre to the A19 trunk road connecting Seaton Burn (north) and Doncaster (south). Hartlepool Train Station provides regular services to Hexham, Sunderland and London King's Cross.

Summary of Selected Information

The table below sets out a summary of selected information on Ward Jackson House, Hartlepool.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	20,451
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£2,328,350
Valuation by Knight Frank as at 31 August 2019	£2,150,000
Purchase Consideration (£ pound)	£2,328,350
Revenue for Forecast Year 2020	£206,550

Hadrian House, Eston

81 High Street, Eston, Middlesbrough, TS6 9EH

Property Description

Hadrian House comprises a detached, purpose built three-storey office building. The property has a surface car park with approximately 70 spaces to the rear.

Eston is a town in the Redcar and Cleveland Borough in the north east of England approximately 5 miles (8km) east of Middlesbrough. The property is located within Eston town centre with a frontage along the main High Street.

Summary of Selected Information

The table below sets out a summary of selected information on Hadrian House, Eston.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	24,219
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,546,441
Valuation by Knight Frank as at 31 August 2019	£1,475,000
Purchase Consideration (£ pound)	£1,546,441
Revenue for Forecast Year 2020	£149,672

Broadway House, Houghton Le Spring

Frederick Place, Houghton Le Spring, DH4 4AH

Property Description

Broadway House comprises a purpose built three-storey office building. The property also provides a basement level car park with 22 spaces accessed via an electric roller shutter.

Houghton Le Spring is a town located in the north east of England approximately 6.5 miles (10km) southwest of Sunderland. The property is located within the town centre which is primarily accessed via the A690 which connects Sunderland (north east) to Doncaster (south). The surrounding area is a mix of leisure, retail and office use.

Summary of Selected Information

The table below sets out a summary of selected information on Broadway House, Houghton Le Spring.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	20,075
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,592,777
Valuation by Knight Frank as at 31 August 2019	£1,415,000
Purchase Consideration (£ pound)	£1,592,777
Revenue for Forecast Year 2020	£144,085

John Street, Sunderland

60-66 John Street, Sunderland, SR1 1QT

Property Description

The property comprises a two-storey office building, situated within the Sunderland's city centre to the east of The Bridges Shopping Centre in a mixed-use area.

Sunderland is located approximately 15 miles (24km) south east of Newcastle-Upon-Tyne and 28 miles (45km) north of Middlesbrough. The city benefits from good road communications with the A19 providing dual carriageway access to Middlesbrough to the south, leading directly onto A1, north of Newcastle.

Summary of Selected Information

The table below sets out a summary of selected information on John Street, Sunderland.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	17,894
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	1.6
Valuation by Colliers as at 31 August 2019	£1,405,000
Valuation by Knight Frank as at 31 August 2019	£875,000
Purchase Consideration (£ pound)	£1,405,000
Revenue for Forecast Year 2020	£143,151

Reiverdale House, Ashington

Reiverdale Road, Ashington, NE63 9YU

Property Description

Reiverdale House is a large office development comprising of three adjoining and interlinking office units located in Ashington, Northumberland. The property is occupied by Jobcentre Plus and the Audit and IT department of Jobcentre Plus.

Ashington is located 17 miles (27km) north of Newcastle-Upon-Tyne, 5 miles (8km) north east of Morpeth and 9 miles (14km) north east of Blyth. Ashington is in proximity to the A1 road, the national motorway network and A189 Spine Road, which provides access to the A19 road and the Tyne Tunnel. The property is accessible via Reiverdale Road, which links to Woodhorn Road and has access to the A196 and A197 roads and Station Road, the main retail area of Ashington. The surrounding area of the property consist of residential, retail and a residential care home.

Summary of Selected Information

The table below sets out a summary of selected information on Reiverdale House, Ashington.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	23,702
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,181,551
Valuation by Knight Frank as at 31 August 2019	£1,250,000
Purchase Consideration (£ pound)	£1,181,551
Revenue for Forecast Year 2020	£113,944

Hatfield House, Peterlee

St Cuthberts Road, Peterlee, SR8 1PB

Property Description

Hatfield House comprises a detached, purpose built three-storey office building located within Peterlee town centre.

Peterlee is a town in the north east of England approximately 11 miles (18km) east of Durham. The town lies immediately east of the A19 trunk road and is accessed via both Burnhope Way and Passfield Way. Junction 61 of the A1 motorway is located approximately 11 miles (18km) east.

Summary of Selected Information

The table below sets out a summary of selected information on Hatfield House, Peterlee.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	19,889
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,106,256
Valuation by Knight Frank as at 31 August 2019	£950,000
Purchase Consideration (£ pound)	£1,106,256
Revenue for Forecast Year 2020	£107,062

St John's Square, Seaham

St John's Square, Seaham, SR7 7JE

Property Description

The property comprises a detached, purpose built two-storey office building. It is located within Seaham town centre and forms part of a regenerated site that includes three buildings. Other occupiers on the site include Durham Council and the National Health Service. To the rear of the property is a secure surface car park with nine car parking spaces.

Seaham is a coastal town in the north east of England approximately 6 miles (10km) south of Sunderland. Primary access to the town centre is via B1287 which ultimately leads to the A19 trunk road (south west). The A19 connects Seaton Burn (north) and Doncaster (south). The A1 motorway is approximately 10 miles (16km) south west. Seaham Train Station provides services to Hexham, Nunthorpe, Newcastle and Sunderland.

Summary of Selected Information

The table below sets out a summary of selected information on St John's Square, Seaham.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	6,658
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£654,486
Valuation by Knight Frank as at 31 August 2019	£500,000
Purchase Consideration (£ pound)	£654,486
Revenue for Forecast Year 2020	£61,442

Norham House, Berwick Upon Tweed

15 Walkergate, Berwick Upon Tweed, TD15 1DS

Property Description

Norham House comprises a detached two-storey office building situated within the town centre of Berwick Upon Tweed, close to the main retail area of Marygate.

Berwick Upon Tweed is located in Northumberland and lies approximately 56 miles (90km) south of Edinburgh and 64 miles (103km) north of Newcastle-Upon-Tyne, with principal access via the A1(M). The property is surrounded by other buildings for offices, residential and retail uses.

Summary of Selected Information

The table below sets out a summary of selected information on Norham House, Berwick Upon Tweed.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	7,766
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£434,394
Valuation by Knight Frank as at 31 August 2019	£450,000
Purchase Consideration (£ pound)	£434,394
Revenue for Forecast Year 2020	£43,432

Peel Park, Blackpool

Brunel Way, Blackpool, FY4 5ES

Property Description

Peel Park comprises an approximate 15.7 hectares of land with two large detached buildings and car park facilities. A covered walkway connects both buildings on site and three large car parking areas providing approximately 1,500 vehicle spaces.

The property is situated in Brunel Way, three miles south east of Blackpool town centre and 11 miles (18km) west of Preston. Brunel Way connects with the A5230 in the west, a major road which connects with the M55 motorway in the east and Blackpool Airport in the west. The property is less than five minutes' drive from Junction 4 of the M55 motorway. The property is in an established commercial location. Nearby occupiers include Tesco, Booker Wholesale and B&Q.

Summary of Selected Information

The table below sets out a summary of selected information on Peel Park, Blackpool.

Usage	Back Office
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	156,542
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	8.6
Valuation by Colliers as at 31 August 2019	£28,210,000
Valuation by Knight Frank as at 31 August 2019	£26,250,000
Purchase Consideration (£ pound)	£28,210,000
Revenue for Forecast Year 2020	£1,695,000

Hilden House, Warrington

Winmarleigh Street, Warrington, WA1 1LA

Property Description

Hilden House comprises a detached office building with ground and four upper floors. There is a surface car park with 60 parking spaces.

The property is situated on Winmarleigh Street in Warrington town centre. Winmarleigh Street connects with Sankey Street in the north, which in turn connects to the A57 (Liverpool Road). The property lies to the south west of Warrington's traditional retail area. There are a number of office buildings nearby, including Bank Quay House, a multi-let office building which lies adjacent. Warrington Bank Quay Station is 300 metres to the south of the property.

Summary of Selected Information

The table below sets out a summary of selected information on Hilden House, Warrington.

Usage	Back Office
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	50,841
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£7,083,512
Valuation by Knight Frank as at 31 August 2019	£7,100,000
Purchase Consideration (£ pound)	£7,083,512
Revenue for Forecast Year 2020	£560,215

Blackburn Road, Burnley

Blackburn Road, Burnley, BB12 7NQ

Property Description

The property comprises a two-storey building. There is a car park on the site providing 400 car parking spaces.

The property is situated 5 miles (8km) from the town centre of Burnley, 8 miles (13km) from Blackburn and 1.1 miles (2km) from the M65 motorway. It is also 4.4 miles (7km) from Burnley Train Station. The property is accessible via several bus services.

Summary of Selected Information

The table below sets out a summary of selected information on Blackburn Road, Burnley.

Usage	Call Centre
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	46,405
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£5,971,464
Valuation by Knight Frank as at 31 August 2019	£5,800,000
Purchase Consideration (£ pound)	£5,971,464
Revenue for Forecast Year 2020	£472,113

Mitre House, Lancaster

Church Street, Lancaster, LA1 1EQ

Property Description

The property comprises a detached office building over ground and three upper floors. There is some lower ground storage and a two-storey underground car park which is let to Lancaster City Council for 125 years from 1977. In addition, the property has a large surface car park.

The property is located on Church Street in Lancaster city centre. Church Street connects with the A6 (Bridge Lane) in the east, a major road through the city. The property lies to the north west of Lancaster's traditional retail area. Immediately to the west lies Lancaster Castle and Lancaster Priory Church. Lancaster Station lies 300 metres to the south west of the property.

Summary of Selected Information

The table below sets out a summary of selected information on Mitre House, Lancaster.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	64,597
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£4,662,491
Valuation by Knight Frank as at 31 August 2019	£6,050,000
Purchase Consideration (£ pound)	£4,662,491
Revenue for Forecast Year 2020	£409,806

Heron House, Stockport

Wellington Street, Stockport, SK1 3BE

Property Description

Heron House comprises a detached, nine-storey building including a basement car park which incorporates 79 spaces and one double parked space. There is further parking area at ground level which provides for 14 spaces.

The property is located within Stockport town centre. Stockport is situated within Greater Manchester and around 5.5 miles (9km) south of Manchester city centre. The town is well-connected with train services to Manchester in the north and Wilmslow and beyond in the south. Road connectivity is also good with M60 motorway a short distance to the north. Surrounding property is largely commercial with some retail presence.

Summary of Selected Information

The table below sets out a summary of selected information on Heron House, Stockport.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	43,271
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£3,967,462
Valuation by Knight Frank as at 31 August 2019	£3,725,000
Purchase Consideration (£ pound)	£3,967,462
Revenue for Forecast Year 2020	£322,490

Duchy House, Preston

96 Lancaster Road, Preston, PR1 1NS

Property Description

Duchy House comprises a 10-storey office building and it is interlinked with the neighbouring Palatine House (part of the IPO Portfolio). There are 31 car parking spaces in the adjacent car park.

The property is situated on Lancaster Road within the Preston city centre. Lancaster Road lies immediately south of A59 (Ring Way), a major road which connects Preston to the M6 motorway in the east. Immediately to the south west of the property lies Preston's traditional retail area and to the east of the property lies Preston bus station. Preston Railway Station is around 800 metres to the south west of the property.

Summary of Selected Information

The table below sets out a summary of selected information on Duchy House, Preston.

Usage	Back Office
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	43,805
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	8.6
Valuation by Colliers as at 31 August 2019	£4,185,000
Valuation by Knight Frank as at 31 August 2019	£3,200,000
Purchase Consideration (£ pound)	£4,185,000
Revenue for Forecast Year 2020	£244,825

Palatine House, Preston

Lancaster Road, Preston, PR1 1NS

Property Description

Palatine House comprises a detached 11-storey office building and it is interlinked with the neighbouring Duchy House (part of the IPO Portfolio).

The property is situated on Lancaster Road within the Preston city centre. Lancaster Road lies immediately south of A59 (Ring Way), a major road which connects Preston to the M6 motorway in the east. Immediately to the south west of the property lies Preston's traditional retail area and to the east of the property lies Preston bus station. Preston Railway Station is around 800 metres to the south west of the property.

Summary of Selected Information

The table below sets out a summary of selected information on Palatine House, Preston.

Usage	Back Office
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	36,257
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	8.6
Valuation by Colliers as at 31 August 2019	£3,540,000
Valuation by Knight Frank as at 31 August 2019	£2,725,000
Purchase Consideration (£ pound)	£3,540,000
Revenue for Forecast Year 2020	£207,079

St Martin's House, Bootle

Stanley Road, Bootle, L69 9BN

Property Description

St Martin's House comprises a detached part twelve-storey and part four-storey building. The building is constructed in a cross shape with four wings from first to third floors and two wings from fourth to 12th floors. There is a car park located to the rear of the property with approximately 88 spaces.

The property is situated in the town centre of Bootle, approximately 3 miles (5km) north of Liverpool. The property fronts the A567 which intersects with the A5058 to the south. Bootle Oriel Road Station is located to the west. The property is situated within a mixed-use area comprising office, leisure and retail properties.

Summary of Selected Information

The table below sets out a summary of selected information on St Martin's House, Bootle.

Usage	Back Office
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	85,453
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£4,008,005
Valuation by Knight Frank as at 31 August 2019	£4,480,000
Purchase Consideration (£ pound)	£4,008,005
Revenue for Forecast Year 2020	£387,592

Wilmslow Road, Manchester

96 Wilmslow Road, Manchester, M14 5BJ

Property Description

The property comprises a detached, three-storey office building with ancillary car parking to the rear providing 32 spaces.

The property is located in the main commercial street of Rusholme, it is around 1.5 miles (2.4km) to the south of the Manchester city centre.

Summary of Selected Information

The table below sets out a summary of selected information on Wilmslow Road, Manchester.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	20,807
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£2,484,731
Valuation by Knight Frank as at 31 August 2019	£2,575,000
Purchase Consideration (£ pound)	£2,484,731
Revenue for Forecast Year 2020	£196,557

Beech House, Hyde

Clarendon Street, Hyde, SK14 2LP

Property Description

Beech House comprises a detached, five-storey office building incorporating basement car park providing 40 spaces.

The property is located in Hyde town centre, within Greater Manchester and around 6.5 miles (10.5km) east of Manchester city centre. The town is considered well-connected with proximity to M67 motorway. Surrounding properties are largely retail use with some commercial operators.

Summary of Selected Information

The table below sets out a summary of selected information on Beech House, Hyde.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	39,550
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£2,519,483
Valuation by Knight Frank as at 31 August 2019	£2,500,000
Purchase Consideration (£ pound)	£2,519,483
Revenue for Forecast Year 2020	£223,037

Lee-Moran House, Burnley

Victoria Street, Burnley, BB11 1DD

Property Description

Lee-Moran House comprises a detached three-storey office building. The property has a car park providing 10 spaces.

The property is situated on Victoria Street in Burnley town centre. Victoria Street lies immediately north east of B6240. The B6240 connects to the A79 in the north. The property lies closely to Burnley's traditional retail area and Burnley Central Station is approximately 500 metres to the north of the property.

Summary of Selected Information

The table below sets out a summary of selected information on Lee-Moran House, Burnley.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	17,886
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£2,154,592
Valuation by Knight Frank as at 31 August 2019	£2,025,000
Purchase Consideration (£ pound)	£2,154,592
Revenue for Forecast Year 2020	£170,407

Roydale House, Leigh

2-10 Windermere Road, Leigh, WN7 1UT

Property Description

Roydale House comprises a detached, four-storey office building with approximately 29 parking spaces and two double parked spaces.

The property is located in Leigh, a town within Greater Manchester and located around 12 miles (19km) west of Manchester. The town is located adjacent to A580 East Lancs Road, providing access onto M6 and M62 motorways. The property is located on the corner of Windermere Road and B5215, to the north of Leigh town centre. Surrounding properties are a mixture of residential, tertiary retail and municipal uses.

Summary of Selected Information

The table below sets out a summary of selected information on Roydale House, Leigh.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	21,022
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,268,429
Valuation by Knight Frank as at 31 August 2019	£1,400,000
Purchase Consideration (£ pound)	£1,268,429
Revenue for Forecast Year 2020	£118,550

Hougoumont House, Liverpool

29 Hougoumont Avenue, Waterloo, Liverpool, L22 0PB

Property Description

Hougoumont House comprises a detached three-storey building with a car park located to the rear of the property with approximately 38 spaces.

The property is situated within Crosby, approximately 5 miles (8km) north of Liverpool and 2 miles (3km) north of Bootle. The property fronts A565 which provides a direct access to Liverpool to the south and Southport to the north. The property is situated within a mixed-use area comprising office and residential properties.

Summary of Selected Information

The table below sets out a summary of selected information on Hougoumont House, Liverpool.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	17,082
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,251,054
Valuation by Knight Frank as at 31 August 2019	£1,350,000
Purchase Consideration (£ pound)	£1,251,054
Revenue for Forecast Year 2020	£105,091

Springfield House, Liverpool

416 Eaton Road, Liverpool, L12 3HT

Property Description

Springfield House comprises a detached two-storey building with approximately 16 car park spaces and a further six that were double parked.

The property is situated within West Derby approximately 5 miles (8km) east of Liverpool. The property fronts Eaton Road which provides access to East Prescott Road with Junction 4 of the M62 motorway being located to the south. The property is situated within a mixed-use area comprising office and residential properties.

Summary of Selected Information

The table below sets out a summary of selected information on Springfield House, Liverpool.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	10,534
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,135,215
Valuation by Knight Frank as at 31 August 2019	£975,000
Purchase Consideration (£ pound)	£1,135,215
Revenue for Forecast Year 2020	£104,253

Silver Street, Bury

Silver Street, Bury, BL9 0DP

Property Description

The property comprised a detached two-storey office building.

The property is situated in Bury town centre and around 100 metres north of the A58 (Augouleme Way), which is a major road through the town centre. 100 metres east of the property lies the Bury Interchange, a public transport hub providing bus and MetroLink (light rail). It is situated within mixed-use area with a number of office occupiers nearby, including Clough & Willis Solicitors and Bury Council (Adult Care Services). Opposite the property lies Bury Library and Bury Museum.

Summary of Selected Information

The table below sets out a summary of selected information on Silver Street, Bury.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	9,352
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,002,001
Valuation by Knight Frank as at 31 August 2019	£1,000,000
Purchase Consideration (£ pound)	£1,002,001
Revenue for Forecast Year 2020	£79,106

Roskell House, Fleetwood

11-27 Kemp Street, Fleetwood, FY7 6JX

Property Description

Roskell House comprises a detached two-storey building with approximately 11 car parking spaces.

The property is situated in the town centre of Fleetwood which is located 4 miles (6km) north east of Cleveleys and approximately 8 miles (13km) north east of Blackpool. The property fronts Kemp Street which links with Lord Street to the north east and Lord Street is the main retail street in the town. Neighbouring properties are of mixed retail and leisure uses.

Summary of Selected Information

The table below sets out a summary of selected information on Roskell House, Fleetwood.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	5,863
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£527,064
Valuation by Knight Frank as at 31 August 2019	£415,000
Purchase Consideration (£ pound)	£527,064
Revenue for Forecast Year 2020	£46,800

Glasgow Benefits Centre, Glasgow

Northgate, 96 Milton Street, Glasgow, G4 0DX

Property Description

Glasgow Benefits Centre comprises a three-storey purpose built office with a car park providing parking for approximately 150 vehicles. The property houses the only passport centre of Scotland.

The property is located on the southern side of Milton Street in the northern section of Glasgow City Centre, which is approximately 45 miles (72km) west of Edinburgh, 150 miles (241km) North West of Newcastle-Upon-Tyne and 220 miles (354km) north of Manchester. The property has strong road links with Junction 16 of the M8 motorway, a short distance northeast of the property. Additionally, Queen Street Train Station is nearby, linking Glasgow with the north east of Scotland. The property is situated in a mixed-used area with some commercial properties, as well as Glasgow Caledonian University, residential flats and student accommodation.

Summary of Selected Information

The table below sets out a summary of selected information on Glasgow Benefits Centre, Glasgow.

Usage	Back Office
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	137,287
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	8.6
Valuation by Colliers as at 31 August 2019	£31,765,000
Valuation by Knight Frank as at 31 August 2019	£32,600,000
Purchase Consideration (£ pound)	£31,765,000
Revenue for Forecast Year 2020	£1,940,350

Parklands, Falkirk

Callendar Boulevard, Falkirk, FK1 1XT

Property Description

Parklands comprises a purpose built three-storey government office building arranged over ground, first and second floor levels. There are approximately 326 parking spaces.

The property is situated approximately 0.5 miles (0.8 km) to the south east of central Falkirk, on the east side of Callendar Park, a historic estate covering over 170 acres. The property forms part of Callendar Business Park, which was developed in the 1990s and now extends to over 300,000 sq ft. of office accommodation. Callendar Business Park is well placed for access to Junctions 4 and 5 of the M9 motorway. Notable occupiers include CALA, CSA, Scottish Government (Planning Department) and Link Group. Surrounding land use to the north east is largely commercial and residential.

Summary of Selected Information

The table below sets out a summary of selected information on Parklands, Falkirk.

Usage	Back Office
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	81,350
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£7,413,651
Valuation by Knight Frank as at 31 August 2019	£8,675,000
Purchase Consideration (£ pound)	£7,413,651
Revenue for Forecast Year 2020	£683,789

Atlas Road, Glasgow

200 Atlas Road, Glasgow, G21 4DL

Property Description

The property comprises a purpose built three-storey office building with 97 surface car parking spaces. The property is located on a busy road thoroughfare leading into Springburn, directly opposite the district shopping centre and adjoining an industrial unit to the rear. To the north there is residential housing, formed in tower blocks and high-density terracing. Springburn is approximately 3 miles (5km) north of the city centre, lying east of the A803 a short distance north of Junction 15 of the M8 motorway.

Summary of Selected Information

The table below sets out a summary of selected information on Atlas Road, Glasgow.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	49,788
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£4,488,734
Valuation by Knight Frank as at 31 August 2019	£4,600,000
Purchase Consideration (£ pound)	£4,488,734
Revenue for Forecast Year 2020	£397,111

Coustonholm Road, Glasgow

8 Coustonholm Road, Glasgow, G43 1SS

Property Description

The property comprises a purpose built three-storey office with approximately 90 external car parking spaces.

Coustonholm Road lies in the popular Shawlands District of Glasgow which lies to the south side of Glasgow. It runs in an east to westerly direction from Kilmamock Road (A77), one of the primary thoroughfares leading from the city centre south. The area is characterised by period tenement properties, many of which have commercial units at ground floor with residential flats above. The property lies adjacent to Pollokshaws East Station with regular bus services on Kilmarnock Road linking the area to the city centre and outlying suburbs.

Summary of Selected Information

The table below sets out a summary of selected information on Coustonholm Road, Glasgow.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	36,124
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£3,625,739
Valuation by Knight Frank as at 31 August 2019	£3,500,000
Purchase Consideration (£ pound)	£3,625,739
Revenue for Forecast Year 2020	£303,446

Bowling Green Street, Bellshill

417 Main Street, Bellshill, ML4 1HT

Property Description

The property comprises a purpose built two-storey office building with a secure car park to the rear. Bellshill is a settlement in North Lanarkshire which lies approximately 2 miles (3km) north of Motherwell and 10 miles (16km) east of Glasgow. The town benefits from good road networks by way of the A725 which links with the A8/M8 trunk road. The property is located on the northern side of Main Street, next to the roundabout which links with Bairdsland View and Campbell Street on the eastern boundary of Bellshill town centre. The surrounding area is in mixed use, with residential accommodation to the rear of the property. Further along Main Street to the west lies the main retail offering within the town.

Summary of Selected Information

The table below sets out a summary of selected information on Bowling Green Street, Bellshill.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	23,512
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£2,843,830
Valuation by Knight Frank as at 31 August 2019	£3,300,000
Purchase Consideration (£ pound)	£2,843,830
Revenue for Forecast Year 2020	£277,847

Wallacetoun House, Ayr

John Street, Ayr, KA8 0BX

Property Description

Wallacetoun House comprises a three-storey building with approximately 30 car park spaces at the rear of the property.

The property is located in Ayr, which is 35 miles (56km) south west of Glasgow, 15 miles (24km) south west of Kilmarnock and 4 miles (6km) south of Prestwick. Ayr is closely situated to the A77 road, which links Stranraer (in the south west) to Glasgow (in the north east) via Kilmarnock and the M77 motorway. From Glasgow, there are links to the M8 motorway, providing connection to Edinburgh, and the M74 motorway, providing connection to Carlisle and the M6 motorway. It is within 10 minutes walking distance from Ayr Train and Bus Stations. It is surrounded by a predominantly residential area.

Summary of Selected Information

The table below sets out a summary of selected information on Wallacetoun House, Ayr.

Usage	Jobcentre Plus/Medical Centre
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	28,299
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£3,046,547
Valuation by Knight Frank as at 31 August 2019	£2,785,000
Purchase Consideration (£ pound)	£3,046,547
Revenue for Forecast Year 2020	£283,747

Claverhouse Industrial Park, Dundee

6 Jack Martin Way, Dundee, DD4 9FF

Property Description

Claverhouse Industrial Park comprises a purpose built two-storey office building with side and rear car parks providing over 160 vehicle spaces.

The property is situated on the south side of Jack Martin Way, on the northern periphery of Dundee which is approximately 83 miles (134km) east of Glasgow and 65 miles (105km) north of Edinburgh. Dundee is linked to the motorway network at Perth, approximately 23 miles (37km) to the west, via the A90. Adjacent to the property is Bathgate Retail Park. The surrounding area is mixed-use, including commercial, residential, office and industrial premises.

Summary of Selected Information

The table below sets out a summary of selected information on Claverhouse Industrial Park, Dundee.

Usage	Call Centre
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	48,269
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£3,376,686
Valuation by Knight Frank as at 31 August 2019	£2,885,000
Purchase Consideration (£ pound)	£3,376,686
Revenue for Forecast Year 2020	£281,392

Crown Building, Kilmarnock

12 and 14 Woodstock Street, Kilmarnock, KA1 2BN

Property Description

The property comprises a purpose built 'L' shaped office, formed over ground and three upper floors. There are also 54 car parking spaces.

Woodstock Street lies to the west of the town centre and leads from Grange Place in the east to Fullarton Street in the west. The area is primarily residential in nature, although the main commercial centre is a short distance to the east. Grange Place connects with the A735 which has onward links to the M77 motorway in the north and main road routes into and out of the town. Located approximately 450 metres north of the property, Kilmarnock Station has frequent train services to Glasgow and Ayrshire. Kilmarnock is a commuter town to Glasgow with a sizeable residential population.

Summary of Selected Information

The table below sets out a summary of selected information on Crown Building, Kilmarnock.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	36,696
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£3,434,606
Valuation by Knight Frank as at 31 August 2019	£2,950,000
Purchase Consideration (£ pound)	£3,434,606
Revenue for Forecast Year 2020	£301,762

Flemington House, Motherwell

600 Windmillhill Street, Motherwell, ML1 2HN

Property Description

Flemington House comprises a purpose built, three-storey office building with large external area comprising approximately 100 car parking spaces.

The property is located on the southern side of Windmillhill Street, on the south eastern periphery of Motherwell town centre. Motherwell is situated approximately 13 miles (21km) east of Glasgow and 40 miles (64km) to the west of Edinburgh. It is well-connected with Junction 6 of the M74 motorway located approximately 2 miles (3km) south west of the town centre. The surrounding area of the property is of mixed-use with residential, commercial and leisure properties.

Summary of Selected Information

The table below sets out a summary of selected information on Flemington House, Motherwell.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	29,381
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£2,820,663
Valuation by Knight Frank as at 31 August 2019	£2,525,000
Purchase Consideration (£ pound)	£2,820,663
Revenue for Forecast Year 2020	£263,779

Whitburn Road, Bathgate

31-33 Whitburn Road, Bathgate, EH48 1HG

Property Description

The property is a three-storey office building. There is a car park on the side and rear of the building, providing 38 car parking spaces.

The property is located in the south edge of the Bathgate town centre, which is 21 miles (34km) west of Edinburgh. There is a retail park opposite the property where key occupiers include B&M Bargains, Lidl, Argos, Iceland, Home Bargains and McDonalds.

Summary of Selected Information

The table below sets out a summary of selected information on Whitburn Road, Bathgate.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	31,484
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£2,756,951
Valuation by Knight Frank as at 31 August 2019	£2,800,000
Purchase Consideration (£ pound)	£2,756,951
Revenue for Forecast Year 2020	£266,327

Heron House, Falkirk

Wellside Place, Falkirk, FK1 5SE

Property Description

Heron House comprises a three-storey office building, located in Falkirk, a large town in Scotland's Central Belt. Falkirk is situated approximately 23.5 miles (38km) north east of Glasgow and 26.5 miles (43km) west of Edinburgh.

The property is centrally located within the town, a short distance north west of the principal retailing area centred on the High Street. The property is located on the western side of Wellside Place, which features a mix of office and residential uses, including a retirement home.

Summary of Selected Information

The table below sets out a summary of selected information on Heron House, Falkirk.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	25,454
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£2,635,321
Valuation by Knight Frank as at 31 August 2019	£2,910,000
Purchase Consideration (£ pound)	£2,635,321
Revenue for Forecast Year 2020	£262,181

Pollokshaws Road, Glasgow

159-181 Pollokshaws Road, Glasgow, G41 1PU

Property Description

The property comprises a two-storey office building, with approximately 47 car parking spaces.

The property is located to the south side of Glasgow and sits adjacent to the M74 motorway, on the eastern side of Pollokshaws Road. Devon Place, where the property lies comprises an industrial estate to the north and the property to the south. Road links are good with Pollokshaws Road and Eglinton Street connecting to the Glasgow City Centre. In addition, Pollokshields East Station and two underground stations are nearby.

Summary of Selected Information

The table below sets out a summary of selected information on Pollokshaws Road, Glasgow.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	15,812
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,957,667
Valuation by Knight Frank as at 31 August 2019	£1,600,000
Purchase Consideration (£ pound)	£1,957,667
Revenue for Forecast Year 2020	£154,722

Trinity Road, Elgin

13-21 Trinity Road, Elgin, IV30 1RJ

Property Description

The property comprises a three-storey office building located in Elgin. Elgin is the principal town of the Moray district, lying on the Moray Firth in North East Scotland. The town is located approximately 39 miles (63km) north east of Inverness and 66 miles (106km) north-west of Aberdeen. The A96 connects Elgin to both Aberdeen (south east) and Inverness (south west) whilst the A941 travels north and south linking with the A95 which in turn links in with the A9. Inverness Airport is located approximately 31 miles (50km) to the west. The surrounding area is predominately commercial in nature.

Summary of Selected Information

The table below sets out a summary of selected information on Trinity Road, Elgin.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	17,427
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,476,938
Valuation by Knight Frank as at 31 August 2019	£1,600,000
Purchase Consideration (£ pound)	£1,476,938
Revenue for Forecast Year 2020	£142,946

Discovery House, Stornoway

2 Castle Street, Stornoway, HS1 2BA

Property Description

Discovery House comprises a three-storey building with 13 external car parking spaces.

The property sits adjacent to Stornoway Harbour at the corner of South Beach and Castle Street on the edge of the town centre. Stornoway is the principal town on the Isle of Lewis, an island forming part of the Outer Hebrides located to the north west of Scotland. A number of leisure properties lie close to the property, together with retail units and a hotel adjoining to the west. The main ferry terminal linking to mainland Scotland is a short distance to the east.

Summary of Selected Information

The table below sets out a summary of selected information on Discovery House, Stornoway.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	7,276
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,117,840
Valuation by Knight Frank as at 31 August 2019	£915,000
Purchase Consideration (£ pound)	£1,117,840
Revenue for Forecast Year 2020	£93,259

St John Street, Stranraer

12 St John Street, Stranraer, DG9 7EL

Property Description

The property comprises a two-storey office building, with approximately 50 car parking spaces.

Stranraer is the second largest town in Dumfries & Galloway. Two ferry ports lie to the north of the town connecting Scotland with Northern Ireland and Ireland. Stranraer is accessible via the A77 which runs northwards to Ayr, whilst the A75 travels eastwards connecting the town with Dumfries via Newton Stewart. There are regular rail services to Glasgow, Kilmarnock and Ayr. The property lies to the east of the town centre, within a mixed commercial and residential location. Stranraer Station lies to the south east whilst adjacent properties comprise retail units and a car park.

Summary of Selected Information

The table below sets out a summary of selected information on St John Street, Stranraer.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	6,402
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£712,406
Valuation by Knight Frank as at 31 August 2019	£585,000
Purchase Consideration (£ pound)	£712,406
Revenue for Forecast Year 2020	£65,646

Hall Street, Campbeltown

40 Hall Street, Campbeltown, PA28 6BZ

Property Description

The property comprises a two-storey building, with a single storey extension to the rear and a detached industrial/storage unit. There are approximately 20 car parking spaces.

The property is located on the south western side of Hall Street, on the sea front of Campbeltown, close to the ferry terminal. Campbeltown is located on the west coast of Scotland within the district of Argyll and Bute, approximately 138 miles (222km) from Glasgow and 180 miles (290km) from Edinburgh. The property is located in a mixed-used area including a care home, residential, retail and leisure offerings.

Summary of Selected Information

The table below sets out a summary of selected information on Hall Street, Campbeltown.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	8,288
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£567,608
Valuation by Knight Frank as at 31 August 2019	£550,000
Purchase Consideration (£ pound)	£567,608
Revenue for Forecast Year 2020	£59,758

Castlestead House, Montrose

4 Castle Place, Montrose, DD10 8AL

Property Description

Castlestead House is a three-storey building located in Montrose, a coastal town in Angus which lies 30 miles (48km) north of Dundee and 40 miles (64km) south of Aberdeen. Montrose has rail links and motorway access via the A90 road to Aberdeen, Dundee and the Central Belt. The property is located centrally within Montrose, situated at the corner of George Street and Castle Place.

Summary of Selected Information

The table below sets out a summary of selected information on Castlestead House, Montrose.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	4,246
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£428,602
Valuation by Knight Frank as at 31 August 2019	£405,000
Purchase Consideration (£ pound)	£428,602
Revenue for Forecast Year 2020	£41,363

High Street, Dingwall

3 High Street, Dingwall, IV15 9HL

Property Description

The property comprises a high street retail unit with office on the floor above. It is located within Dingwall's town centre. Dingwall is a market town on the Black Isle approximately 15 miles (24km) north west of Inverness. It is recognised as the principal administrative town serving Ross and Cromarty.

Summary of Selected Information

The table below sets out a summary of selected information on High Street, Dingwall.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	3,438
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£330,139
Valuation by Knight Frank as at 31 August 2019	£290,000
Purchase Consideration (£ pound)	£330,139
Revenue for Forecast Year 2020	£30,808

Bayfield Road, Portree

Bayfield Road, Portree, Isle of Skye, IV51 9EN

Property Description

The property comprises of a three-storey building with on street parking adjacent to the property.

The property is located on the western side of Bayfield Road which is south of Portree town centre. Portree is the capital of the Isle of Skye within the Inner Hebrides of Scotland, approximately 216 miles (348km) north west of Glasgow and 235 miles (378km) from Edinburgh. The surrounding area of the property is in mixed use with retail and leisure to the north and west and residential to the south. The Portree visitor centre is located opposite the property.

Summary of Selected Information

The table below sets out a summary of selected information on Bayfield Road, Portree.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	1,943
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£312,763
Valuation by Knight Frank as at 31 August 2019	£245,000
Purchase Consideration (£ pound)	£312,763
Revenue for Forecast Year 2020	£24,901

Waggon Road, Leven

9 Waggon Road, Leven, KY8 4PT

Property Description

The property is a single-storey building and occupied by Jobcentre Plus. The property is located in the town centre of Leven. Leven is a small seaside town on the north of Forth Estuary and is 8 miles (13km) north of Kirkcaldy and 36 miles (58km) north of Edinburgh. Neighbouring properties include Walton House, a nursing home, and Leven Health Centre.

Summary of Selected Information

The table below sets out a summary of selected information on Waggon Road, Leven.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	4,901
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£306,971
Valuation by Knight Frank as at 31 August 2019	£275,000
Purchase Consideration (£ pound)	£306,971
Revenue for Forecast Year 2020	£27,637

Parc Menai, Bangor

Parc Menai, Bangor, LL57 4FD

Property Description

Parc Menai is a mixed-used business park and comprise of a Grade-A, two-storey office building. There are car parking spaces at the front and rear of the building.

The property is located in Wales and it is 3 miles (5km) south west of Bangor city centre, 60 miles (96km) west of Chester and 72 (115km) miles west of Liverpool. The property is just off Junction 9 of the A55 road, which provides access to Anglesey and across North Wales, leading into England.

Summary of Selected Information

The table below sets out a summary of selected information on Parc Menai, Bangor.

Usage	Call Centre
Land Tenure (years)	Long Leasehold (Lease expires on 19 May 2255)
Net Internal Area (sq ft)	31,674
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£3,973,254
Valuation by Knight Frank as at 31 August 2019	£4,725,000
Purchase Consideration (£ pound)	£3,973,254
Revenue for Forecast Year 2020	£384,196

Crown Buildings, Bridgend

Angel Street, Bridgend, CF31 4AA

Property Description

The property comprises a seven-storey building, with approximately 80 car parking spaces.

The property is located in Bridgend, a large town in the Bridgend County Borough of Wales. It is located approximately 18 miles (29km) west of the capital Cardiff and 20 miles (32km) south east of Swansea. Nearby occupiers are office users including Bridgend County Council and retail uses to the North West, centred on Caroline Street and Dunraven Square.

Summary of Selected Information

The table below sets out a summary of selected information on Crown Buildings, Bridgend.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	46,058
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£4,286,017
Valuation by Knight Frank as at 31 August 2019	£4,225,000
Purchase Consideration (£ pound)	£4,286,017
Revenue for Forecast Year 2020	£376,304

High Street, Swansea

37-38 High Street, Swansea, SA1 1LS

Property Description

The property is a four-storey office building. The property is located in the city centre of Swansea, Wales. Swansea is 44 miles (71km) west of Cardiff and south of the M4 motorway. The property fronts the High Street, and Swansea Station is located within short walking distance away. The property is also within walking distance to Oxford Street and St David's Shopping Centre, and is surrounded by tertiary retail, commercial property and residential areas.

Summary of Selected Information

The table below sets out a summary of selected information on High Street, Swansea.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	19,609
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£2,160,384
Valuation by Knight Frank as at 31 August 2019	£2,000,000
Purchase Consideration (£ pound)	£2,160,384
Revenue for Forecast Year 2020	£188,006

Crown Buildings, Caerphilly

Claude Road, Caerphilly, CF83 1WT

Property Description

The property comprises a four-storey office building, with approximately 36 car parking spaces.

Caerphilly is the largest town in the eponymous county borough of South Wales and is located at the southern end of the Rhymney Valley. It is recognised as a commuter town for both Cardiff and Newport. Caerphilly lies approximately 7 miles (11km) east of Pontypridd, 11 miles (18km) west of Newport and 8 miles (13km) north of Cardiff. The property is located on the east side of Florence Grove in a predominantly residential location. Caerphilly train station is located approximately 0.5 miles (1km) south east of the subject property.

Summary of Selected Information

The table below sets out a summary of selected information on Crown Buildings, Caerphilly.

Usage	Back Office
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	21,000
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,540,649
Valuation by Knight Frank as at 31 August 2019	£1,235,000
Purchase Consideration (£ pound)	£1,540,649
Revenue for Forecast Year 2020	£124,374

Cleddau Bridge Business Park, Pembroke Dock

Pembroke Dock, SA72 6UP

Property Description

Cleddau Bridge Business Park comprises a modern two-storey office, with ample parking spaces provided to the front of the building.

The property is located in Pembroke Dock, a town on the River Cleddau in Pembrokeshire, South West Wales. The town lies 61 miles (98km) west of Swansea. The property is situated in the Pembrokeshire Science and Technology Park on the A477, Cleddau Bridge, to the north east of the city centre. The property is surrounded by greenfield land but connected to the town centre via the A477.

Summary of Selected Information

The table below sets out a summary of selected information on Cleddau Bridge Business Park, Pembroke Dock.

Usage	Call Centre
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	19,418
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,430,603
Valuation by Knight Frank as at 31 August 2019	£1,300,000
Purchase Consideration (£ pound)	£1,430,603
Revenue for Forecast Year 2020	£119,460

Crown Buildings, Aberdare

Greenbach Street, Aberdare, CF44 7HU

Property Description

The property comprises a five-storey purpose built office building, with approximately 80 surface car parking spaces.

Aberdare is a small Welsh town situated approximately 25 miles (40km) north of Cardiff. The town is accessible via the A470 corridor which provides road access to the M4 motorway at Junction 32, approximately 18 miles (29km) south of the town. The property is situated on Greenbach Street, at the edge of Aberdare town centre, immediately adjacent to a public car park. The property benefits from good road access and proximity to the town centre amenities of Aberdare.

Summary of Selected Information

The table below sets out a summary of selected information on Crown Buildings, Aberdare.

Usage	Jobcentre Plus/Back Office
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	24,290
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,262,637
Valuation by Knight Frank as at 31 August 2019	£1,120,000
Purchase Consideration (£ pound)	£1,262,637
Revenue for Forecast Year 2020	£102,662

Oldway House, Swansea

Clase Road, Morriston, Swansea, SA6 8BT

Property Description

The property is a three-storey building, with approximately 20 car parking spaces.

The property is located in Swansea, one of South Wales' principal cities with Cardiff 40 miles (64km) to the east. The city is located 6 miles (10km) south of the M4 motorway between Junctions 44 and 47. The property is on the corner of Clase Road and Glantawe Street approximately 4 miles (6km) north of Swansea city centre. The surrounding area predominantly consists of office and retail occupiers.

Summary of Selected Information

The table below sets out a summary of selected information on Oldway House, Swansea.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	14,575
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,251,054
Valuation by Knight Frank as at 31 August 2019	£1,000,000
Purchase Consideration (£ pound)	£1,251,054
Revenue for Forecast Year 2020	£104,611

Thistle House, Tonypandy

Llwynypia Road, Tonypandy, CF40 2EP

Property Description

The property comprises a three-storey, purpose built office building with a secure surface level car park. Tonypandy is a well-established town located in the Rhondda Valley, 17 miles (27km) north west of Cardiff. The town is well-connected, being linked to the M4 motorway via the A470, and has rail links to the National Rail network. The property occupies a prominent position on the principal thoroughfare to the north of Tonypandy town centre, approximately 1 mile (1.6km) north west of the Tonypandy Station. Surrounding uses are predominantly commercial.

Summary of Selected Information

The table below sets out a summary of selected information on Thistle House, Tonypandy.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	14,650
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£1,198,926
Valuation by Knight Frank as at 31 August 2019	£1,100,000
Purchase Consideration (£ pound)	£1,198,926
Revenue for Forecast Year 2020	£112,044

Bridge Street, Llangefni

Bridge Street, Llangefni, LL77 7YJ

Property Description

The property is a two-storey building, located on the southern edge of the town centre of Llangefni. Llangefni is on the Isle of Anglesey, North West Wales and it is accessible via the A5 road to Holy head and via the Britannia Bridge to Bangor. The property is surrounded by a mix of commercial, industrial and residential area.

Summary of Selected Information

The table below sets out a summary of selected information on Bridge Street, Llangefni.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	9,601
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£764,533
Valuation by Knight Frank as at 31 August 2019	£665,000
Purchase Consideration (£ pound)	£764,533
Revenue for Forecast Year 2020	£63,990

Quay Street, Haverfordwest

16-20 Quay Street, Haverfordwest, SA61 1BH

Property Description

The property comprises a two-storey office building, with approximately 18 car parking spaces.

Haverfordwest is in the county town of Pembrokeshire, Wales and the most populous urban area in Pembrokeshire. It is the largest settlement in the area, housing the main county council offices and regional hospital, as well as being the main retail centre in the county. The town is served by the A40 trunk road, with Cardiff 97 miles (156km) to the east, and Swansea 57 miles (92km) to the east. The property is located on Quay Street, south of the High Street. Properties in the immediate vicinity vary in use from commercial to residential.

Summary of Selected Information

The table below sets out a summary of selected information on Quay Street, Haverfordwest.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	8,603
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£839,828
Valuation by Knight Frank as at 31 August 2019	£785,000
Purchase Consideration (£ pound)	£839,828
Revenue for Forecast Year 2020	£75,000

Hannah Street, Porth

35 Hannah Street, Porth, CF39 9RB

Property Description

The property is a modern two-storey office with road parking spaces in front of the property.

The property is located in Porth, in the county borough of Rhondda Cynon Taf. It is approximately 15 miles (24km) north west of Cardiff and 21 miles (34km) west of Newport. The property is situated on Hannah Street, south east of the town centre. Access is via the B4278, Pontypridd Road. Nearby occupiers are retailers including New Look, William Hill and Superdrug. The property is 200 metres south east of Porth Station.

Summary of Selected Information

The table below sets out a summary of selected information on Hannah Street, Porth.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	7,018
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£660,278
Valuation by Knight Frank as at 31 August 2019	£650,000
Purchase Consideration (£ pound)	£660,278
Revenue for Forecast Year 2020	£64,763

Crown Buildings, Abertillery

Portland Street, Abertillery, NP13 1YF

Property Description

The property comprises of a two-storey office building, with approximately 15 car parking spaces.

Abertillery is situated 17 miles (27km) north west of Newport and 21 miles (34km) north of Cardiff. The town is accessed via the A467, which links to Junction 28 of the M4 Motorway to the south. The property is situated on the eastern side of Portland Street in the heart of the town centre. Surrounding uses are predominantly residential.

Summary of Selected Information

The table below sets out a summary of selected information on Crown Buildings, Abertillery.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	9,159
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£411,226
Valuation by Knight Frank as at 31 August 2019	£405,000
Purchase Consideration (£ pound)	£411,226
Revenue for Forecast Year 2020	£37,117

Dock Street, Porthcawl

Dock Street, Porthcawl, CF36 3BL

Property Description

The property comprises a two-storey office building with Jobcentre Plus on the ground floor and offices on the upper floor and 12 car parking spaces.

Porthcawl is a coastal town located 6 miles (10km) west of Bridgend. The A4229 connects the town with Junction 37 of the M4 motorway. The property is situated on Dock Street, in the heart of the town centre, just 100 metres north of the coast. The surrounding uses are predominantly residential, whilst the main high street is situated to the north of the property.

Summary of Selected Information

The table below sets out a summary of selected information on Dock Street, Porthcawl.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	3,023
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£318,555
Valuation by Knight Frank as at 31 August 2019	£315,000
Purchase Consideration (£ pound)	£318,555
Revenue for Forecast Year 2020	£25,699

Maengwyn Street, Machynlleth

43-45 Maengwyn, Machynlleth, SY20 8EB

Property Description

The property comprises a two-storey building. The property is situated in the centre of Machynlleth, Powys in Wales at the intersection of the A487 and the A489 roads. The town is situated approximately 17 miles (27km) north east of Aberystwyth and 39 miles (63km) west of Welshpool. The property fronts on to Heol Maengwyn which is one of the retail streets in the town. The surrounding properties provide local retail and food and beverage offerings.

Summary of Selected Information

The table below sets out a summary of selected information on Maengwyn Street, Machynlleth.

Usage	Jobcentre Plus
Land Tenure (years)	Freehold
Net Internal Area (sq ft)	3,655
WALE to Expiry by Gross Rental Income for the month of August 2019 (years)	8.6
WAULT to Break by Gross Rental Income for the month of August 2019 (years)	3.6
Valuation by Colliers as at 31 August 2019	£173,757
Valuation by Knight Frank as at 31 August 2019	£150,000
Purchase Consideration (£ pound)	£173,757
Revenue for Forecast Year 2020	£12,421

INSURANCE

The Properties are let out on full repairing and insuring leases. Accordingly, the tenants are responsible for obtaining insurance on the Properties. Notwithstanding that Elite Commercial REIT also has in place third party liability insurance, environmental insurance and indemnity insurance for the Properties. All insurances contracts periodically undergo a competitive bid process. The Manager, directly or through insurance brokers, will identify requirements, create specifications and evaluate bids with a view to determining the most appropriate coverage and pricing.

In relation to the indemnity insurance for the Properties, the respective issues affecting the Properties as highlighted in the section “Risk Factors – Risks Relating to the Properties” have been disclosed to the insurers together with the underlying documents in relation to such issues where available.

(See “Risk Factors – Risks Relating to the Properties – Elite Commercial REIT may not be able to put in place or maintain adequate insurance in relation to the Properties and its potential liabilities to third parties or may suffer material losses in excess of insurance proceeds” for further details.)

LEGAL PROCEEDINGS

None of Elite Commercial REIT and the Manager is currently involved in any material litigation nor, to the best of the Manager's knowledge, in any material litigation currently contemplated or threatened against Elite Commercial REIT or the Manager.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As at the Listing Date, Elite Commercial REIT will obtain all requisite approvals, and is in compliance with relevant laws and regulations that would materially affect its business operations.

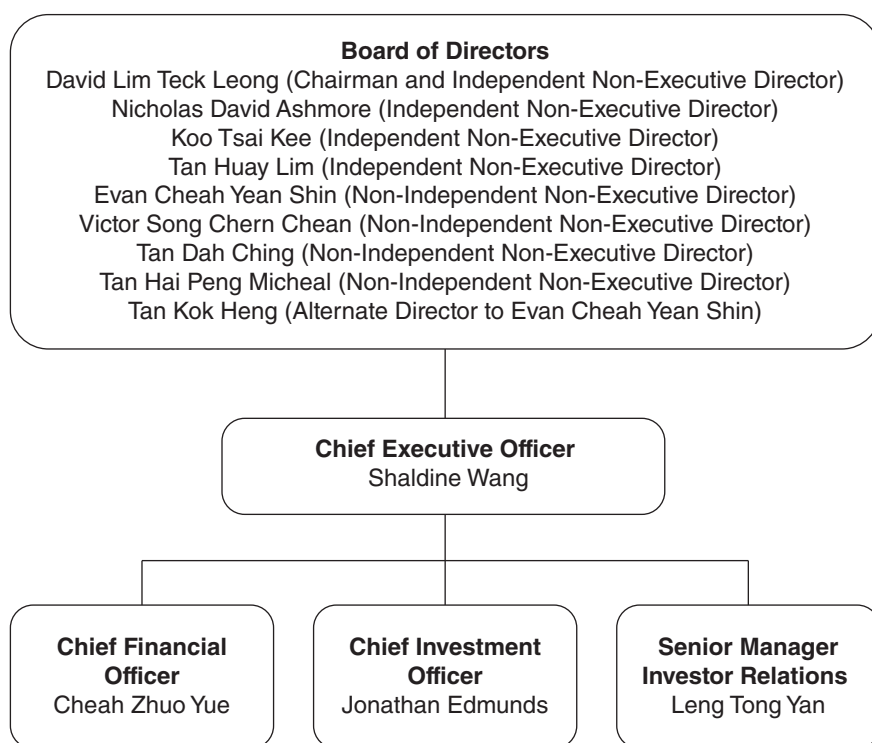
THE MANAGER AND CORPORATE GOVERNANCE

THE MANAGER OF ELITE COMMERCIAL REIT

The Manager, Elite Commercial REIT Management Pte. Ltd., was incorporated in Singapore under the Companies Act on 2 August 2019. It has an issued and paid-up capital of S\$1,000,000. The shareholders of Elite Commercial REIT Management Pte. Ltd. will be (1) EPH (85.0%) and (2) Sunway (15.0%) at listing. The shareholders of EPH are Ho Lee Group Pte. Ltd., Tan Dah Ching, Victor Song Chern Chean, Hoon Mow Chow and Chiew Chuanjin, who each holds 25.0%, 20.0%, 22.0%, 16.5% and 16.5% of the shares in EPH, respectively. Its principal place of business is located at 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989, and its telephone number is +65 6955 9999.

The Manager has been issued a CMS Licence pursuant to the SFA on 22 January 2020 and is regulated by the MAS.

Management Reporting Structure



Board of Directors of the Manager

The Board is entrusted with the responsibility for the overall management of the Manager. The following table sets forth certain information regarding the directors of the Manager:

Name	Age	Address	Position
David Lim Teck Leong	63	c/o 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989	Chairman and Independent Non-Executive Director
Nicholas David Ashmore	58	c/o 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989	Independent Non-Executive Director
Koo Tsai Kee	65	c/o 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989	Independent Non-Executive Director
Tan Huay Lim	63	c/o 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989	Independent Non-Executive Director
Evan Cheah Yean Shin	40	c/o 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989	Non-Independent Non-Executive Director
Victor Song Chern Chean	41	c/o 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989	Non-Independent Non-Executive Director
Tan Dah Ching	41	c/o 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989	Non-Independent Non-Executive Director
Tan Hai Peng Micheal	49	c/o 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989	Non-Independent Non-Executive Director
Tan Kok Heng	56	c/o 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989	Alternate Director to Evan Cheah Yean Shin

Listed Company Experience

Pursuant to Rule 210(5)(a) of the Listing Manual, a director who has no prior experience as a director of an issuer listed on the SGX-ST (**"First-time Director"**) must undergo mandatory training with the Singapore Institute of Directors in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST, by the end of the first year of Elite Commercial REIT's listing (**"Mandatory Training"**). In this regard, Mr Nicholas David Ashmore, Mr Koo Tsai Kee, Mr Victor Song Chern Chean, Mr Evan Cheah Yean Shin and Dr Tan Kok Heng are considered to be First-time Directors and they will attend Mandatory Training within the period permitted under the Listing Manual.

The appropriate orientation session has been conducted to orientate the directors of the Manager in acting as a director of a manager of a public-listed REIT. The Board collectively has the appropriate experience to act as the directors of the Manager and is familiar with the rules and responsibilities of a director of a public-listed company and/or manager of a public-listed REIT.

Family Relationship

Victor Song Chern Chean is both a director of the Manager and an indirect substantial shareholder of the Manager.

Tan Hai Peng Micheal, who is both a director of the Manager and an indirect substantial shareholder of the Manager through Teck Lee Holdings Pte. Ltd., is related to the other shareholders of Teck Lee Holdings Pte. Ltd., namely (i) Tan Hai Seng Benjamin (brother); (ii) Tan Thuan Teck (father) and (iii) Tan Yong Hiang (sister). Tan Hai Peng Micheal also has a 16.25% interest in Ho Lee Group Trust, a substantial Unitholder.

Tan Dah Ching is both a director of the Manager and an indirect substantial shareholder of the Manager. Tan Dah Ching is the son of Tan Kim Seng, who is a major shareholder of Kim Seng Holdings Pte. Ltd.. Kim Seng Holdings Pte. Ltd. is a substantial Unitholder.

Evan Cheah Yean Shin, who is both a director of the Manager and an indirect substantial shareholder of the Manager through Sunway Berhad, is related to certain other indirect substantial shareholders of Sunway Berhad, is also related to certain other substantial shareholders of Sunway Berhad, namely (i) Tan Sri Dato' Seri Dr Jeffrey Cheah Fook Ling (father); (ii) Puan Sri Datin Seri (Dr) Susan Cheah Seok Cheng (mother); (iii) Sarena Cheah Yean Tih (sister); and (iv) Adrian Cheah Yean Sun (brother).

Save for the above, none of the directors of the Manager are related to one another, any substantial shareholder of the Manager or any Substantial Unitholder.

Independent Directors

None of the Independent Directors of the Board sits on the boards of the principal subsidiaries of Elite Commercial REIT that are based in jurisdictions other than in Singapore. Each of the Independent Directors of the Manager confirms that they are able to devote sufficient time to discharge their duties as an Independent Director of the Manager. The Nominating and Remuneration Committee (as defined herein) is of the opinion that the Independent Directors are able to devote sufficient time to discharge their duties as Independent Directors of the Manager.

Experience and Expertise of the Board of Directors of the Manager

Information on the business and working experience of the directors of the Manager is set out below:

Mr David Lim Teck Leong is a proposed Chairman and Independent Non-Executive Director of the Manager.

Mr Lim is the founder and Managing Partner of David Lim & Partners LLP and has been the Managing Partner since 1990.

Mr Lim began his career at Rodyk & Davidson LLP (now known as Dentons Rodyk & Davidson LLP) in 1982 with a focus in commercial litigation, corporate finance, restructuring, and mergers and acquisitions up till 1989. He has represented multiple multi-national corporations and corporations from a myriad of sectors including finance and banking, fund management, private equity, oil and gas, logistics, healthcare, construction, information technology and telecommunications, property development, hospitality and shipping.

Mr Lim sits on the boards of G.K. Goh Holdings Limited and New Toyo International Holdings Limited, both listed on the SGX-ST, as an Independent and Non-Executive Director. He also sits on the boards of private companies in Singapore, Indonesia and Thailand in non-executive and independent capacities. He was also the Chairman and Non-Executive Director of Croesus Retail Asset Management Pte. Ltd. from 2012 to 2017.

Mr Lim is an honorary legal advisor (for David Lim & Partners LLP) of the Singapore Physiotherapy Association and a Fellow of the Singapore Institute of Directors. He was also appointed by the Monetary Authority of Singapore to be a Member of the Corporate Governance Council (2017 – 2018).

Mr Lim graduated from King's College London with a Bachelor of Laws and obtained his professional qualification as a Barrister-at-Law from Gray's Inn, London in 1981.

Mr Nicholas David Ashmore is a proposed Independent Non-Executive Director of the Manager.

Mr Ashmore is currently the Executive Director of Ratho Consulting Ltd, a consultancy company he founded in 2018, which specialises in providing management consultancy services in the business strategy, defence and property and infrastructure sectors. From 2017 to 2018, he was an Operations Director with Carillion Plc, where he was responsible for facilities management contracts with the UK Government.

Mr Ashmore served in the British Army for more than 30 years, joining in 1984 and leaving in 2017 with the rank of Major General. He served at Regimental Duty with the Royal Regiment of Artillery, including on operations around the world, and also served in the UK's Ministry of Defence, where he specialised in defence resources and plans, property and infrastructure and human resources.

Mr Ashmore holds a Bachelor of Arts (Hons) Degree in History and English from Northumbria University, UK.

Mr Koo Tsai Kee is a proposed Independent Non-Executive Director of the Manager.

Mr Koo is currently the Advisory Director of Temasek International Advisors Pte. Ltd.. He joined Temasek International Pte Ltd in 2011 as a Managing Director, specialising in strategic relations, and subsequently moved to Temasek International Advisors Pte. Ltd. in 2016. He is also a Non-Executive Director of Temasek Foundation Cares, a non-profit philanthropic organisation under the family of Temasek Foundation, since 2015.

Before joining Temasek, Mr Koo served in various Ministries of the Singapore Government with his last appointment as Minister of State for Defence. From 1997 to 2011, he held various appointments within the Singapore Government, including Senior Parliamentary Secretary and Parliamentary Secretary in the Ministries of Finance, National Development, Defence and Environment and Water Resources. In addition, he was a Member of the Parliament from 1991 to 2011. From 1993 to 1997, he was with National Trades Union Congress as Assistant Secretary General, responsible for Industrial Relations.

From 1983 to 1993, Mr Koo was an academic staff at the Nanyang Technological University and from 1979 to 1982, he was a Surveyor with the Public Works Department, Roads Division (the Department has been absorbed into the Land Transport Authority).

Mr Koo graduated from University of New South Wales, Australia, with a Bachelor of Surveying (Hons). He also holds a Master of Science (Dist) from University College London, UK and a Master of Philosophy from University of London, UK.

Mr Tan Huay Lim is a proposed Independent Non-Executive Director of the Manager.

Mr Tan is currently an Independent Non-Executive Director and Chairman of the Audit Committee of Dasin Retail Trust Management Pte. Ltd., the Trustee-Manager of the SGX-ST-listed Dasin Retail Trust, as well as an Independent Non-Executive Director and Chairman of the Audit Committee of Zheneng Jinjiang Environment Holding Company Limited, Koufu Group Limited and ASL Marine Holdings Ltd.

Mr Tan started his career in accounting and audit at KPMG LLP (formerly known as Peat, Marwick, Mitchell & Co.) in April 1981 and was admitted as a Partner in October 1991. He has over 30 years of experience in the audit of privately-owned entities, multi-national corporations and public listed companies.

Mr Tan was the Singapore Head of KPMG Global China Practice from September 2010 until his retirement from KPMG LLP on 30 September 2015. In addition, he was involved in a number of initial public offerings, debt financing and merger and acquisition transactions during his tenure in KPMG LLP.

Mr Tan is an Honorary Council Member of the Singapore Chinese Chamber of Commerce and Industry and the Singapore Hokkien Huay Kuan.

Mr Tan holds a Bachelor of Commerce (Accountancy) from Nanyang University, Singapore. He is a Fellow Member of the Institute of Singapore Chartered Accountants, the Association of Chartered Certified Accountants, UK, and the Certified Practising Accountants (Australia).

Mr Evan Cheah Yean Shin is a proposed Non-Independent Non-Executive Director of the Manager.

Mr Cheah joined the Sunway Group following his graduation as an Executive Assistant and was attached to the Sunway Group Finance division from 2001 to 2002, with key roles in investment analysis, due diligence, corporate finance, management accounting and group procurement. In 2003, he was promoted and rotated to Sunway Construction where he was the Finance Manager. In 2006, he became the General Manager, Business Development of Sunway Group's Trading & Manufacturing division. In 2010, he was promoted to be the Executive Director of SunwayMas, a property development company within Sunway Group, in charge of operation matters.

In 2011, Mr Cheah was designated Chief Executive Officer of Sunway Berhad Group's China operations, responsible for the China Corporate Office and the development of new business opportunities for the Sunway Berhad Group in China. In 2013, he assumed the additional role of Executive Director in the President's Office of Sunway, assisting the Group President in overseeing the Trading & Manufacturing, Building Materials, Quarry and Information Technology businesses.

Effective 1 March 2015, he was redesignated as Executive Vice President – President Office with additional role of assisting the President's Office to identify potential business growth opportunities for Sunway Group and driving the group's synergy.

Mr Cheah graduated with a Bachelor of Commerce and a Bachelor of Business Systems from Monash University in 2001. He is a Chartered Financial Analyst (CFA) Charterholder, a Fellow of Certified Practising Accountants (CPA) Australia, and a Member of Malaysian Institute of Accountants.

Mr Victor Song Chern Chean is a proposed Non-Independent Non-Executive Director of the Manager.

Mr Song is one of the founding shareholders of EPH and the Managing Director of EPC. He is responsible for the management and operations of EPC, the investment strategies of the various funds under EPC's management, as well as investment activities, asset management and build-to-suit project management.

Prior to the establishment of EPC, Mr Song was one of the founding members of Viva Industrial Trust (“VIT”) (which has since merged with ESR-REIT) where he also held the positions of Head of Asset Management and Investment Director of VIT’s manager, Viva Industrial Trust Management Pte. Ltd.. He was responsible for the business plans and operations of the properties, as well as formulating and evaluating acquisition and divestment opportunities. During his tenure at VIT’s manager, VIT’s total assets under management grew steadily to more than S\$1 billion.

Earlier in his career, Mr Song was part of the investment team at SGX-ST-listed Cambridge Industrial Trust (currently known as ESR-REIT), where he was responsible for formulating investment strategies and the execution of investment transactions. In addition, he was a consultant and provided management and advisory services to real estate-related contracts and was the Operation and Marketing Manager at Lyman Group, where he was responsible for operations and lease management.

Mr Song has 15 years of experience across the entire real estate investment value chain, from leasing, asset management and advisory, and build-to-suit activities to acquisitions, investment and divestment.

Mr Song graduated from the Royal Melbourne Institute of Technology with a Bachelor of Business (Business Administration). He has also obtained a Certificate of Real Estate Valuation from the International Management Academy and a Certificate of Real Estate Investment Finance from the Asia Pacific Real Estate Association.

Mr Tan Dah Ching is a proposed Non-Independent Non-Executive Director of the Manager.

Mr Tan is currently the Executive Director for EPC, where he manages the capital markets and fundraising functions. He is also the Non-Executive Independent Director of TSH Corporation Limited, a food and beverage company listed on Singapore Exchange Catalist Board.

Mr Tan has over 15 years of experience in corporate finance. Prior to joining EPC, he was managing his own portfolio of investments. From 2008 to 2013, he was a Business Development Manager at Swissco Holdings Limited, where he oversaw the corporate finance activities. Prior to that, he was an Investment Manager at Kim Seng Holdings Pte. Ltd. from 2006 to 2008 and an Associate at Genesis Capital Pte. Ltd. from 2003 to 2006, where he was involved in initial public offerings and financial advisory.

Mr Tan holds a Bachelor of Engineering (Chemical Engineering) from the National University of Singapore.

Mr Tan Hai Peng Micheal is a proposed Non-Independent Non-Executive Director of the Manager.

Mr Tan is currently the Executive Chairman of EPC, where he provides leadership in forging strategic business relationships and broadening business outreach, as well as offering advice and guidance to the senior management. He is also an Executive Director of Ho Lee Group Pte. Ltd. and is responsible for the general and strategic management of the group.

Mr Tan has extensive experience in management and business development. He served as the Executive Chairman of Singapore Exchange-listed LH Group Limited (formerly Liang Huat Aluminium Limited) from 2010 to 2017. He also served as Non-Executive Director of Viva Industrial Trust Management Pte. Ltd. (the manager of SGX-ST-listed Viva Industrial Trust which has since merged with ESR-REIT).

From 1993 to 1995, Mr Tan was a Liner Executive at Neptune Orient Lines Limited, covering shipments between India and North America.

In addition, Mr Tan was conferred The Commendation Medal (Military) in 2013 by the Singapore Government. A Colonel in the Singapore Armed Forces (“SAF”), he is currently the Commander of SAF’s 29th Infantry Brigade.

Mr Tan is also the Chairman of Sembawang Community Club Management Committee and he was conferred The Public Service Star and The Public Service Medal in 2017 and 2011 respectively, for his contributions to the community.

Mr Tan graduated from the Florida Institute of Technology, United States, with a Bachelor of Science in Computer Engineering (Hons) and holds a Master of Business Administration (for Senior Executives) from the National University of Singapore.

Dr Tan Kok Heng is the proposed alternate director to Mr Evan Cheah Yean Shin.

Dr Tan Kok Heng is currently the Executive Director of Sunway, the real estate investment management arm of Sunway Berhad.

At Sunway, Dr Tan oversees the real estate fund management business of the Sunway Berhad Group, whose responsibilities include deal origination and fund raising, with emphasis in setting up listed and unlisted funds, with the objective of building its overseas property business as well as growing its recurring income.

Prior to joining Sunway, from April 2011 to October 2018, Dr Tan was the CEO of Fund Management Business and Head of Property Investment of Sime Darby Property Berhad (“SDPB”). He was instrumental in setting up several private real estate and development funds for SDPB, as well as being involved in numerous joint ventures. Before his appointment at SDPB, he also held various executive appointments, such as Executive Director of Colliers International (Singapore) Pte. Ltd. from September 2008 to April 2011 and Managing Director (Business Development & International Business) with CapitaLand Limited from January 2002 to August 2008.

Dr Tan graduated from the National University of Singapore with a Bachelor of Science (Hons) in Estate Management. He also holds a Graduate Diploma in Financial Management from the Singapore Institute of Management, Master of International Business from the Curtin University of Technology, Australia and Doctorate (Transdisciplinary Studies) from Central Queensland University, Australia. He is also a member of the Singapore Institute of Directors.

List of Present and Past Principal Directorships of Directors

A list of the present and past directorships of each director of the Manager over the last five years preceding the Latest Practicable Date is set out in Appendix H, “List of Present and Past Principal Directorships of Directors and Executive Officers”.

Roles of the Board of Directors

The key roles of the Board are to:

- guide the corporate strategy and directions of the Manager;
- ensure that senior management discharges business leadership and demonstrates the highest quality of management skills with integrity and enterprise; and
- oversee the proper conduct of the Manager.

The Board comprises eight directors. The audit and risk committee of the Board (the “**Audit and Risk Committee**”) comprises of Mr Tan Huay Lim, Mr David Lim Teck Leong and Mr Koo Tsai Kee. Mr Tan Huay Lim will assume the position of Chairman of the Audit and Risk Committee. The nominating and remuneration committee of the Board (the “**Nominating and Remuneration Committee**”) comprises of Mr Koo Tsai Kee, Mr Tan Hai Peng Micheal and Mr David Lim Teck Leong. Mr Koo Tsai Kee will assume the position of Chairman of the Nominating and Remuneration Committee.

The Board shall meet to review the key activities and business strategies of the Manager. The Board intends to meet regularly, (if Elite Commercial REIT were to do semi-annual reporting) at least once every six months, (if Elite Commercial REIT were to do quarterly reporting) at least once every quarter, to deliberate the strategies of Elite Commercial REIT, including acquisitions and divestments, funding and hedging activities, approval of the annual budget and review of the performance of Elite Commercial REIT. The Board or the relevant board committee will also review Elite Commercial REIT’s key financial risk areas and the outcome of such reviews will be disclosed in the annual report or where the findings are material, immediately announced via SGXNET.

Each director of the Manager has been appointed on the basis of his professional experience and ability to contribute to the proper guidance of Elite Commercial REIT. The Directors will contribute in different ways, including using their personal networks to further the interests of Elite Commercial REIT.

The Board will have in place a set of internal controls which sets out approval limits for operational and capital expenditures, investments and divestments, bank borrowings and cheque signatory arrangements. In addition, sub-limits are also delegated to various management levels to facilitate operational efficiency.

The Sponsor, EPH was also engaged to develop an Enterprise Risk Management and Framework to help the Board formally identify the key risks and controls in place, the related mitigation measures and sources of assurance currently available to the Board and the Audit and Risk Committee.

Taking into account the above and the fact that Elite Commercial REIT was constituted only on 7 June 2018 and has recently acquired the IPO Portfolio on 16 November 2018, the Board, in concurrence with the Audit and Risk Committee, is of the opinion that the internal controls as are further described in:

- “The Manager and Corporate Governance – The Manager of Elite Commercial REIT – Board of Directors of the Manager – Roles of the Board of Directors”;
- “The Manager and Corporate Governance – Corporate Governance of the Manager – Board of Directors of the Manager”;
- “The Manager and Corporate Governance – Corporate Governance of the Manager – Audit and Risk Committee”;
- “The Manager and Corporate Governance – Corporate Governance of the Manager – Compliance Function”;
- “The Manager and Corporate Governance – Corporate Governance of the Manager – Dealings in Units”;
- “The Manager and Corporate Governance – Corporate Governance of the Manager – Management of Business Risk”;

- “The Manager and Corporate Governance – Corporate Governance of the Manager – Potential Conflicts of Interest”;
- “The Manager and Corporate Governance – Related Party Transactions – The Manager’s Internal Control System”;
- “The Manager and Corporate Governance – Related Party Transactions – Role of the Audit and Risk Committee for Related Party Transactions”;
- “The Manager and Corporate Governance – Related Party Transactions – Related Party Transactions in Connection with the Setting Up of Elite Commercial REIT and the Offering”;
- “The Manager and Corporate Governance – Related Party Transactions – Exempted Agreements”; and
- “The Manager and Corporate Governance – Related Party Transactions – Future Related Party Transactions”;

will be adequate in addressing financial, operational and compliance risks faced by Elite Commercial REIT.

The members of the Audit and Risk Committee will monitor changes to regulations and accounting standards closely. To keep pace with regulatory changes, where these changes have an important bearing on the Manager’s or its directors’ disclosure obligations, the directors of the Manager will be briefed either during Board meetings or at specially convened sessions involving relevant professionals.

Management will also provide the Board with complete and adequate information in a timely manner through regular updates on financial results, market trends and business developments.

At least half of the directors of the Manager are non-executive and independent. This enables the management to benefit from their external, diverse and objective perspective on issues that are brought before the Board. It would also enable the Board to interact and work with the management through a robust exchange of ideas and views to help shape the strategic process.

The positions of Chairman of the Board and Chief Executive Officer are separately held by two persons in order to maintain an effective check and balance. The Chairman of the Board is Mr David Lim Teck Leong, while the Chief Executive Officer is Ms Shaldine Wang.

There is a clear separation of the roles and responsibilities between the Chairman and the Chief Executive Officer of the Manager. The Chairman is responsible for the overall management of the Board as well as ensuring that the members of the Board and the management work together with integrity and competency, and that the Board engages the management in constructive debate on strategy, business operations, enterprise risk and other plans. The Chief Executive Officer has full executive responsibilities over the business directions and operational decisions in the day-to-day management of the Manager.

The Board has separate and independent access to senior management and the company secretary(s) at all times. The company secretary(s) attends to corporate secretarial administration matters and attends all Board meetings. The Board also has access to independent professional advice where appropriate and when requested.

Executive Officers of the Manager

The executive officers of the Manager are entrusted with the responsibility for the daily operations of the Manager. The following table sets forth information regarding the executive officers of the Manager:

Name	Age	Address	Position
Shaldine Wang	47	c/o 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989	Chief Executive Officer
Cheah Zhuo Yue	35	c/o 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989	Chief Financial Officer
Jonathan Edmunds	43	c/o 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989	Chief Investment Officer
Leng Tong Yan	35	c/o 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989	Senior Manager Investor Relations

Experience and Expertise of the Executive Officers of the Manager

Information on the working experience of the executive officers of the Manager is set out below:

Ms Shaldine Wang is the Chief Executive Officer of the Manager.

Ms Wang has over 20 years of experience in corporate finance, financial management and investments. Prior to this, she was the Portfolio Director of EPC and was principally responsible for the acquisition and operation of Elite UK Commercial Fund.

Prior to joining EPC, Ms Wang was the Head of Projects at Sime Darby Real Estate Management Pte. Ltd., where she was responsible for investments and development opportunities for the Sime Darby Property private fund from October 2016 to May 2018. From November 2012 to February 2016, she was the Group Finance Director of China Huarong Energy Company Limited, a shipbuilding, energy exploration and production and offshore engineering company listed on the Hong Kong Stock Exchange, where she was in charge of the finance-related activities of the Exploration & Production and Offshore & Marine business units.

Before that, Ms Wang was the General Manager (Finance) of Pacific International Lines Pte. Ltd., a Singapore-incorporated shipping company, where she was responsible for the treasury function. She was also the Chief Financial Officer of PST Management Pte. Ltd., the trustee-manager of SGX-ST-listed Pacific Shipping Trust, which was sponsored by Pacific International Lines Pte. Ltd. Ms Wang also served as the Head of Investment at Cambridge Industrial Trust Management Limited, the manager of Cambridge Industrial Trust (currently known as ESR-REIT), from October 2007 to March 2011 where she was responsible for portfolio investment, divestment and built-to-suit activities.

Ms Wang holds a Bachelor of Science in Biological Science from the University of Guelph, Canada and a Master of Arts in International Financial Analysis from the University of Newcastle Upon Tyne, UK.

Mr Cheah Zhuo Yue is the proposed Chief Financial Officer of the Manager.

Mr Cheah has over 12 years of experience in finance and investments. Prior to this, he was the Finance Director of EPC where he oversaw the finance and treasury function of Elite UK Commercial Fund.

Prior to joining EPC, he was the Senior Vice President of Finance of Eagle Hospitality REIT Management Pte. Ltd., the manager of Eagle Hospitality Trust, where he was responsible for the oversight of the preparation of statutory accounts, co-ordination with external auditors, managing tax affairs and treasury matters, and the preparation of performance reports for investors and regulators.

Between December 2016 and September 2018, he was with a proposed REIT manager and a proposed trustee-manager seeking potential listings of a REIT and a business trust respectively on the SGX-ST, where his responsibilities included treasury, financing and investor relations.

From October 2011 to November 2016, he was the Treasurer at Cambridge Industrial Trust Management, the manager of Cambridge Industrial Trust (currently known as ESR-REIT), where he was responsible for treasury, financing and portfolio risk management. Prior to that, he held various roles with Sumitomo Mitsui Banking Corporation, Phillip Futures Pte. Ltd. and iFAST Corporation Pte. Ltd., with experience in strategic planning and investment research.

Mr Cheah holds a Bachelor of Business from Nanyang Technological University, Singapore and a Master of Science (Real Estate) from National University of Singapore. He is also a Chartered Financial Analyst.

After making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of the members of the Audit and Risk Committee and/or the Nominating and Remuneration Committee to cause them to believe that Mr Cheah does not have the competence, character and integrity expected of a Chief Financial Officer of the Manager. The Audit and Risk Committee and the Nominating and Remuneration Committee is of the opinion that Mr Cheah is suitable as the Chief Financial Officer of the Manager on the basis of his qualifications and past experience.

Mr Jonathan Edmunds is the proposed Chief Investment Officer of the Manager.

Mr Edmunds has more than 17 years of experience in the real estate industry, focusing on real estate investment and management across various sectors globally, and capital raising. Prior to this, he was the Investment and Asset Management Director of EPC, where his key responsibilities included acquisition and asset management of the Elite UK Commercial Fund.

From April 2015 to June 2019, Mr Edmunds was the Director of the Real Estate department of AEP Investment Management Pte. Ltd., a Singapore-based investment management company specialising in cross-border real estate investment. At AEP Investment Management Pte. Ltd., he was responsible for the strategic investment and transaction management for AEP Investment Management Pte. Ltd.'s UK, Australia and Singapore mandates. He was also a lead manager of Basil Property Trust, a global office investment fund with assets in Singapore, Australia and the UK, and was responsible for investments, fund acquisitions and structuring.

Mr Edmunds worked in the UK and Switzerland prior to joining AEP Investment Management Pte. Ltd.. From December 2012 to February 2015, he was the Vice President of the Real Estate department in Beaumont Partners where he was responsible for fund raising, acquisitions, structuring, reporting and managing the Global Residential (Multi-family, Student Housing, Development, Care Homes, Serviced Apartments) investment strategy, as well as the analysis, structuring and closing of the company's UK, European, Canadian and United States assets for credit income, residential, serviced apartment and care home strategies.

From June 2009 to November 2012, Mr Edmunds served as the Director of the Real Estate department of WW Advisors Ltd, a real estate investment management firm in the UK, where he managed a US\$250 million equity mandate to acquire income-producing assets in the UK and Europe. He originated and managed the acquisition of a portfolio of assets as well as structured and arranged the debt capital, implemented interest rate hedges and managed asset performance for the portfolio.

From October 2007 to January 2009, Mr Edmunds was an Associate with Lazard, a Corporate Finance Advisory firm in the UK, and from July 2004 to September 2007, he was an Associate of Deutsche Bank AG's Real Estate Debt Markets department.

Mr Edmunds graduated from University of the West of England with a BA (Hons) Business Studies. He also holds a Master of Arts in Property Valuation and Law from The City University located in London, UK.

Ms Leng Tong Yan is the proposed Senior Manager Investor Relations of the Manager.

Ms Leng has over 12 years of experience in investor relations, accounting, audit and assurance and internal audit. Prior to this, she was the Investor Relations Manager of EPC, where her key responsibilities included management of investor communication of Elite UK Commercial Fund.

Prior to joining EPC, Ms Leng was the Investor Relations Manager of Ascott Residence Trust Management Limited, the manager of Ascott Residence Trust, and CapitaLand Retail China Trust Management Limited, the manager of CapitaLand Retail China Trust, from May 2013 to June 2018, where her responsibilities included facilitating clear and timely communications and building relations with the investment community.

From September 2006 to April 2013, Ms Leng held various audit and assurance, accounting and internal audit roles with CapitaLand Malls Asia Limited, CNA Group Ltd and KPMG LLP.

Ms Leng holds a Bachelor of Accountancy from Nanyang Technological University, Singapore and is a Chartered Accountant (Singapore).

List of Present and Past Principal Directorships of Executive Officers

A list of the present and past directorships of each executive officer of the Manager over the last five years preceding the Latest Practicable Date is set out in Appendix H, "List of Present and Past Principal Directorships of Directors and Executive Officers".

Roles of the Executive Officers of the Manager

The **Chief Executive Officer** of the Manager will work with the Board to determine the strategy for Elite Commercial REIT. The Chief Executive Officer will also work with the other members of the management team to ensure that Elite Commercial REIT operates in accordance with the Manager's stated investment strategy. Additionally, the Chief Executive Officer will be responsible for planning the future strategic development of Elite Commercial REIT. The Chief Executive Officer is also responsible for the overall day-to-day management and operations of Elite Commercial REIT and working with the Manager's investment, asset management, financial and legal and compliance personnel in meeting the strategic, investment and operational objectives of Elite Commercial REIT.

The **Chief Financial Officer** of the Manager will work with the Chief Executive Officer and the other members of the management team to formulate strategic plans for Elite Commercial REIT in accordance with the Manager's stated investment strategy. The Chief Financial Officer will be responsible for applying the appropriate capital management strategy, including tax and treasury

matters, as well as finance and accounting matters, overseeing implementation of Elite Commercial REIT's short and medium-term business plans, capital management activities and prudent financial management policies.

The **Chief Investment Officer** of the Manager will work with the Chief Executive Officer and the other members of the management team to execute the investment programme of the Manager, which is responsible for identifying, researching and evaluating potential acquisitions and related investments with a view to enhancing Elite Commercial REIT's portfolio, or divestments where a property is no longer strategic, fails to enhance the value of Elite Commercial REIT's portfolio or fails to be yield accretive. In order to support these various initiatives, the investment team develops financial models to test the financial impact of different courses of action.

The **Senior Manager Investor Relations** of the Manager is responsible for facilitating communications and liaison with the Unitholders. This includes producing annual reports to the Unitholders and ensuring compliance by Elite Commercial REIT with the reporting requirements under the Listing Manual and the law. The Senior Manager Investor Relations will be responsible for maintaining continuous disclosure and transparent communications with the Unitholders and the market.

Remuneration

The Manager's compensation programme is well balanced, competitive, performance-based and aligned with the achievement of each employee's short, medium and long-term goals. While the approach reflects a pay-for performance culture, it is also designed to attract, motivate and retain high performing and high potential employees in their respective field of expertise. Employees are also incentivised through annual bonus awards that are tied to a variety of financial and non-financial measures.

Roles and Responsibilities of the Manager

The Manager has general powers of management over the assets of Elite Commercial REIT. The Manager's main responsibility is to manage Elite Commercial REIT's assets and liabilities for the benefit of Unitholders.

The Manager will set the strategic direction and provide, among others, the following services to Elite Commercial REIT:

- **Investment:** Formulating Elite Commercial REIT's investment strategy, including determining the location, sub-sector type and other characteristics of Elite Commercial REIT's property portfolio. Overseeing the negotiations and providing the supervision in relation to investments of Elite Commercial REIT and making final recommendations to the Trustee.
- **Asset management:** Formulating Elite Commercial REIT's asset management strategy, including determining the tenant mix, asset enhancement plans and rationalising operation costs. Providing the supervision in relation to asset management of Elite Commercial REIT and making final recommendations to the Trustee on material matters.
- **Capital management:** Formulating the plans for equity and debt financing for Elite Commercial REIT's property acquisitions, distribution payments, expense payments and property maintenance payments. Executing the capital management plans, negotiating with financiers and underwriters and making final recommendations to the Trustee.
- **Accounting:** Preparing accounts, financial reports and annual reports for Elite Commercial REIT on a consolidated basis.

- **Compliance:** Making all regulatory filings on behalf of Elite Commercial REIT, and using its commercially reasonable best efforts to assist Elite Commercial REIT in complying with the applicable provisions of the SFA and all other relevant legislation, the Listing Manual, the CIS Code (including the Property Funds Appendix), the Take-over Code, the Trust Deed, the CMS Licence, any tax ruling and all relevant contracts.
- **Investor relations:** Communicating and liaising with investors, analysts and the investment community.

The Manager has covenanted in the Trust Deed to use its best endeavours to:

- carry on and conduct its business in a proper and efficient manner;
- ensure that Elite Commercial REIT's operations are carried on and conducted in a proper and efficient manner; and
- conduct all transactions with or for Elite Commercial REIT on an arm's length basis and on normal commercial terms.

The Manager will prepare property plans on a regular basis, which may contain proposals and forecasts on Revenue, capital expenditures and valuations, explanations of major variances to previous forecasts, written commentary on key issues and any relevant assumptions. The purpose of these plans is to monitor the performance of Elite Commercial REIT's properties.

The Manager may require Elite Commercial REIT to borrow or may recommend that its subsidiaries borrow, (upon such terms and conditions as the Manager deems fit, including the charging or mortgaging of all or any part of the Deposited Property) whenever the Manager considers, among others, that such borrowings are necessary or desirable in order to enable Elite Commercial REIT to meet any liabilities or to finance the acquisition of any property. However, the Manager must not direct the Trustee, or such subsidiary, to incur a borrowing if to do so would mean that Elite Commercial REIT's total borrowings and deferred payments will exceed the limit stipulated by the MAS based on the value of its Deposited Property at the time the borrowing is incurred, taking into account deferred payments (including deferred payments for assets whether to be settled in cash or in Units).

In the absence of fraud, gross negligence, wilful default or breach of the Trust Deed by the Manager, it shall not incur any liability by reason of any error of law or any matter or thing done or suffered to be done or omitted to be done by it in good faith under the Trust Deed. In addition, the Manager shall be entitled, for the purpose of indemnity against any actions, costs, claims, damages, expenses or demands to which it may be put as Manager, to have recourse to the Deposited Property or any part thereof save where such action, cost, claim, damage, expense or demand is occasioned by the fraud, gross negligence, wilful default or breach of the Trust Deed by the Manager.

The Manager may, in managing Elite Commercial REIT and in carrying out and performing its duties and obligations under the Trust Deed, with the written consent of the Trustee, appoint such person to exercise any or all of its powers and discretions and to perform all or any of its obligations under the Trust Deed, provided always that the Manager shall be liable for all acts and omissions of such persons as if such acts and omissions were its own.

Fees Payable to the Manager

Management Fee

The Manager is entitled under the Trust Deed to the following management fee:

- a Base Fee at the rate not exceeding the rate of 10.0% (or such lower percentage as may be determined by the Manager in its absolute discretion) of the Annual Distributable Income; and
- 25.0% per annum (or such lower percentage as may be determined by the Manager in its absolute discretion) of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year.

The Performance Fee is payable if the DPU in any financial year exceeds the DPU in the preceding financial year, notwithstanding that the DPU in the financial year where the Performance Fee is payable may be less than the DPU in any preceding financial year.

For the purpose of the computation of the Performance Fee only, the DPU shall be calculated based on all income of Elite Commercial REIT arising from the operations of Elite Commercial REIT, such as, but not limited to, rentals, interest, dividends, and other similar payments or income arising from the Authorised Investments (as defined herein) of Elite Commercial REIT.

The Manager may elect to receive the Base Fee and Performance Fee in the form of cash and/or Units (as the Manager may elect), in such proportions as may be determined by the Manager. The Manager may elect to receive payment of all or a portion of the Management Fee from Elite Commercial REIT or from its subsidiaries (including but not limited to Elite Gemstones Properties Limited). In such an event, the Manager and the relevant subsidiary will enter into the Internal Asset Management Agreement in order to document the arrangement whereby the Manager will receive payment of Management Fee from such subsidiary. The entry into the Internal Asset Management Agreement and the payment of the Management Fees would be subject to the clearance of the Trustee. For the avoidance of doubt, payment of the Management Fee by any of the subsidiaries of Elite Commercial REIT will correspondingly reduce the amount payable by Elite Commercial REIT and if the Manager elects to receive payment of all or a portion of the Management Fee in the form of Units, such payment will be made in the form of units in Elite Commercial REIT. There will be no double counting of fees.

Any increase in the rate or any change in the structure of the Management Fee must be approved by an Extraordinary Resolution passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed. For the avoidance of doubt, the Manager's change in its election to receive cash or Units or a combination of cash and Units is not considered as a change in structure of the Management Fee.

Where the Base Fee and the Performance Fee are payable in the form of Units, such payment shall be made within 30 days of the last day of every calendar quarter, or such other period as the Manager may determine (in relation to the Base Fee), and every FY (in relation to the Performance Fee), or such longer period as the Manager may determine in the event that the Base Fee and/or Performance Fee cannot be computed within 30 days of the last day of the relevant period), in arrears.

Where the Base Fee and the Performance Fee is payable in the form of cash, such payment shall be made within 30 days of the last day of every calendar month (in relation to the Base Fee) or FY (in relation to the Performance Fee) or such other period as the Manager may determine

(or such longer period as the Manager may determine in the event that the Base Fee cannot be computed within 30 days of the last day of the relevant period), in arrears and in the event that cash is not available to make the whole or part of such payment, then payment of such Base Fee or Performance Fee due and payable to the Manager shall be deferred to the next calendar month when cash is available.

Acquisition Fee and Divestment Fee

The Manager is also entitled to:

- an Acquisition Fee equivalent to 1.0% (or such lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as is applicable (subject to there being no double counting):
 - the acquisition price of any real estate purchased, whether directly or indirectly through one or more SPVs, by Elite Commercial REIT (plus any other payment¹ in addition to the acquisition price made by Elite Commercial REIT or its SPVs to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of Elite Commercial REIT's interest);
 - the underlying value² of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased by Elite Commercial REIT, whether directly or indirectly through one or more SPVs (plus any additional payments made by Elite Commercial REIT or its SPVs to the vendor in connection with the purchase of such equity interests) (pro-rated, if applicable, to the proportion of Elite Commercial REIT's interest); or
 - the acquisition price of any investment purchased by Elite Commercial REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate; and
- a Divestment Fee equivalent to 0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as is applicable (subject to there being no double-counting):
 - the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by Elite Commercial REIT (plus any other payments³ in addition to the sale price received by Elite Commercial REIT or its SPVs from the purchaser in connection with the sale or divestment of the real estate) (pro-rated, if applicable, to the proportion of Elite Commercial REIT's interest);

1 "Other payments" refer to additional payments to the vendor of the asset, for example, where the vendor has already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the acquisition price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

2 For example, if Elite Commercial REIT acquires an SPV which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity ascribed to the asset which will be paid by Elite Commercial REIT as the purchase price and any debt of the SPV.

3 "Other payments" refer to additional payments to Elite Commercial REIT or its SPVs for the sale of the asset, for example, where Elite Commercial REIT or its SPVs have already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

- the underlying value¹ of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested, whether directly or indirectly through one or more SPVs, by Elite Commercial REIT (plus any additional payments received by Elite Commercial REIT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated, if applicable, to the proportion of Elite Commercial REIT's interest); or
- the sale price of any investment sold or divested by Elite Commercial REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate.

For the avoidance of doubt, the acquisition price, or as the case may be, the acquisition value, shall take into account any completion or other price or value adjustment to be made post-completion.

For the avoidance of doubt, the Divestment Fee is payable in respect of any divestment of real estate assets to both third parties and interested parties. The sale price, or as the case may be, the sale value, shall take into account any completion or other price or value adjustment to be made post-completion.

No acquisition fee is payable for the acquisition of the Properties in the IPO Portfolio. In accordance with the Property Funds Appendix, where the Manager receives a percentage-based fee when Elite Commercial REIT acquires real estate from an interested party, or disposes of real estate to an interested party, the Acquisition Fee or, as the case may be, the Divestment Fee will be in the form of Units issued at prevailing market price(s). Such Units may not be sold within one year from the date of issuance.

Any payment to third party agents² or brokers in connection with the acquisition or divestment of any real estate of Elite Commercial REIT shall be paid to such persons out of the Deposited Property of Elite Commercial REIT or the assets of the relevant SPV, and not out of the Acquisition Fee or the Divestment Fee received or to be received by the Manager.

The Acquisition Fee and Divestment Fee are payable to the Manager in the form of cash and/or Units (as the Manager may elect), in such proportions as may be determined by the Manager, at the then prevailing market price(s). In respect of any acquisition and sale or divestment of real estate assets from/to interested parties, such a fee should be in the form of Units issued by Elite Commercial REIT at prevailing market price(s) and such Units should not be sold within one year from the date of their issuance.

The Acquisition Fee and Divestment Fee are payable as soon as practicable after completion of the acquisition or, as the case may be, sale or disposal.

Any increase in the maximum permitted level of the Manager's Acquisition Fee or Divestment Fee must be approved by an Extraordinary Resolution passed at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

1 For example, if Elite Commercial REIT sells or divests an SPV which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity ascribed to the asset which will be paid to Elite Commercial REIT as the sale price and any debt of the SPV.

2 These third party agents or brokers could be property agents who are engaged for the purpose of acquiring assets or auctioneers (where assets are to be acquired through auction sales).

Development Management Fee

The Manager is entitled to receive a development management fee equivalent to 3.0% of the Total Project Costs incurred in a Development Project undertaken by the Manager on behalf of Elite Commercial REIT.

The development management fee is payable in equal monthly instalments over the construction period of each Development Project based on the Manager's best estimate of the Total Project Costs and construction period and, if necessary, a final payment of the balance amount to be paid to the Manager or (as the case may be) paid by the Manager when the Total Project Costs is finalised.

Elite Commercial REIT will only undertake development activities within the limits of the Property Funds Appendix (which currently allows a REIT to commit no more than 10.0% of its deposited property to development and investment in uncompleted property developments). The total contract value of property development activities may exceed 10.0% of Elite Commercial REIT's deposited property (subject to maximum of 25.0% of Elite Commercial REIT's deposited property) only if:

- (i) the additional allowance of up to 15.0% of Elite Commercial REIT's deposited property is utilised solely for the redevelopment of an existing property that has been held by Elite Commercial REIT for at least three years and which Elite Commercial REIT will continue to hold for at least three years after the completion of the redevelopment; and
- (ii) Elite Commercial REIT obtains the specific approval of Unitholders at a general meeting for the redevelopment of the property.

"Total Project Costs" means the sum of the following:

- construction cost based on the project final account prepared by the project quantity surveyor or issued by the appointed contractor;
- principal consultants' fees, including payments to the project's architect, civil and structural engineer, mechanical and electrical engineer, quantity surveyor and project manager;
- the cost of obtaining all approvals for the project;
- site staff costs;
- interest costs on actual borrowings used to finance project cash flows (excluding equity capital) that are capitalised to the project in line with the International Financial Reporting Standards; and
- any other costs including contingency expenses which meet the definition of Total Project Costs and can be capitalised to the project in accordance with the International Financial Reporting Standards,

but for the avoidance of doubt, shall not include land costs (including but not limited to the acquisition price or underlying value of such land).

"Development Project" means a project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by Elite Commercial REIT, provided always that the Property Funds Appendix shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting and renovations.

When the estimated Total Project Costs is greater than £100 million, the Trustee and the Independent Directors will first review and approve the quantum of the Development Management Fee whereupon the Manager may be directed by its Independent Directors to reduce the Development Management Fee. Further, in cases where the Manager is of the view that the market pricing for comparable services is materially lower than the Development Management Fee, the Independent Directors shall have the discretion to direct the Manager to accept a Development Management Fee which is less than 3.0% of the Total Project Costs incurred in a Development Project undertaken on behalf of Elite Commercial REIT.

As land costs will not be included in the computation of Total Project Costs, the Manager shall be entitled to receive an Acquisition Fee on the land costs.

Lease Management Fee

The Manager is entitled to, on each property of Elite Commercial REIT under its management, a lease management fee of 1.0% per annum of Revenue of each property (“**Lease Management Fee**”).

The Lease Management Fee is payable to the Manager in the form of cash and/or Units (as the Manager may elect), in such proportions as may be determined by the Manager.

For the Forecast Year 2020 and the Projection Year 2021, the Manager has elected to receive 100.0% of the Lease Management Fees in the form of Units. In relation to securing a new lease or renewal of an existing tenancy, the Manager is entitled to the following Lease Commissions:

- one month’s gross rent, for securing a tenancy of three years or more;
- 0.5 month’s gross rent, for securing a tenancy of fewer than three years; and
- 0.25 month’s gross rent, for securing a tenancy of any number of years, if there is a third party agent involved. For the avoidance of doubt, any fees payable to third party agent(s) will be paid on a cost recovery basis.

The Lease Commissions is payable to the Manager in the form of cash and/or Units or a combination of cash and Units (as the Manager may elect), in such proportions as may be determined by the Manager. The Manager may elect to receive payment of all or a portion of the lease management fee and/or Lease Commissions from Elite Commercial REIT or from its subsidiaries (including but not limited to Elite Gemstones Properties Limited). In such an event, the Manager and the relevant subsidiary will enter into an individual lease management agreement in order to document the arrangement whereby the Manager will receive payment of the Lease Commissions from such subsidiary. For the avoidance of doubt, payment of the lease management fee and/or Lease Commissions by any of the subsidiaries of Elite Commercial REIT will correspondingly reduce the amount payable by Elite Commercial REIT and if the Manager elects to receive payment of all or a portion of the lease management fee and/or Lease Commissions in the form of Units, such payment will be made in the form of units in Elite Commercial REIT. There will be no double counting of fees.

Retirement or Removal of the Manager

The Manager shall have the power to retire in favour of a corporation recommended by the Manager and approved by the Trustee to act as the manager of Elite Commercial REIT.

Also, the Manager may be removed by notice given in writing by the Trustee if:

- the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over its assets or a judicial manager is appointed in respect of the Manager;
- the Manager ceases to carry on business;
- the Manager is in breach of any material obligation imposed on the Manager by the Trust Deed, and such breach has not been cured or remedied within 60 days of receipt of written notice of such breach from the Trustee, provided that at the end of the 60 days, the cure period may be extended for such period as may be agreed between the Manager and the Trustee;
- the Unitholders by an Ordinary Resolution (as defined herein) duly proposed and passed by Unitholders present and voting at a meeting of Unitholders convened in accordance with the Trust Deed, with no Unitholder (including the Manager and its Related Parties) being disenfranchised, vote to remove the Manager;
- for good and sufficient reason the Trustee is of the opinion that the actions of the Manager harm the interests of the Unitholders, and so states in writing such reason and opinion that a change of the Manager is desirable in the interests of the Unitholders; or
- the MAS directs the Trustee to remove the Manager.

Where the Manager is removed on the basis that a change of the Manager is desirable in the interests of the Unitholders, the Manager has a right under the Trust Deed to refer the matter to arbitration. Any decision made pursuant to such arbitration proceedings is binding upon the Manager, the Trustee and all Unitholders.

Under the terms of the Trust Deed, upon any removal or retirement of the Manager, the Trustee shall appoint a new manager as soon as possible whose appointment shall be subject to (i) compliance with any or all laws, regulations and guidelines that apply to Elite Commercial REIT and (ii) the approval of Unitholders by Ordinary Resolution.

ANNUAL REPORTS

An annual report will be issued by the Manager to Unitholders within the timeframe as set out in the Listing Manual and the CIS Code, and at least 14 days before the annual general meeting of the Unitholders, containing, among others, the following key items:

- (i) if applicable, with respect to investments other than real property:
 - (a) a brief description of the business;
 - (b) proportion of share capital owned;
 - (c) cost;
 - (d) (if relevant) Directors' valuation and in the case of listed investments, market value;
 - (e) dividends received during the year (indicating any interim dividends);
 - (f) dividend cover or underlying earnings;

- (g) any extraordinary items; and
- (h) net assets attributable to investments;
- (ii) amount of distributable income held pending distribution;
- (iii) the aggregate value of all transactions entered into by the Trustee (for and on behalf of Elite Commercial REIT) with an “interested party” (as defined in the Property Funds Appendix) or with an “interested person” (as defined in the Listing Manual) during the financial year under review;
- (iv) total amount of fees paid to the Trustee;
- (v) name of the manager of Elite Commercial REIT, together with an indication of the terms and duration of its appointment and the basis of its remuneration;
- (vi) total amount of fees paid to the Manager and the price(s) of the Units at which they were issued in part payment thereof;
- (vii) total amount of fees paid to the Property Manager;
- (viii) the NAV of Elite Commercial REIT at the beginning and end of the financial year under review;
- (ix) a comment by the Board on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems;
- (x) disclosure of whether each existing director is independent from management and business relationships with the Manager and Elite Commercial REIT and every substantial shareholder of the Manager and substantial unitholder of Elite Commercial REIT; and in the event that any director is not independent, to describe and explain the relationship of such non-independence;
- (xi) disclosures on remuneration of directors and executive officers of Elite Commercial REIT as required by the Notice to All Holders of a Capital Markets Services Licence for Real Estate Investment Trust Management;
- (xii) the following items which are required to be disclosed in the Property Funds Appendix (as may be amended from time to time) for annual reports:
 - (a) details of all real estate transactions entered into during the year, including the identity of the buyers or sellers, purchase or sale prices, and their valuations (including the methods used to value the assets);
 - (b) details of all of Elite Commercial REIT’s real estate assets, including the location of such assets, their purchase prices and latest valuations, rentals received and occupancy rates, or the remaining terms of Elite Commercial REIT’s leasehold properties, where applicable;

- (c) the tenant profile of Elite Commercial REIT's real estate assets, including the:
 - (A) total number of tenants;
 - (B) top 10 tenants, and the percentage of the total rental income attributable to each of these top 10 tenants;
 - (C) trade sector mix of tenants, in terms of the percentage of total rental income attributable to major trade sectors;
 - (D) lease maturity profile, in terms of the percentage of total rental income, for each of the next five years; and
 - (E) weighted average lease expiry of both Elite Commercial REIT's portfolio and new leases entered into during the year (and the proportion of revenue attributed to these leases);
- (d) in respect of the other assets of Elite Commercial REIT, details of the:
 - (A) 10 most significant holdings (including the amount and percentage of fund size at market valuation); and
 - (B) distribution of investments in dollar and percentage terms by country, asset class (e.g. equities, mortgage-backed securities, bonds, etc.) and by credit rating of all debt securities (e.g. "AAA", "AA", etc.);
- (e) details of Elite Commercial REIT's exposure to financial derivatives, including the amount (i.e. net total aggregate value of contract prices) and percentage of derivatives investment of total fund size and at market valuation;
- (f) details of Elite Commercial REIT's investments in other property funds, including the amount and percentage of total fund size invested in;
- (g) details of borrowings of Elite Commercial REIT and the maturity profile of the borrowings;
- (h) details of deferred payment arrangements entered into by Elite Commercial REIT, if applicable;
- (i) the total operating expenses of Elite Commercial REIT, including all fees and charges paid to the manager, adviser and interested parties (in both absolute terms, and as a percentage of Elite Commercial REIT's NAV as at the end of the financial year) and taxation incurred in relation to Elite Commercial REIT's real estate assets;
- (j) the distributions declared by Elite Commercial REIT for the financial year;
- (k) the performance of Elite Commercial REIT in a consistent format, covering various periods of time (e.g. one-year, three-year, five-year or 10-year) whereby:
 - (A) in the case where Elite Commercial REIT is unlisted, such performance is calculated on an "offer to bid" basis over the period; or
 - (B) in the case where Elite Commercial REIT is listed, such performance is calculated on the change in the unit price transacted on the stock exchange over the period;

- (l) its NAV per unit at the beginning and end of the financial year;
 - (m) where Elite Commercial REIT is listed, the Unit price quoted on the SGX-ST at the beginning and end of the financial year, the highest and lowest Unit price and the volume traded during the financial year;
 - (n) the amount of rental support payments received by Elite Commercial REIT during the financial year and the effect of these payments on Elite Commercial REIT's DPU;
 - (o) where the rental support arrangement is embedded in a master lease arrangement, the difference between the amount of rents derived under the master lease arrangement and the actual amount of rents from the underlying leases during the financial year; and
 - (p) any material deviation of actual DPU from forecast DPU, together with detailed explanations for the deviation; and
- (xiii) such other items which may be required to be disclosed under the prevailing applicable laws, regulations and rules.

The first report will cover the period from the Listing Date to 31 December 2020 and the first annual general meeting of Elite Commercial REIT will be held by 30 April 2021.

CORPORATE GOVERNANCE OF THE MANAGER

The following outlines the main corporate governance practices of the Manager.

Board of Directors of the Manager

The Board is responsible for the overall corporate governance of the Manager including establishing goals for management and monitoring the achievement of these goals. The Manager is also responsible for the strategic business direction and risk management of Elite Commercial REIT. All Board members participate in matters relating to corporate governance, business operations and risks, financial performance, and the nomination and review of the Directors.

The Board will have in place a framework for the management of the Manager and Elite Commercial REIT, including a system of internal audit and control and a business risk management process. The Board consists of eight members and an alternate director, four of whom are Independent Directors. None of the Directors has entered into any service contract with Elite Commercial REIT.

The composition of the Board is determined using the following principles:

- the Chairman of the Board should be a non-executive director of the Manager;
- the Board should comprise directors with a broad range of commercial experience including expertise in funds management, legal matters, audit and accounting and the property industry; and
- at least one-third of the Board should comprise Independent Directors.

The Chairman of the Board will be an Independent Director. However, in future, in the event where the Chairman is not an Independent Director, Independent Directors are to make up a majority of the Board in accordance with Provision 2.2 of the Code of Corporate Governance 2018.

The composition will be reviewed regularly to ensure that the Board has the appropriate mix of expertise and experience.

Nominating and Remuneration Committee

The Nominating and Remuneration Committee is appointed by the Board from among the directors of the Manager and is composed of three members, majority of whom (including the Chairman of the Nominating and Remuneration Committee) are required to be Independent Directors. As at the date of this Prospectus, the members of the Nominating and Remuneration Committee are Mr Koo Tsai Kee, Mr Tan Hai Peng Micheal and Mr David Lim Teck Leong. Mr Koo Tsai Kee will assume the position of Chairman of the Nominating and Remuneration Committee. Mr Koo Tsai Kee and Mr David Lim Teck Leong are Independent Directors resident in Singapore.

The role of the Nominating and Remuneration Committee is to make recommendations to the Board on all appointment and remuneration matters. The Nominating and Remuneration Committee also reviews and makes recommendations on succession plans for the Board and the executive officers.

The Nominating and Remuneration Committee's responsibilities also include:

- developing a process for evaluation of the performance of the Board, its board committees and directors;
- reviewing the training and professional development programmes for the Board;
- the appointment and re-appointment of directors (including alternate directors, if applicable), having regard to the composition and progressive renewal of the Board and each director's competencies, commitment, contribution and performance including, if applicable, as an Independent Director;
- determining annually, and as when circumstances require, if a director is independent;
- deciding if a director is able to and has been adequately carrying out his duties as a director of the company, taking into consideration the director's principal commitments;
- reviewing and recommending to the Board a general framework of remuneration for the Board and the executive officers;
- reviewing and recommending to the Board the specific remuneration packages for each director as well as for the executive officers; and
- reviewing Elite Commercial REIT's obligations arising in the event of termination of executive directors' and executive officers' contracts of service and ensuring that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

Audit and Risk Committee

The Audit and Risk Committee is appointed by the Board from among the directors of the Manager and is composed of three members, a majority of whom (including the Chairman of the Audit and Risk Committee) are required to be Independent Directors. As at the date of this Prospectus, the members of the Audit and Risk Committee are Mr Tan Huay Lim, Mr David Lim Teck Leong and Mr Koo Tsai Kee. Mr Tan Huay Lim will assume the position of Chairman of the Audit and Risk Committee. All are Independent Directors and are residents in Singapore.

The role of the Audit and Risk Committee is to monitor and evaluate the effectiveness of the Manager's internal controls. The Audit and Risk Committee also reviews the quality and reliability of information prepared for inclusion in financial reports, and is responsible for the nomination of external auditors and reviewing the adequacy of external audits in respect of cost, scope and performance.

The Audit and Risk Committee's responsibilities also include:

- monitoring the procedures established to regulate Related Party Transactions, including ensuring compliance with the provisions of the Listing Manual relating to "interested person transactions" ("**Interested Person Transactions**") and the provisions of the Property Funds Appendix relating to "interested party transactions" ("**Interested Party Transactions**", and together with Interested Person Transactions, "**Related Party Transactions**") and reviewing transactions constituting Related Party Transactions;
- deliberating on conflicts of interest situations involving Elite Commercial REIT, including situations where the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of Elite Commercial REIT with a Related Party (as defined herein) of the Manager and where the Directors, controlling shareholder of the Manager, controlling Unitholder and Associates are involved in the management of or have shareholding interests in similar or related business as the Manager, and in such situations, the Audit and Risk Committee will monitor the investments by these individuals in Elite Commercial REIT's competitors, if any, and will make an assessment whether there is any potential conflict of interest;
- assisting the Board to oversee the formulation, updating and maintenance work of adequate and effective internal controls and risk management framework and reviewing the statements included in Elite Commercial REIT's annual report on Elite Commercial REIT's internal controls and risk management framework;
- reviewing, on a regular basis, Elite Commercial REIT's lease concentration risks and if 20.0% of the leases (by Gross Rental Income) which are expiring within 12 months have not been renewed, to direct that timely announcements on SGX-ST are to be made;
- monitoring the procedures in place to ensure compliance with the SFA, the CIS Code (including the Property Funds Appendix), the Listing Manual and all applicable legislation, regulations and guidelines including notices issued by the MAS;
- monitoring the tax regimes applicable to Elite Commercial REIT (including the UK CIR rules and anti-hybrid rules);
- reviewing the system of internal controls including financial, operational, compliance and information technology controls and risk management processes;
- reviewing the quarterly or as the case may be semi-annual and annual financial statements and the auditors report on the annual financial statements before they are submitted to the Board for approval;
- reviewing external and internal audit reports to ensure that where deficiencies in internal controls have been identified, appropriate and prompt remedial action is taken by the management;
- reviewing internal audit reports at least once a year which will be commissioned for Related Party Transactions with an aggregate value equal to, or more than 3.0% of the Group's latest audited net tangible assets and which are more than S\$100,000 (other than those approved by Unitholders or the Exempted Agreements) to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with;

- ensuring that the internal audit, accounting and compliance function is adequately resourced and has appropriate standing with Elite Commercial REIT;
- reviewing, on an annual basis, the adequacy and effectiveness of the internal audit function in the overall context of Elite Commercial REIT's risk management system;
- reviewing arrangements by which staff and external parties may, in confidence, raise probable improprieties in matters of financial reporting or other matters, with the objective that arrangements are in place for the independent investigation of such matters and for appropriate follow up action;
- the appointment, re-appointment or removal of internal auditors (including the review of their fees and scope of work);
- reviewing the appointment, re-appointment or removal of external auditors;
- reviewing the nature and extent of non-audit services performed by external auditors;
- reviewing, on an annual basis, the independence and objectivity of the external auditors;
- reviewing and providing their views on all hedging policies and instruments to be implemented by Elite Commercial REIT to the Board;
- meeting with external and internal auditors, without the presence of the executive officers, at least on an annual basis;
- investigating any matters within the Audit and Risk Committee's terms of reference, whenever it deems necessary; and
- reporting to the Board on material matters, findings and recommendations.

Compliance Function

The Manager has outsourced the compliance function to EPH which has a centralised compliance function¹. EPH will report to the Chief Executive Officer, the Audit and Risk Committee and the Board of the Manager on matters pertaining to Elite Commercial REIT and the Manager. EPH's Head of Compliance, Mr Lee Geok Heng has more than ten years of experience in listed REITs and is familiar with a REIT's regulations and compliance requirements. Mr Lee Geok Heng will be supported by a dedicated compliance manager who has the relevant experience in providing regulatory and compliance advice to financial institutions and listed companies. Based on the foregoing, the Manager is of the view that EPH's compliance team possesses the necessary skill and experience required to advise Elite Commercial REIT on its compliance matters.

The duties under the compliance function include:

- assisting in any matters concerning compliance with the SFA, the CIS Code (including the Property Funds Appendix), the Listing Manual and all applicable laws, regulations and guidelines including notices issued by the MAS;
- ensuring all employees of the Manager are regularly apprised of the ongoing compliance requirements under the SFA, the CIS Code (including the Property Funds Appendix), the Listing Manual and relevant Singapore laws, regulations and guidelines;

¹ The cost of such outsourcing of the role of compliance officer will be borne by the Manager out of its own funds and not out of Unitholders' funds.

- ensuring all employees of the Manager have fulfilled their regulatory obligations;
- ensuring the Manager has prepared returns and other documents accurately for submission to the MAS as required under the SFA;
- highlighting any deficiencies or making recommendations with respect to the Manager's compliance processes; and
- assisting in the application process for the appointment of new directors to the Board.

EPH will also provide training to the employees of the Manager on compliance requirements, as well as regulatory compliance advice from time to time as required by the Manager.

EPH will have access to external professional advisers who will provide regulatory compliance advice in relation to applicable laws in Singapore and the UK, to support EPH's compliance function to the Manager where necessary.

Notwithstanding the outsourcing of the compliance function to EPH, the Manager is responsible for ensuring compliance with all applicable laws, regulations and guidelines.

Dealings in Units

Each Director and the Chief Executive Officer of the Manager is to give notice to the Manager of his acquisition of Units or of changes in the number of Units which he holds or in which he has an interest, within two Business Days¹ after such acquisition or the occurrence of the event giving rise to changes in the number of Units which he holds or in which he has an interest. (See "The Formation and Structure of Elite Commercial REIT – Directors' Declaration of Unitholdings" for further details.)

All dealings in Units by the Directors will be announced via SGXNET, with the announcement to be posted on the internet at the <http://www.sgx.com>.

The Directors and employees of the Manager are encouraged, as a matter of internal policy, to hold Units but are prohibited from dealing in the Units:

- in the period commencing one month before the public announcement of Elite Commercial REIT's annual results, semi-annual results (if applicable) and property valuations, and (if the issuer announces its quarterly financial statements, whether required by the SGX-ST or otherwise) two weeks before the public announcement of Elite Commercial REIT's quarterly results and ending on the date of announcement of the relevant results or, as the case may be, property valuations; and
- at any time while in possession of price sensitive information.

The Directors and employees of the Manager are also prohibited from communicating price sensitive information to any person.

Pursuant to Section 137ZC of the SFA, the Manager is required to, *inter alia*, announce to the SGX-ST the particulars of any acquisition or disposal of interest in Units by the Manager as soon as practicable, and in any case no later than the end of the Business Day following the day on which the Manager became aware of the acquisition or disposal. In addition, all dealings in Units by the Chief Executive Officer will also need to be announced by the Manager via SGXNET, with the announcement to be posted on the internet at the SGX-ST website <http://www.sgx.com> and in such form and manner as the Authority may prescribe.

¹ "Business Day" means any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading.

Management of Business Risk

The Board will meet (if Elite Commercial REIT were to do semi-annual reporting) once every six months, (if Elite Commercial REIT were to do quarterly reporting) quarterly, or more often if necessary, and will review the financial performance of the Manager and Elite Commercial REIT against a previously approved budget. The Board will also review the business risks of Elite Commercial REIT, examine liability management and act upon any comments from the auditors of Elite Commercial REIT.

The Manager has appointed experienced and well-qualified management personnel to handle the day-to-day operations of the Manager and Elite Commercial REIT. In assessing business risk, the Board will consider the economic environment and risks relevant to the property industry. It reviews management reports and feasibility studies on individual investment projects prior to approving major transactions. The management meets regularly to review the operations of the Manager and Elite Commercial REIT and discuss any disclosure issues.

Potential Conflicts of Interest

The Manager is required to prioritise Unitholders' interests over those of the Manager and its shareholders in the event of a conflict of interest.

The Manager has also instituted the following procedures to deal with potential conflicts of interest issues:

- The Manager will not manage any other REIT which invests in the same type of properties as Elite Commercial REIT;
- All executive officers will be working exclusively for the Manager and will not hold other executive positions in other entities, save for any wholly-owned subsidiaries of the Manager;
- All resolutions in writing of the Directors in relation to matters concerning Elite Commercial REIT must be approved by at least a majority of the Directors (excluding any interested Director), including at least one Independent Director;
- At least one-third of the Board shall comprise Independent Directors, provided that where the (i) the Chairman of the Board and the Chief Executive Officer is the same person, (ii) the Chairman of the Board and the Chief Executive Officer are immediate family members, (iii) the Chairman of the Board is part of the management team or (iv) the Chairman of the Board is not an Independent Director, at least half the Board shall comprise Independent Directors;
- In respect of matters in which a Director or his associates (as defined in the Listing Manual) has an interest, direct or indirect, such interested director will abstain from voting. In such matters, the quorum must comprise a majority of the directors and must exclude such interested director;
- In respect of matters in which the Sponsors and/or their subsidiaries have an interest, direct or indirect, for example, in matters relating to:
 - o potential acquisitions of additional properties or property-related investments by Elite Commercial REIT in competition with the Sponsors and/or their subsidiaries;
 - o competition for tenants between properties owned by Elite Commercial REIT and properties owned by the Sponsors and/or their subsidiaries;

any nominees appointed by the Sponsors and/or their subsidiaries to the Board to represent their interests will abstain from deliberation and voting on such matters. In such matters, the quorum must comprise a majority of the Independent Directors and must exclude nominee directors of the Sponsors and/or their subsidiaries;

- Save as to resolutions relating to the removal of the Manager, the Manager and its associates are prohibited from voting or being counted as part of a quorum for any meeting of the Unitholders convened to approve any matter in which the Manager and/or any of its associates has a material interest; and
- It is also provided in the Trust Deed that if the Manager is required to decide whether or not to take any action against any person in relation to any breach of any agreement entered into by the Trustee for and on behalf of Elite Commercial REIT with a Related Party (as defined herein) of the Manager, the Manager shall be obliged to consult with a reputable law firm (acceptable to the Trustee) who shall provide legal advice on the matter. If the said law firm is of the opinion that the Trustee, on behalf of Elite Commercial REIT, has a *prima facie* case against the party allegedly in breach under such agreement, the Manager shall be obliged to take appropriate action in relation to such agreement. The Directors (including the Independent Directors) will have a duty to ensure that the Manager so complies. Notwithstanding the foregoing, the Manager shall inform the Trustee as soon as it becomes aware of any breach of any agreement entered into by the Trustee for and on behalf of Elite Commercial REIT with a Related Party of the Manager, and the Trustee may take such action as it deems necessary to protect the rights of the Unitholders and/or which is in the interests of the Unitholders. Any decision by the Manager not to take action against a Related Party of the Manager shall not constitute a waiver of the Trustee's right to take such action as it deems fit against such Related Party.

RELATED PARTY TRANSACTIONS

"Related Party Transactions" in this Prospectus refers to "Interested Person Transactions" under the Listing Manual and "Interested Party Transactions" under the Property Funds Appendix. The definition of "Interested Person" in the Listing Manual refers to the definition of "Interested Party" used in the Property Funds Appendix.

In general, transactions between:

- an entity at risk (in this case, the Trustee (acting in its capacity as the trustee of Elite Commercial REIT) or any of the subsidiaries or associated companies of Elite Commercial REIT); and
- any of the Interested Parties, being:
 - (i) a director, chief executive officer or controlling shareholder of the Manager, or the Manager, the Trustee (acting in its personal capacity) or controlling Unitholder; or
 - (ii) an associate of any director, chief executive officer or controlling shareholder of the Manager, or an associate of the Manager, the Trustee (acting in its own capacity) or any controlling Unitholder,

would constitute an Interested Person Transaction.

The Manager's Internal Control System

The Manager has established an internal control system to ensure that all future Related Party Transactions:

- will be undertaken on normal commercial terms; and
- will not be prejudicial to the interests of Elite Commercial REIT and the Unitholders.

As a general rule, the Manager must demonstrate to its Audit and Risk Committee that such transactions satisfy the foregoing criteria. This may entail:

- obtaining (where practicable) quotations from parties unrelated to the Manager; or
- obtaining two or more valuations from independent professional valuers (in compliance with the Property Funds Appendix).

The Manager will maintain a register to record all Related Party Transactions which are entered into by Elite Commercial REIT and the bases, including any quotations from unrelated parties and independent valuations, on which they are entered into.

The Manager will also incorporate into its internal audit plan a review of all Related Party Transactions entered into by Elite Commercial REIT. The Audit and Risk Committee shall review the internal audit reports at least once a year to ascertain that the guidelines and procedures established to monitor Related Party Transactions have been complied with. The Trustee will also have the right to review such audit reports to ascertain that the Property Funds Appendix has been complied with. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary to the Audit and Risk Committee. If a member of the Audit and Risk Committee has an interest in a transaction, he or she is to abstain from participating in the review and approval process in relation to that transaction.

Further, the following procedures will be undertaken with respect to Related Party Transactions (save for the avoidance of doubt, for those described under "Related Party Transactions in Connection with the Setting Up of Elite Commercial REIT and the Offering" and "Exempted Agreements"):

- transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding S\$100,000 in value but below 3.0% of the value of Elite Commercial REIT's net tangible assets will be subject to review by the Audit and Risk Committee at regular intervals;
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 3.0% but below 5.0% of the value of Elite Commercial REIT's net tangible assets will be subject to the review and prior approval of the Audit and Risk Committee. Such approval shall only be given if the transactions are on normal commercial terms and not prejudicial to the interests of Elite Commercial REIT and its Unitholders and are consistent with similar types of transactions made by the Trustee with third parties which are unrelated to the Manager; and
- transactions (either individually or as part of a series or if aggregated with other transactions involving the same Related Party during the same financial year) equal to or exceeding 5.0% of the value of Elite Commercial REIT's net tangible assets will be reviewed and approved prior to such transactions being entered into, on the basis described in the preceding paragraph, by the Audit and Risk Committee which may, as it deems fit, request advice on

the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers. Furthermore, under the Listing Manual and the Property Funds Appendix, such transactions would have to be approved by the Unitholders at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed.

Pursuant to the Listing Manual, transactions with a value below S\$100,000 are disregarded for the purpose of the announcement and Unitholders' approval requirements under the Listing Manual as set out in the paragraph above. Accordingly, such transactions are excluded from aggregation with other transactions involving the same Related Parties.

Where matters concerning Elite Commercial REIT relate to transactions entered into or to be entered into by the Trustee for and on behalf of Elite Commercial REIT with a Related Party of the Manager (which would include relevant Associates (as defined in the Listing Manual) thereof) or Elite Commercial REIT, the Trustee is required to consider the terms of such transactions to satisfy itself that such transactions are conducted:

- on normal commercial terms;
- are not prejudicial to the interests of Elite Commercial REIT and the Unitholders; and
- are in accordance with all applicable requirements of the Property Funds Appendix and/or the Listing Manual relating to the transaction in question.

The Trustee has the ultimate discretion under the Trust Deed to decide whether or not to enter into a transaction involving a Related Party of the Manager or the Trustee. If the Trustee is to sign any contract with a Related Party of the Manager or the Trustee, the Trustee will review the contract to ensure that it complies with the relevant requirements relating to Related Party Transactions (as may be amended from time to time) as well as such other guidelines as may from time to time be prescribed by the MAS and the SGX-ST to apply to REITs.

Save for the transactions described under "Related Party Transactions in Connection with the Setting Up of Elite Commercial REIT and the Offering" and "Exempted Agreements", Elite Commercial REIT will comply with Rule 905 of the Listing Manual by announcing any Interested Person Transaction in accordance with the Listing Manual if the value of such transaction, by itself or when aggregated with other Interested Person Transactions entered into with the same Interested Person during the same financial year, is 3.0% or more of Elite Commercial REIT's latest audited net tangible assets.

The aggregate value of all Related Party Transactions which are subject to Rules 905 and 906 of the Listing Manual in a particular financial year will be disclosed in the annual report of Elite Commercial REIT for the relevant financial year.

Role of the Audit and Risk Committee for Related Party Transactions

The Audit and Risk Committee will periodically review all Related Party Transactions to ensure compliance with the Manager's internal control system, the relevant provisions of the Listing Manual, and the Property Funds Appendix. The review will include the examination of the nature of the transaction and its supporting documents or such other data deemed necessary by the Audit and Risk Committee.

If a member of the Audit and Risk Committee has an interest in a transaction, he is to abstain from participating in the review and approval process in relation to that transaction.

Related Party Transactions in Connection with the Setting Up of Elite Commercial REIT and the Offering

Existing Agreements

Elite Commercial REIT and its subsidiaries have entered into a number of transactions with the Manager and certain Related Parties of the Manager in connection with the setting-up of Elite Commercial REIT. These Related Party Transactions are as follows:

- The trust deed constituting Elite Commercial REIT entered into on 7 June 2018 as may be amended from time to time. The parties to the Trust Deed are the Manager and the Trustee. The terms of the Trust Deed are generally described in “The Formation and Structure of Elite Commercial REIT”.
- The Trustee has on 17 January 2020 entered into the Lease Management Agreement with the Manager. The terms of the Lease Management Agreement are generally described in “Certain Agreements Relating to Elite Commercial REIT and the Properties”.
- The Trustee has on 17 January 2020 entered into a Right of First Refusal Agreement with each of the Sponsors and Perpetual (Asia) Limited in its capacity as trustee of Elite UK Commercial Fund II. The terms of the Right of First Refusal Agreements are generally described in “Certain Agreements Relating to Elite Commercial REIT and the Properties – Rights of First Refusal”.

The Manager believes that the agreements set out above are made on normal commercial terms and are not prejudicial to the interests of Elite Commercial REIT and the Unitholders.

Save as disclosed in this Prospectus, the Trustee has not entered into any other transactions with the Manager or any Related Party of the Manager in connection with the setting up of Elite Commercial REIT.

Exempted Agreements

The entry into and the fees and charges payable by Elite Commercial REIT under the Trust Deed (including pursuant to the Internal Asset Management Agreement) and the Lease Management Agreement (including pursuant to the individual lease management agreement) (collectively, the “**Exempted Agreements**”), each of which constitutes or will, when entered into, constitute a Related Party Transaction, are deemed to have been specifically approved by the Unitholders upon subscription for the Units and are therefore not subject to Rules 905 and 906 of the Listing Manual to the extent that specific information on these agreements have been disclosed in the Prospectus and there is no subsequent change to the rates and/or bases of the fees charged thereunder which will adversely affect Elite Commercial REIT (see “Overview – Certain Fees and Charges” for the fees and charges payable by Elite Commercial REIT in connection with the establishment and on-going management and operation of Elite Commercial REIT for further details).

However, any renewal or amendments of such agreements are subject to Rules 905 and 906 of the Listing Manual.

Future Related Party Transactions

As a REIT, Elite Commercial REIT is regulated by the Property Funds Appendix and the Listing Manual. The Property Funds Appendix regulates, among others, transactions entered into by the Trustee (for and on behalf of Elite Commercial REIT) with an interested party relating to Elite Commercial REIT’s acquisition of assets from or sale of assets to an interested party, Elite Commercial REIT’s investment in securities of or issued by an interested party and the engagement of an interested party as property management agent or marketing agent for Elite Commercial REIT’s properties.

Depending on the materiality of transactions entered into by Elite Commercial REIT for the acquisition of assets from, the sale of assets to or the investment in securities of or issued by, an interested party, the Property Funds Appendix may require that an immediate announcement to the SGX-ST be made, and may also require that the approval of the Unitholders be obtained.

The Listing Manual regulates all interested person transactions, including transactions already governed by the Property Funds Appendix. Depending on the materiality of the transaction, Elite Commercial REIT may be required to make a public announcement of the transaction (Rule 905 of the Listing Manual), or to make a public announcement of and to obtain Unitholders' prior approval for the transaction (Rule 906 of the Listing Manual). The Trust Deed requires the Trustee and the Manager to comply with the provisions of the Listing Manual relating to interested person transactions as well as such other guidelines relating to interested person transactions as may be prescribed by the SGX-ST to apply to REITs.

The Manager may at any time in the future seek a general annual mandate from the Unitholders pursuant to Rule 920(1) of the Listing Manual for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, including a general mandate in relation to leases and/or licence agreements to be entered into with interested persons.

All transactions conducted under such general mandate for the relevant financial year will not be subject to the requirements under Rules 905 and 906 of the Listing Manual. In seeking such a general annual mandate, the Trustee will appoint an independent financial adviser (without being required to consult the Manager) pursuant to Rule 920(1)(b)(v) of the Listing Manual to render an opinion as to whether the methods or procedures for determining the transaction prices of the transactions contemplated under the annual general mandate are sufficient to ensure that such transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of Elite Commercial REIT and the Unitholders.

A proposed transaction will have to comply with both the Property Funds Appendix and the Listing Manual requirements, as it is *prima facie* governed by both sets of rules. Where matters concerning Elite Commercial REIT relate to transactions entered or to be entered into by the Trustee for and on behalf of Elite Commercial REIT with a Related Party (either an "interested party" under the Property Funds Appendix or an "interested person" under the Listing Manual) of the Manager or Elite Commercial REIT, the Trustee and the Manager are required to ensure that such transactions are conducted in accordance with applicable requirements of the Property Funds Appendix and/or the Listing Manual.

Subject to compliance with the applicable requirements, the Manager is not prohibited by either the Property Funds Appendix or the Listing Manual from contracting or entering into any financial, banking or any other type of transaction with the Trustee (when acting other than in its capacity as trustee of Elite Commercial REIT) or from being interested in any such contract or transaction, provided that any such transaction shall be on normal commercial terms and is not prejudicial to the interests of Elite Commercial REIT and the Unitholders. The Manager shall not be liable to account to the Trustee or to the Unitholders for any profits or benefits or other commissions made or derived from or in connection with any such transaction. The Trustee shall not be liable to account to the Manager or to the Unitholders for any profits or benefits or other commission made or derived from or in connection with any such transaction.

Generally, under the Listing Manual, the Manager, its "connected persons" (as defined in the Listing Manual) and any director of the Manager are prohibited from voting their respective own Units at, or being part of a quorum for, any meeting to approve any matter in which it has a material interest.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Manager acknowledges its responsibilities toward society, the environment and its stakeholders. Through managing its business in a fair and ethical manner, the Manager demonstrates its consideration towards employees and the wider community. It will provide a safe and healthy working environment for its employees and visitors to its premises and will ensure that sufficient information and training are made available in pursuance of their activities.

The Manager is committed to managing its impact on the world's natural resources and strives to continually to improve its environmental credentials in all of its properties and business activities.

The Manager recognises its position within the community and acknowledges that its business activities have varying impact upon the society in which it operates. The Manager endeavours to manage these in a responsible manner.

The Manager seeks to build relationships with its suppliers, investors and stakeholders for mutual benefit and for the benefit of the community.

As the Manager was recently incorporated on 2 August 2019 and Elite Commercial REIT was recently constituted as a private trust on 7 June 2018, the Manager has not undertaken any specific activities so far. Going forward, the Manager will manage its business activities and monitor their corresponding environmental impact to continuously develop and improve its corporate responsibility.

In addition, the Manager will prepare an annual sustainability report, which will constitute part of the annual report, in line with the reporting requirements of the SGX-ST, for so long as required by the SGX-ST. Such sustainability report shall include description of sustainability practices with reference to the following primary components:

- (i) material environmental, social and governance factors;
- (ii) policies, practices and performance;
- (iii) targets;
- (iv) sustainability reporting framework; and
- (v) a board statement.

The Manager is committed to creating an inclusive company and offering opportunities for leadership and advancement of women and minorities within its organisation.

THE SPONSORS

Elite Partners Holdings Pte. Ltd.

Headquartered in Singapore, EPH is the investment holding firm for Elite Partners Group first established to deliver lasting value for investors based on common interests, long-term perspectives and a disciplined approach. Backed by a team with proven expertise in private equity and REITs, its threefold investment philosophy aims to protect initial capital, enhance investment value and create new growth opportunities.

EPC, which is a subsidiary of EPH and a holder of a CMS Licence for Fund Management, is an alternative asset management company focused on the management of unique investment strategies with high growth potential and well-defined exit strategies. As at 30 October 2019, EPH, via its wholly-owned subsidiaries, has an AUM of approximately S\$650 million.

EPH, as a sponsor, has provided a ROFR to Elite Commercial REIT and has extensive sourcing capabilities. EPH, has examined over £3.0 billion worth of potential acquisitions in the UK over the past two years, primarily on assets with high credit-quality tenancy profiles. In addition, EPH will provide certain services to the Manager in respect of its accounting and compliance function. EPH is also the largest shareholder of the Manager.

Ho Lee Group Pte. Ltd.

The growth of Singapore from the early 70's to the early 90's saw the expansion of Ho Lee's business from a single entity dealing with general plumbing works to one that carries out various construction-related businesses from general building construction to specialised metal works, formwork fabrication and sales and rental of construction machines and equipment.

These various companies were grouped together in 1996 and saw the incorporation of HLG.

From its inception in 1996, HLG had gone on to acquire Wee Poh Construction Co. (Pte) Ltd (WPC) in 2005 which was a civil engineering construction company graded by the Building Construction Authority of Singapore (BCA) with an A1 grading (the highest grade) under the workhead CW02.

HLG also ventured into the development of industrial and residential properties either individually or with its business partners and had to date developed projects, such as the Built-to-Suit Mauser Factory, The Watercolour Executive Condominium and The Heron Bay Executive Condominium. HLG was also one of the major sponsors of Viva Industrial Trust during its initial public offering and listing on the SGX-ST in November 2013.

Sunway RE Capital Pte. Ltd.

Sunway is a wholly-owned subsidiary of Sunway Berhad.

Sunway Berhad is one of Malaysia's largest conglomerates with businesses in property development, property investment and REIT, construction, healthcare, hospitality, leisure, quarry, building materials, and trading and manufacturing.

The Sunway Berhad Group comprises three public listed entities, Sunway Berhad, Sunway Construction Group Berhad, and Sunway REIT, with a combined market capitalisation of approximately RM17.0 billion as at 30 September 2019.

The Sunway Berhad Group believes strongly in the sustainability of its business practices and is a strong advocate of the United Nation's Sustainable Development Goals. This is endorsed by the inclusion of all the Sunway Berhad Group's listed entities in the FTSE4Good Index, which recognises companies with strong environmental, social and governance practices.

THE FORMATION AND STRUCTURE OF ELITE COMMERCIAL REIT

The Trust Deed is a complex document and the following is a summary only and is qualified in its entirety by, and is subject to, the contents of the Trust Deed. Investors should refer to the Trust Deed itself to confirm specific information or for a detailed understanding of Elite Commercial REIT. The Trust Deed is available for inspection at the principal place of business of the Manager at 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989 (prior appointment would be appreciated).

THE TRUST DEED

Elite Commercial REIT is a REIT constituted on 7 June 2018 and complies with the requirements of, among others, the MAS and the SGX-ST, for a listed REIT. Elite Commercial REIT is principally regulated by the SFA and the CIS Code (including the Property Funds Appendix). Elite Commercial REIT was authorised as a collective investment scheme by the MAS on 28 January 2020.

The provisions of the SFA and the CIS Code (including the Property Funds Appendix) prescribe certain terms of the Trust Deed and certain rights, duties and obligations of the Manager, the Trustee and Unitholders under the Trust Deed. The Property Funds Appendix also imposes certain restrictions on REITs in Singapore, including a restriction on the types of investments which REITs in Singapore may hold, a general limit on their level of borrowings and certain restrictions with respect to Interested Party Transactions.

The terms and conditions of the Trust Deed shall be binding on each Unitholder (and persons claiming through such Unitholder) as if such Unitholder had been a party to the Trust Deed and as if the Trust Deed contains covenants by such Unitholder to observe and be bound by the provisions of the Trust Deed and an authorisation by each Unitholder to do all such acts and things as the Trust Deed may require the Manager and/or the Trustee to do.

Operational Structure

Elite Commercial REIT is a Singapore REIT established with the investment strategy of principally investing, directly or indirectly, in commercial assets as well as real estate-related assets in the UK. The Manager must manage Elite Commercial REIT so that the principal investments of Elite Commercial REIT meets the investment strategy.

Elite Commercial REIT aims to generate returns for its Unitholders by owning, buying and actively managing such properties in line with its investment strategy (including the selling of any property that has reached a stage that offers only limited scope for growth).

Subject to the restrictions and requirements in the Trust Deed, Property Funds Appendix and the Listing Manual, the Manager is also authorised under the Trust Deed to invest in investments which need not be real estate.

Under the Trust Deed, “Authorised Investments” means:

- (i) real estate;
- (ii) any improvement or extension of or addition to, or reconstruction, refurbishment, retrofitting, renovation or other development of any real estate or any building thereon;
- (iii) real estate-related assets, wherever the issuers, assets or securities are incorporated, located, issued or traded;

- (iv) listed or unlisted debt securities and listed shares or stock and (if permitted by the Authority) unlisted shares or stock of or issued by local or foreign non-property companies or corporations;
- (v) government securities (issued on behalf of the Singapore Government or governments of other countries) and securities issued by a supra-national agency or a Singapore statutory board;
- (vi) cash and cash equivalent items;
- (vii) financial derivatives only for the purposes of (a) hedging existing positions in Elite Commercial REIT's portfolio where there is a strong correlation to the underlying investments or (b) efficient portfolio management, PROVIDED THAT such derivatives are not used to gear the overall portfolio of Elite Commercial REIT or intended to be borrowings or any form of financial indebtedness of Elite Commercial REIT; and
- (viii) any other investment not covered by paragraph (i) to (vii) of this definition but specified as a permissible investment in the Property Funds Appendix and selected by the Manager for investment by Elite Commercial REIT and approved by the Trustee in writing.

The Manager may use certain financial derivative instruments for hedging purposes or efficient portfolio management, provided that (i) such financial derivative instruments are not used to gear Elite Commercial REIT's overall portfolio or are intended to be borrowings of Elite Commercial REIT and (ii) the policies regarding such use of financial derivative instruments have been approved by the Board. Although the Manager may use certain financial derivative instruments to the extent permitted by such laws, rules and regulations as may be applicable including, but not limited to, the CIS Code (including the Property Funds Appendix) and the Listing Manual, the Manager presently does not have any intention for Elite Commercial REIT to invest in options, warrants, commodities futures contracts and precious metals.

The Units and Unitholders

The rights and interests of Unitholders are contained in the Trust Deed. Under the Trust Deed, these rights and interests are safeguarded by the Trustee.

Each Unit represents an undivided interest in Elite Commercial REIT. A Unitholder has no equitable or proprietary interest in the Deposited Property. A Unitholder is not entitled to the transfer to him of the Deposited Property (or any part thereof) or of any estate or interest in the Deposited Property (or any part thereof). A Unitholder's right is limited to the right to require due administration of Elite Commercial REIT in accordance with the provisions of the Trust Deed, including, without limitation, by suit against the Trustee or the Manager.

Under the Trust Deed, each Unitholder acknowledges and agrees that he will not commence or pursue any action against the Trustee or the Manager seeking an order for specific performance or for injunctive relief in respect of the Deposited Property (or any part thereof), and waives any rights he may otherwise have to such relief. If the Trustee or the Manager breaches or threatens to breach its duties or obligations to a Unitholder under the Trust Deed, the Unitholder's recourse against the Trustee or the Manager is limited to a right to recover damages or compensation from the Trustee or the Manager in a court of competent jurisdiction, and the Unitholder acknowledges and agrees that damages or compensation is an adequate remedy for such breach or threatened breach.

Unless otherwise expressly provided in the Trust Deed, a Unitholder may not interfere with the rights, powers, authority or discretion of the Manager or the Trustee, exercise any right in respect of the Deposited Property (or any part thereof) or lodge any caveat or other notice affecting the Deposited Property (or any part thereof), or require that any part of the Deposited Property be transferred to such Unitholder.

No certificate shall be issued to Unitholders by either the Manager or the Trustee in respect of Units issued to Unitholders. For so long as Elite Commercial REIT is listed on the SGX-ST, the Manager shall, pursuant to CDP's depository services terms and conditions in relation to the deposit of Units in CDP (the "**Depository Services Terms and Conditions**"), appoint CDP as the Unit depository for Elite Commercial REIT, and all Units issued will be represented by entries in the register of Unitholders kept by the Trustee or the agent appointed by the Trustee in the name of, and deposited with, CDP as the registered holder of such Units.

The Manager or the agent appointed by the Manager shall issue to CDP, not more than 10 Business Days after the issue of Units, a confirmation note confirming the date of issue and the number of Units so issued and, if applicable, also stating that the Units are issued under a moratorium and the expiry date of such moratorium and for the purposes of the Trust Deed, such confirmation note shall be deemed to be a certificate evidencing title to the Units issued.

There are no restrictions under the Trust Deed or Singapore law on a person's right to purchase (or subscribe for) Units and to own Units, except in the case of a rights issue or (as the case may be) any preferential offering, where the Manager has the right under the Trust Deed to elect not to extend an offer of Units under the rights issue or (as the case may be) any preferential offering to Unitholders whose addresses are outside Singapore.

The Take-over Code applies to REITs. As a result, acquisitions of Units which may result in a change in effective control of Elite Commercial REIT and the aggregate Unitholdings of an entity and its concert parties crossing certain thresholds will be subject to the mandatory provisions of the Take-over Code, such as a requirement to make a mandatory general offer for Units.

Issue of Units

The following is a summary of the provisions of the Trust Deed relating to the issue of Units.

Subject to the following sub-paragraphs (1), (2) and (3) below and to such laws, rules and regulations as may be applicable, for so long as Elite Commercial REIT is listed on the SGX-ST or such other stock exchange of repute in any part of the world ("**Recognised Stock Exchange**"), the Manager may issue Units on any Business Day at an issue price equal to, or above, the "market price", without the prior approval of the Unitholders. For this purpose, "market price" shall mean:

- (i) the volume weighted average price for a Unit (if applicable, of the same class) for all trades on the SGX-ST, or such other Recognised Stock Exchange on which Elite Commercial REIT is listed, in the ordinary course of trading on the SGX-ST or, as the case may be, such other Recognised Stock Exchange, for the period of 10 Business Days (or such other period as may be prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding (and, for the avoidance of doubt, including) the relevant Business Day;
- (ii) if the Manager believes that the calculation in paragraph (i) above does not provide a fair reflection of the market price of a Unit (which may include, among others, instances where the trades on the Units are very low or where there is disorderly trading activity in the Units), an amount as determined by the Manager and the Trustee (after consultation with a stockbroker approved by the Trustee), as being the fair market price of a Unit; or

- (iii) (in relation to the issue of Units to the Manager as payment of the Management Fees) the volume weighted average price for a Unit for all trades on the SGX-ST, or (as the case may be) such other Recognised Stock Exchange on which Elite Commercial REIT is listed, in the ordinary course of trading on the SGX-ST or (as the case may be) the relevant Recognised Stock Exchange, for the last 10 Business Days (or such other period as may be prescribed by the SGX-ST or relevant Recognised Stock Exchange) immediately preceding (and, for the avoidance of doubt, including):
 - (A) (in relation to the Base Fee) the end date of the relevant financial quarter to which such Base Fee relates; and/or
 - (B) (in relation to the Performance Fee) the end date of the relevant financial year to which such Performance Fee relates.
- (iv) (in relation to the issue of Units to the Manager as payment of the Acquisition Fee when the Acquisition Fee is paid in the form of Units) the issue price of Units issued to finance or part finance the acquisition in respect of which the Acquisition Fee is payable or, where Units are not issued to finance or part finance the Acquisition, the prevailing market price at the time of issue of such Units as determined sub-paragraph (i) or (ii) above.
- (1) For so long as Elite Commercial REIT is listed on the SGX-ST or any other Recognised Stock Exchange, the Manager may issue Units at an issue price other than calculated in accordance with the above paragraph without the prior approval of Unitholders provided that the Manager complies with the listing rules of Singapore, or if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other relevant laws, regulations and guidelines in determining the issue price, including the issue price for a rights issue on a pro rata basis to all existing Unitholders, the issue price of a Unit issued other than by way of a rights issue offered on a pro rata basis to all existing Unitholders and the issue price for any reinvestment of distribution arrangement. If the issue price determined by the Manager is at a discount to the market price, the discount shall not exceed such percentage as may, from time to time, be permitted under the listing rules of Singapore or, if applicable, the listing rules of the relevant Recognised Stock Exchange, the Property Funds Appendix or any other relevant laws, regulations and guidelines.
- (2) Where Units are issued as full or partial consideration for the acquisition of an Authorised Investment by Elite Commercial REIT in conjunction with an issue of Units to raise cash for the balance of the consideration for the said Authorised Investment (or part thereof) or to acquire other Authorised Investments in conjunction with the said Authorised Investment, the Manager shall have the discretion to determine that the issue price of a Unit so issued as full or partial consideration shall be the same as the issue price for the Units issued in conjunction with an issue of Units to raise cash for the aforesaid purposes.
- (3) The scope of the general mandate to be given in a general meeting of the Unitholders is limited to the issue of an aggregate number of additional Units which must not exceed 50.0% of the total number of Units in issue, of which the aggregate number of additional Units to be issued other than on a pro rata basis to the existing Unitholders must not exceed 20.0% of the total number of Units in issue as at the date of the approval.

Unit Issue Mandate

By subscribing for the Units under the Offering, investors are (A) deemed to have approved the issuance of all Units comprised in the Offering and the Cornerstone Units and (B) deemed to have given the authority (the “**Unit Issue Mandate**”) to the Manager to:

- (i) (a) issue Units whether by way of rights, bonus or otherwise; and/or

- (b) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and

- (ii) issue Units in pursuance of any Instrument made or granted by the Manager while the Unit Issue Mandate was in force (notwithstanding that the authority conferred by the Unit Issue Mandate may have ceased to be in force at the time such Units are issued),

provided that:

- (A) the aggregate number of Units to be issued pursuant to the Unit Issue Mandate (including Units to be issued in pursuance of Instruments made or granted pursuant to the Unit Issue Mandate) must not exceed 50.0% of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below), of which the aggregate number of Units to be issued other than on a pro rata basis to Unitholders must not exceed 20.0% of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (B) below):
- (B) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (A) above, the total number of issued Units (excluding treasury Units, if any) shall be based on the number of issued Units (excluding treasury Units, if any) after completion of the Offering, after adjusting for any subsequent bonus issue, consolidation or subdivision of Units;
- (C) in exercising the Unit Issue Mandate, the Manager shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Trust Deed for the time being in force (unless otherwise exempted or waived by the MAS);
- (D) (unless revoked or varied by the Unitholders in a general meeting) the authority conferred by the Unit Issue Mandate shall continue in force until (i) the conclusion of the first annual general meeting of Elite Commercial REIT or (ii) the date by which the first annual general meeting of Elite Commercial REIT is required by applicable regulations to be held, whichever is earlier;
- (E) where the terms of the issue of the Instruments provide for adjustment to the number of Instruments or Units into which the Instruments may be converted, in the event of rights, bonus or other capitalisation issues or any other events, the Manager is authorised to issue additional Instruments or Units pursuant to such adjustment notwithstanding that the authority conferred by the Unit Issue Mandate may have ceased to be in force at the time the Instruments or Units are issued; and
- (F) the Manager and the Trustee be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Manager or, as the case may be, the Trustee may consider expedient or necessary or in the interest of Elite Commercial REIT to give effect to the authority conferred by the Unit Issue Mandate.

Suspension of Issue of Units

The Manager or the Trustee may, with the prior written approval of the other and subject to the Listing Manual or the listing rules of any other relevant Recognised Stock Exchange, suspend the issue of Units during any of the following events:

- any period when the SGX-ST or any other relevant Recognised Stock Exchange is closed (otherwise than for public holidays) or during which dealings are restricted or suspended;
- the existence of any state of affairs which, in the opinion of the Manager or (as the case may be) the Trustee, might seriously prejudice the interests of the Unitholders as a whole or of the Deposited Property;
- any breakdown in the means of communication normally employed in determining the price of any assets of Elite Commercial REIT or (if relevant) the current price thereof on the SGX-ST or any other relevant Recognised Stock Exchange, or when for any reason the prices of any assets of Elite Commercial REIT cannot be promptly and accurately ascertained;
- any period when remittance of money which will or may be involved in the realisation of any asset of Elite Commercial REIT or in the payment for such asset of Elite Commercial REIT cannot, in the opinion of the Manager, be carried out at normal rates of exchange;
- any period where the issuance of Units is suspended pursuant to any order or direction issued by the MAS or any other relevant regulatory authority;
- in relation to any general meeting of Unitholders, the 48-hour period before such general meeting or any adjournment thereof; or
- when the business operations of the Manager or the Trustee in relation to the operation of Elite Commercial REIT are substantially interrupted or closed as a result of, or arising from, nationalisation, expropriation, currency restrictions, pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riots, strikes, nuclear fusion or fission or acts of God.

Such suspension shall take effect forthwith upon the declaration in writing thereof by the Manager or (as the case may be) the Trustee and shall terminate on the day following the first Business Day on which the condition giving rise to the suspension ceases to exist and no other conditions under which suspension is authorised (as set out above) exists, upon the declaration in writing thereof by the Manager or (as the case may be) the Trustee.

In the event of any suspension while Elite Commercial REIT is listed on the SGX-ST, the Manager shall ensure that immediate announcement of such suspension is made through the SGX-ST or the relevant Recognised Stock Exchange.

Repurchase and Redemption of Units

The Trust Deed provides that any redemption of Units will be carried out in accordance with the Property Funds Appendix, the rules of the Listing Manual (if applicable) and all other applicable laws and regulations. With respect to any terms which are necessary to carry out such redemption but are not prescribed by the Property Funds Appendix, the rules in the Listing Manual and any laws and regulations, these terms shall be determined by mutual agreement between the Manager and the Trustee.

For so long as the Units are listed on the SGX-ST, the Unitholders have no right to request that the Manager repurchase or redeem their Units while the Units are listed on the SGX-ST and/or any other Recognised Stock Exchange. It is intended that the Unitholders may only deal in their listed Units through trading on the SGX-ST.

Rights and Liabilities of Unitholders

The key rights of Unitholders include rights to:

- receive income and other distributions attributable to the Units held;
- receive audited accounts and the annual reports of Elite Commercial REIT; and
- participate in the termination of Elite Commercial REIT by receiving a share of all net cash proceeds derived from the realisation of the assets of Elite Commercial REIT less any liabilities, in accordance with their proportionate interests in Elite Commercial REIT.

No Unitholder has a right to require that any asset of Elite Commercial REIT be transferred to him.

Further, Unitholders shall not give any directions to the Trustee or the Manager (whether at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed or otherwise) if it would require the Trustee or the Manager to do or omit doing anything which may result in:

- Elite Commercial REIT, the Manager or the Trustee, as the case may be, ceasing to comply with the Listing Manual or, if applicable, the listing rules of the relevant Recognised Stock Exchange, and all other applicable laws and regulations; or
- the exercise of any discretion expressly conferred on the Trustee or the Manager by the Trust Deed or the determination of any matter which, under the Trust Deed, requires the agreement of (i) the Trustee, (ii) the Manager or (iii) both the Trustee and the Manager.

The Trust Deed contains provisions that are designed to limit the liability of a Unitholder to the amount paid or payable for any Unit. The provisions provide that a Unitholder shall not be liable to the Manager or the Trustee to make any further payments to Elite Commercial REIT after it has fully paid the consideration to acquire its Units and no further liability shall be imposed on such Unitholder in respect of its Units. The provisions ensure that if the issue price of the Units held by a Unitholder has been fully paid, no such Unitholder, by reason alone of being a Unitholder, will be personally liable to indemnify the Trustee or any creditor of Elite Commercial REIT in the event that the liabilities of Elite Commercial REIT exceed its assets.

Under the Trust Deed, every Unit carries the same voting rights.

Amendments of the Trust Deed

Approval of Unitholders by an Extraordinary Resolution will be obtained for any amendment of the Trust Deed unless the Trustee certifies, in its opinion, that such amendment:

- does not materially prejudice the interests of Unitholders and does not operate to release to any material extent the Trustee or the Manager from any responsibility to the Unitholders;
- is necessary in order to comply with applicable fiscal, statutory or official requirements (whether or not having the force of law), including, without limitation, requirements under all other applicable laws, regulations and guidelines; or
- is made to remove obsolete provisions or to correct a manifest error.

No such amendment shall impose upon any Unitholder any obligation to make any further payments in respect of his Units or to accept any liability in respect thereof.

Notwithstanding any of the above, the Manager and the Trustee may, with the written approval of the relevant authorities (including, without limitation, the MAS), alter certain provisions in the Trust Deed relating to the use of derivatives.

Meeting of Unitholders

Under applicable law and the provisions of the Trust Deed, Elite Commercial REIT will not hold any meetings for Unitholders unless:

- the Trustee or the Manager convenes a meeting; or
- unless not less than 50 Unitholders or Unitholders representing not less than 10.0% of the total Units issued give a written request for a meeting to be convened.

In addition, Elite Commercial REIT is required to hold an annual general meeting once in every calendar year and not more than 15 months after the holding of the last preceding annual general meeting, but so long as Elite Commercial REIT holds its first annual general meeting within 18 months of its authorisation, it need not hold it in the year of its constitution or the following year. Furthermore, the Trust Deed shall comply with paragraph 4 of the Property Funds Appendix.

All meetings convened shall be held in Singapore.

Unitholders may, by Extraordinary Resolution and in accordance with the provisions of the Trust Deed:

- sanction any modification, alteration or addition to the Trust Deed which shall be agreed by the Trustee and the Manager as provided in the Trust Deed;
- sanction a supplemental deed increasing the maximum permitted limit or any change in the structure of the fees payable to the Manager and the Trustee;
- remove the auditors and appoint other auditors in their place;
- remove the Trustee;
- direct the Trustee to take any action pursuant to Section 295 of the SFA (relating to the winding up of Elite Commercial REIT); and
- delist Elite Commercial REIT after it has been listed.

Unitholders may also, by an Ordinary Resolution of Unitholders present and voting at a meeting of Unitholders convened in accordance with the Trust Deed, vote to remove the Manager (with the Manager and its related parties being permitted to vote).

Any decision to be made by resolution of Unitholders other than the above shall be made by Ordinary Resolution, unless an Extraordinary Resolution is required by the SFA, the CIS Code or the Listing Manual.

Except as otherwise provided for in the Trust Deed, and save for an Extraordinary Resolution (which requires at least 21 days' notice) (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given), at least 14 days' notice (not inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting shall be given to the Unitholders in the manner provided in the Trust Deed. Each notice shall specify the place, day and hour of the meeting, and the terms

of the resolutions to be proposed. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolutions in respect of such special business.

The quorum at a meeting shall not be less than two Unitholders (whether present in person or by proxy) together holding or representing one-tenth in value of all the Units for the time being in issue.

Subject to the prevailing listing rules by the SGX-ST, voting at a meeting shall be by poll. Unitholders do not have different voting rights on account of the number of votes held by a particular Unitholder. On a poll, every Unitholder has one vote for each Unit of which it is the Unitholder. The Trust Deed does not contain any limitation on non-Singapore resident or foreign Unitholders holding Units or exercising the voting rights with respect to their Unitholdings.

Neither the Manager nor any of its Associates shall be entitled to vote or be counted as part of a quorum at a meeting convened to consider a matter in respect of which the Manager or any of its Associates has a material interest save for an Ordinary Resolution duly proposed to remove the Manager, in which case, no Unitholder shall be disenfranchised.

For so long as the Manager is the manager of Elite Commercial REIT, the controlling shareholders (as defined in the Listing Manual) of the Manager and of any of its Associates are prohibited from voting or being counted as part of a quorum for any meeting of Unitholders convened to consider a matter in respect of which the relevant controlling shareholders of the Manager and of any of its Associates have a material interest.

DECLARATION OF UNITHOLDINGS

Duty of Manager to Make Disclosure

Pursuant to Section 137ZC of the SFA, where the Manager acquires or disposes of interests in Units or debentures or units of debentures of Elite Commercial REIT, or the Manager has been notified in writing by, *inter alia*, a Substantial Unitholder or director or Chief Executive Officer of the Manager pursuant to the unitholdings disclosure requirements of the SFA as set out below, the Manager shall announce such information via SGXNET and in such form and manner as the Authority may prescribe as soon as practicable and in any case no later than the end of the Business Day following the day on which the Manager became aware of the acquisition or disposal or received the notice.

Substantial Unitholdings

Pursuant to Sections 135 to 137B of the SFA (read with Section 137U of the SFA), Substantial Unitholders are required to notify the Manager and the Trustee within two Business Days after becoming aware of their becoming a Substantial Unitholder, any subsequent change in the percentage level of their interest(s) in Units (rounded down to the next whole number) or their ceasing to be a Substantial Unitholder.

Directors and Chief Executive Officer of the Manager

Pursuant to Section 137Y of the SFA, Directors and the Chief Executive Officer of the Manager are required to, within two Business Days, notify the Manager of their acquisition of interest in Units or of changes to the number of Units which they hold or in which they have an interest.

A Director or Chief Executive Officer of the Manager is deemed to have an interest in Units in the following circumstances:

- Where the Director or Chief Executive Officer is the beneficial owner of a Unit (whether directly through a direct securities account or sub-account maintained by a Depository (as defined in Section 81SF of the Securities and Futures Act) with CDP ("**Securities Account**") or indirectly through a depository agent or otherwise).
- Where a body corporate is the beneficial owner of a Unit and the Director or Chief Executive Officer is entitled to exercise or control the exercise of not less than 20.0% of the votes attached to the voting shares in the body corporate.
- Where the Director's or Chief Executive Officer's (i) spouse or (ii) son, adopted son, stepson, daughter, adopted daughter or step-daughter below the age of 21 years has any interest in a Unit.
- Where the Director or Chief Executive Officer, his (i) spouse or (ii) son, adopted son, stepson, daughter, adopted daughter or step-daughter below the age of 21 years:
 - has entered into a contract to purchase a Unit;
 - has a right to have a Unit transferred to any of them or to their order, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not;
 - has the right to acquire a Unit under an option, whether the right is exercisable presently or in the future and whether on the fulfilment of a condition or not; or
 - is entitled (otherwise than by reason of any of them having been appointed a proxy or representative to vote at a meeting of Unitholders) to exercise or control the exercise of a right attached to a Unit, not being a Unit of which any of them is the holder.
- Where the property subject to a trust consists of or includes a Unit and the Director or Chief Executive Officer knows or has reasonable grounds for believing that he has an interest under the trust and the property subject to the trust consists of or includes such Unit.

THE TRUSTEE

The trustee of Elite Commercial REIT is Perpetual (Asia) Limited. It is a company incorporated in Singapore on 30 December 2005 with a paid-up capital of S\$9,024,811. It is an indirect wholly-owned subsidiary of Perpetual Limited, one of the largest independent trustees in Australia and is listed on the Australian Securities Exchange. The Trustee is licenced as a trust company under the Trust Companies Act. It is approved to act as a trustee for authorised collective investment schemes under Section 289(1) of the SFA and is regulated by the MAS. It also holds a capital markets services licence for the provision of custodial services for securities. The Trustee acts as trustee to Singapore-listed REITs, unit trusts, private funds and trustee to institutional and retail debt issues including bonds and notes. Its registered office is located at 8 Marina Boulevard, #05-02 Marina Bay Financial Centre, Singapore 018981. The Trustee holds the assets of Elite Commercial REIT on trust for the benefit of the Unitholders of Elite Commercial REIT, safeguards the rights and interests of the Unitholders of Elite Commercial REIT and exercises all the powers of a trustee and the powers accompanying ownership of the properties in Elite Commercial REIT.

Powers, Duties and Obligations of the Trustee

The Trustee's powers, duties and obligations are set out in the Trust Deed. The powers and duties of the Trustee include:

- acting as trustee of Elite Commercial REIT and, in such capacity, safeguarding the rights and interests of the Unitholders, for example, by satisfying itself that transactions it enters into for and on behalf of Elite Commercial REIT with a Related Party of the Manager, the Trustee or Elite Commercial REIT are conducted on normal commercial terms, are not prejudicial to the interests of Elite Commercial REIT or the Unitholders, and in accordance with all applicable requirements under the Property Funds Appendix and/or the Listing Manual relating to the transaction in question;
- holding the assets of Elite Commercial REIT on trust for the benefit of the Unitholders in accordance with the Trust Deed; and
- exercising all the powers of a trustee and the powers that are incidental to the ownership of the assets of Elite Commercial REIT.

The Trustee has covenanted in the Trust Deed that it will exercise all due care, diligence and vigilance in carrying out its functions and duties, and in safeguarding the rights and interests of Unitholders.

In the exercise of its powers, the Trustee may (on the recommendation of the Manager) and subject to the provisions of the Trust Deed, acquire or dispose of any real or personal property, borrow and encumber any asset.

The Trustee may, subject to the provisions of the Trust Deed, appoint and engage:

- a person or entity to exercise any of its powers or perform its obligations; and
- any real estate agents or managers or service providers or such other persons, including a Related Party of the Manager on an arm's length basis and on normal commercial terms, in relation to the project management, development, leasing, lease management, marketing, property management, purchase or sale of any real estate assets and real estate-related assets.

Subject to the Trust Deed and the Property Funds Appendix, the Manager may direct the Trustee to borrow or raise money or obtain other financial accommodation for the purposes of Elite Commercial REIT, both on a secured and unsecured basis.

The Trustee must carry out its functions and duties and comply with all the obligations imposed on it as set out in the Trust Deed, the Listing Manual, the SFA, the CIS Code (including the Property Funds Appendix), the Take-over Code, any tax ruling and all other relevant laws. It must retain Elite Commercial REIT's assets, or cause Elite Commercial REIT's assets to be retained, in safe custody and cause Elite Commercial REIT's accounts to be audited. Pursuant to the Trust Deed, it can appoint any custodian, joint-custodian or sub-custodian (including, without limitation, any Related Party of the Trustee) in relation to the whole or any part of Elite Commercial REIT's assets. It can appoint valuers to value the real estate assets and real estate-related assets of Elite Commercial REIT.

The Trustee is not personally liable to a Unitholder in connection with the office of the Trustee except in respect of its own fraud, gross negligence, wilful default, breach of the Trust Deed or breach of trust. Any liability incurred and any indemnity to be given by the Trustee shall be limited to the assets of Elite Commercial REIT over which the Trustee has recourse, provided that the

Trustee has acted without fraud, gross negligence, wilful default, breach of the Trust Deed or breach of trust. The Trust Deed contains certain indemnities in favour of the Trustee under which it will be indemnified out of the assets of Elite Commercial REIT for liability arising in connection with certain acts or omissions. These indemnities are subject to any applicable laws.

Retirement and Replacement of the Trustee

The Trustee may retire or be replaced under the following circumstances:

- The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new trustee (such appointment to be made in accordance with the provisions of the Trust Deed).
- The Trustee may be removed by notice in writing to the Trustee by the Manager:
 - if the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Trustee;
 - if the Trustee ceases to carry on business;
 - if the Trustee is in breach of any material obligation imposed on the Trustee by the Trust Deed, and such breach has not been cured or remedied within 60 days of receipt of written notice of such breach from the Manager, provided that at the end of 60 days, the cure period may be extended for such other period as may be agreed between the Manager and the Trustee;
 - if the Unitholders, by Extraordinary Resolution duly passed at a meeting of Unitholders held in accordance with the provisions of the Trust Deed, and of which not less than 21 days' notice has been given to the Trustee and the Manager, shall so decide; or
 - if the MAS directs that the Trustee be removed.

Trustee's Fee

The Trustee's fee shall not exceed 0.015% per annum of the value of the Deposited Property, subject to a minimum of S\$15,000 per month, excluding out-of-pocket expenses and GST in accordance with the Trust Deed.

The actual fee payable will be determined between the Manager and the Trustee from time to time.

Any increase in the maximum permitted amount or any change in the structure of the Trustee's fee must be approved by an Extraordinary Resolution at a Unitholders' meeting duly convened and held in accordance with the provisions of the Trust Deed.

TERMINATION OF ELITE COMMERCIAL REIT

Under the provisions of the Trust Deed, the duration of Elite Commercial REIT shall end on the earliest of:

- such date as may be provided under applicable laws and regulations;
- the date on which Elite Commercial REIT is terminated by the Manager in such circumstances as set out under the provisions of the Trust Deed as described below; or

- the date on which Elite Commercial REIT is terminated by the Trustee in such circumstances as set out under the provisions of the Trust Deed as described below.

The Manager may in its absolute discretion terminate Elite Commercial REIT by giving notice in writing to all Unitholders or, as the case may be, the Depository and the Trustee not less than three months in advance and to the MAS not less than seven days before the termination in any of the following circumstances:

- if any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable for Elite Commercial REIT to exist;
- if the NAV of the Deposited Property shall be less than S\$50.0 million after the end of the first anniversary of the date of the Trust Deed or any time thereafter; and
- if at any time Elite Commercial REIT becomes unlisted after it has been listed.

Subject to the SFA and any other applicable law or regulation, Elite Commercial REIT may be terminated by the Trustee by notice in writing in any of the following circumstances:

- if the Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed over any of its assets or if a judicial manager is appointed in respect of the Manager or if any encumbrancer shall take possession of any of its assets or if it shall cease business and the Trustee fails to appoint a successor manager in accordance with the provisions of the Trust Deed;
- if any law shall be passed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable for Elite Commercial REIT to exist; and
- if within the period of three months from the date of the Trustee expressing in writing to the Manager the desire to retire, the Manager shall have failed to appoint a new trustee in accordance with the provisions of the Trust Deed.

The decision of the Trustee in any of the events specified above shall be final and binding upon all the parties concerned but the Trustee shall be under no liability on account of any failure to terminate Elite Commercial REIT pursuant to the paragraph above or otherwise. The Manager shall accept the decision of the Trustee and relieve the Trustee of any liability to it and hold it harmless from any claims whatsoever on its part for damages or for any other relief.

Generally, upon the termination of Elite Commercial REIT, the Trustee shall, subject to any authorisations or directions given to it by the Manager or the Unitholders pursuant to the Trust Deed, sell the Deposited Property and repay any borrowings incurred on behalf of Elite Commercial REIT in accordance with the Trust Deed (together with any interest accrued but remaining unpaid) as well as all other debts and liabilities in respect of Elite Commercial REIT before distributing the balance of the Deposited Property to the Unitholders in accordance with their proportionate interests in Elite Commercial REIT.

CERTAIN AGREEMENTS RELATING TO ELITE COMMERCIAL REIT AND THE PROPERTIES

The agreements discussed in this section are complex documents and the following is a summary only. Investors should refer to the agreements themselves to confirm specific information or for a detailed understanding of Elite Commercial REIT. The agreements are available for inspection at the principal place of business of the Manager at 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989 (prior appointment would be appreciated).

RIGHTS OF FIRST REFUSAL

EPH ROFR

Elite Partners Holdings Pte. Ltd. hereby grants a ROFR (the “**EPH ROFR**”) to the Trustee, on the terms set out below for so long as:

- (i) Elite Commercial REIT is listed on and quoted for on the Mainboard of the SGX-ST;
- (ii) Elite Commercial REIT Management Pte. Ltd. or any of its related corporations remains the manager of Elite Commercial REIT; and
- (iii) EPH and/or any of its related corporations, alone or in aggregate, remains as a controlling shareholder of the manager of Elite Commercial REIT.

(the “**EPH ROFR Period**”).

For the purposes of the EPH ROFR:

- (a) “**control**” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company, real estate investment trust or other entity (as the case may be);
- (b) a “**controlling shareholder**” means a person who:
 - (i) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares of the company; or
 - (ii) in fact exercises control over the company;
- (c) a “**controlling unitholder**” in relation to a real estate investment trust means a person who:
 - (i) holds directly or indirectly 15.0% or more of the nominal amount of all voting units in the real estate investment trust; or
 - (ii) in fact exercises control over the real estate investment trust;
- (d) a “**related corporation**” has the meaning ascribed to it in the Companies Act;
- (e) a “**Relevant Entity**” means EPH or any of its existing or future subsidiaries (which shall exclude any subsidiaries listed on any recognised stock exchange) or existing or future private funds managed by EPH (“**EPH Private Funds**”);

- (f) a “**Relevant Asset**” refers to a completed income-producing real estate asset used for commercial purpose, located in UK. Where such completed income-producing real estate is held by a Relevant Entity through a special purpose company, vehicle or entity (a “**SPV**”) established solely to own such real estate, the term “**Relevant Asset**” shall refer to the shares or equity interests, as the case may be, in that SPV. Where such real estate is co-owned by a Relevant Entity as a tenant-in-common, the term “**Relevant Asset**” shall refer to the ownership share of the Relevant Entity in such real estate; and
- (g) a “**subsidiary**” has the meaning ascribed to it in the Companies Act.

EPH shall, subject to the terms of this section, issue a written notice (“**Written Notice**”), any time on or after the date Elite Commercial REIT is first listed on the SGX-ST and during the EPH ROFR Period, to Trustee of any proposed offer by a Relevant Entity to dispose of any interest in any Relevant Asset which is owned by the Relevant Entity (“**Proposed Disposal**”).

If the Relevant Asset is:

- (i) owned jointly by a Relevant Entity together with one or more third parties and if consent of any of such third parties to offer the Relevant Asset to Elite Commercial REIT is required; or
- (ii) owned by EPH’s subsidiaries or EPH Private Funds which are not wholly-owned by EPH and whose other shareholder(s) or private fund investor(s) is/are third parties, and if consent from such shareholder(s) or private fund investor(s) to offer the Relevant Asset to Elite Commercial REIT is required,

EPH shall use its best endeavours to obtain the consent of the relevant third party(ies), other shareholder(s) or private fund investor(s), failing which the EPH ROFR will exclude the disposal of such Relevant Asset. For the avoidance of doubt, the grant by any Relevant Entity of a lease (including a long-term lease) over any such Relevant Asset (or any part thereof) for a rent or other service income shall not constitute or be deemed to constitute a Proposed Disposal for the purposes of this paragraph.

The EPH ROFR is subject to the Trustee giving confidentiality undertakings on customary and usual terms. The Written Notice shall be accompanied by copies of the offer documents and other supporting documentation as may be reasonably available to EPH (which shall include the indicative price for the Relevant Asset and the terms and conditions of the Proposed Disposal) in connection with the relevant Proposed Disposal (collectively, the “**Transaction Documents**”) made by, or made available to, the Relevant Entity.

Notwithstanding anything to the contrary in this section, the EPH ROFR shall:

- (i) be subject to any prior overriding contractual obligations which the Relevant Entity may have in relation to the Relevant Assets and/or to the third parties that hold interests in these Relevant Assets;
- (ii) exclude the disposal of any interest in the Relevant Assets by a Relevant Entity to a related corporation of such Relevant Entity pursuant to a reconstruction, amalgamation, restructuring, merger and/or analogous event or transfer of shares of the Relevant Entity between the shareholders as may be provided in any shareholders agreement; and
- (iii) be subject to the applicable laws, regulations and government policies and the Listing Manual.

In the event that:

- (i) the Trustee fails to or does not indicate in writing to the Relevant Entity, its interest in purchasing the Relevant Asset within 15 days (or such other period as may be mutually agreed by the Trustee and the Relevant Entity) from the date of the Trustee's receipt of the Written Notice together with the relevant Transaction Documents;
- (ii) the Trustee fails to or does not enter into a binding commitment (in the form of a sale and purchase agreement or a put and call option agreement, whether conditional or unconditional) (the "**Binding Commitment**") for the purchase of the Relevant Asset within 60 days (or such other period as may be mutually agreed by the Trustee and the Relevant Entity) from the date of the Trustee's receipt of the Written Notice together with the relevant Transaction Documents; or
- (iii) the proposed acquisition of the Relevant Asset is aborted by the Trustee,

the Trustee shall be deemed to be unable to, or not to have, exercised the EPH ROFR. In the event that the Trustee fails or does not wish to exercise the EPH ROFR, the Relevant Entity shall be entitled to dispose of its interest in the Relevant Asset to a third party on terms and conditions no more favourable to the third party than those offered by the Relevant Entity to the Trustee. It is agreed that the mere fact that the Proposed Disposal is subject to approval of the unitholders of Elite Commercial REIT would not by itself result in the terms offered by Elite Commercial REIT as being less favourable to that offered to the third party (even there is no such similar condition in the offer to the third party).

However, if the completion of the disposal of the Relevant Assets by the Relevant Entity to the third party does not occur within 12 months from the date of the Written Notice, any proposal to dispose of such Relevant Asset after the aforesaid 12-month period shall then remain subject to the EPH ROFR in accordance with the terms of this section.

For the avoidance of doubt, nothing in this section shall abrogate the rights of the parties to the Binding Commitment in the event as set out above (including any liabilities which may arise from any breaches in the terms of the Binding Commitment).

HLG ROFR

Ho Lee Group Pte. Ltd. hereby grants a ROFR (the "**HLG ROFR**") to the Trustee, on the terms set out below for so long as:

- (i) Elite Commercial REIT is listed on and quoted for on the Mainboard of the SGX-ST;
- (ii) Elite Commercial REIT Management Pte. Ltd. or any of its related corporations remains the manager of Elite Commercial REIT; and
- (iii) HLG and/or any of its related corporations, alone or in aggregate, remains as a controlling shareholder of the manager of Elite Commercial REIT.

(the "**HLG ROFR Period**").

For the purposes of the HLG ROFR:

- (a) "**control**" means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company, real estate investment trust or other entity (as the case may be);

- (b) a “**controlling shareholder**” means a person who:
 - (i) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares of the company; or
 - (ii) in fact exercises control over the company;
- (c) a “**controlling unitholder**” in relation to a real estate investment trust means a person who:
 - (i) holds directly or indirectly 15.0% or more of the nominal amount of all voting units in the real estate investment trust; or
 - (ii) in fact exercises control over the real estate investment trust;
- (d) a “**related corporation**” has the meaning ascribed to it in the Companies Act;
- (e) a “**Relevant Entity**” means HLG or any of its existing or future subsidiaries (which shall exclude any subsidiaries listed on any recognised stock exchange) or existing or future private funds managed by HLG (“**HLG Private Funds**”);
- (f) a “**Relevant Asset**” refers to a completed income-producing real estate asset used for commercial purpose, located in UK. Where such completed income-producing real estate is held by a Relevant Entity through a special purpose company, vehicle or entity (a “**SPV**”) established solely to own such real estate, the term “**Relevant Asset**” shall refer to the shares or equity interests, as the case may be, in that SPV. Where such real estate is co-owned by a Relevant Entity as a tenant-in-common, the term “**Relevant Asset**” shall refer to the ownership share of the Relevant Entity in such real estate; and
- (g) a “**subsidiary**” has the meaning ascribed to it in the Companies Act.

HLG shall, subject to the terms of this section, issue a written notice (“**Written Notice**”), any time on or after the date Elite Commercial REIT is first listed on the SGX-ST and during the HLG ROFR Period, to the Trustee of any proposed offer by a Relevant Entity to dispose of any interest in any Relevant Asset which is owned by the Relevant Entity (“**Proposed Disposal**”).

If the Relevant Asset is:

- (i) owned jointly by a Relevant Entity together with one or more third parties and if consent of any of such third parties to offer the Relevant Asset to Elite Commercial REIT is required; or
- (ii) owned by HLG’s subsidiaries or HLG Private Funds which are not wholly-owned by HLG and whose other shareholder(s) or private fund investor(s) is/are third parties, and if consent from such shareholder(s) or private fund investor(s) to offer the Relevant Asset to Elite Commercial REIT is required,

HLG shall use its best endeavours to obtain the consent of the relevant third party(ies), other shareholder(s) or private fund investor(s), failing which the HLG ROFR will exclude the disposal of such Relevant Asset. For the avoidance of doubt, the grant by any Relevant Entity of a lease (including a long-term lease) over any such Relevant Asset (or any part thereof) for a rent or other service income shall not constitute or be deemed to constitute a Proposed Disposal for the purposes of this paragraph.

The HLG ROFR is subject to the Trustee giving confidentiality undertakings on customary and usual terms. The Written Notice shall be accompanied by copies of the offer documents and other supporting documentation as may be reasonably available to HLG (which shall include the indicative price for the Relevant Asset and the terms and conditions of the Proposed Disposal) in connection with the relevant Proposed Disposal (collectively, the “**Transaction Documents**”) made by, or made available to, the Relevant Entity.

Notwithstanding anything to the contrary in this section, the HLG ROFR shall:

- (i) be subject to any prior overriding contractual obligations which the Relevant Entity may have in relation to the Relevant Assets and/or to the third parties that hold interests in these Relevant Assets;
- (ii) exclude the disposal of any interest in the Relevant Assets by a Relevant Entity to a related corporation of such Relevant Entity pursuant to a reconstruction, amalgamation, restructuring, merger and/or analogous event or transfer of shares of the Relevant Entity between the shareholders as may be provided in any shareholders agreement; and
- (iii) be subject to the applicable laws, regulations and government policies and the Listing Manual.

In the event that:

- (i) the Trustee fails to or does not indicate in writing to the Relevant Entity, its interest in purchasing the Relevant Asset within 15 days (or such other period as may be mutually agreed by the Trustee and the Relevant Entity) from the date of the Trustee’s receipt of the Written Notice together with the relevant Transaction Documents;
- (ii) the Trustee fails to or does not enter into a binding commitment (in the form of a sale and purchase agreement or a put and call option agreement, whether conditional or unconditional) (the “**Binding Commitment**”) for the purchase of the Relevant Asset within 60 days (or such other period as may be mutually agreed by the Trustee and the Relevant Entity) from the date of the Trustee’s receipt of the Written Notice together with the relevant Transaction Documents; or
- (iii) the proposed acquisition of the Relevant Asset is aborted by the Trustee,

the Trustee shall be deemed to be unable to, or not to have, exercised the HLG ROFR. In the event that the Trustee fails or does not wish to exercise the HLG ROFR, the Relevant Entity shall be entitled to dispose of its interest in the Relevant Asset to a third party on terms and conditions no more favourable to the third party than those offered by the Relevant Entity to the Trustee. It is agreed that the mere fact that the Proposed Disposal is subject to approval of the unitholders of Elite Commercial REIT would not by itself result in the terms offered by Elite Commercial REIT as being less favourable to that offered to the third party (even there is no such similar condition in the offer to the third party).

However, if the completion of the disposal of the Relevant Assets by the Relevant Entity to the third party does not occur within 12 months from the date of the Written Notice, any proposal to dispose of such Relevant Asset after the aforesaid 12-month period shall then remain subject to the HLG ROFR in accordance with the terms of this section.

For the avoidance of doubt, nothing in this section shall abrogate the rights of the parties to the Binding Commitment in the event as set out above (including any liabilities which may arise from any breaches in the terms of the Binding Commitment).

Sunway ROFR

Sunway RE Capital Pte. Ltd. hereby grants a ROFR (the “**Sunway ROFR**”) to the Trustee, on the terms set out below for so long as:

- (i) Elite Commercial REIT is listed on and quoted for on the Mainboard of the SGX-ST;
- (ii) Elite Commercial REIT Management Pte. Ltd. or any of its related corporations remains the manager of Elite Commercial REIT; and
- (iii) Sunway and/or any of its related corporations, alone or in aggregate, remains as a controlling shareholder of the manager of Elite Commercial REIT.

(the “**Sunway ROFR Period**”).

For the purposes of the Sunway ROFR:

- (a) “**control**” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company, real estate investment trust or other entity (as the case may be);
- (b) a “**controlling shareholder**” means a person who:
 - (i) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares of the company; or
 - (ii) in fact exercises control over the company;
- (c) a “**controlling unitholder**” in relation to a real estate investment trust means a person who:
 - (i) holds directly or indirectly 15.0% or more of the nominal amount of all voting units in the real estate investment trust; or
 - (ii) in fact exercises control over the real estate investment trust;
- (d) a “**related corporation**” has the meaning ascribed to it in the Companies Act;
- (e) a “**Relevant Entity**” means Sunway or any of its existing or future subsidiaries (which shall exclude any subsidiaries listed on any recognised stock exchange) or existing or future private funds managed by Sunway (“**Sunway Private Funds**”);
- (f) a “**Relevant Asset**” refers to a completed income-producing real estate asset used for commercial purpose, located in UK. Where such completed income-producing real estate is held by a Relevant Entity through a special purpose company, vehicle or entity (a “**SPV**”) established solely to own such real estate, the term “**Relevant Asset**” shall refer to the shares or equity interests, as the case may be, in that SPV. Where such real estate is co-owned by a Relevant Entity as a tenant-in-common, the term “**Relevant Asset**” shall refer to the ownership share of the Relevant Entity in such real estate; and
- (g) a “**subsidiary**” has the meaning ascribed to it in the Companies Act.

Sunway shall, subject to the terms of this section, issue a written notice (“**Written Notice**”), any time on or after the date Elite Commercial REIT is first listed on the SGX-ST and during the Sunway ROFR Period, to the Trustee of any proposed offer by a Relevant Entity to dispose of any interest in any Relevant Asset which is owned by the Relevant Entity (“**Proposed Disposal**”).

If the Relevant Asset is:

- (i) owned jointly by a Relevant Entity together with one or more third parties and if consent of any of such third parties to offer the Relevant Asset to Elite Commercial REIT is required; or
- (ii) owned by Sunway's subsidiaries or Sunway Private Funds which are not wholly-owned by Sunway and whose other shareholder(s) or private fund investor(s) is/are third parties, and if consent from such shareholder(s) or private fund investor(s) to offer the Relevant Asset to Elite Commercial REIT is required,

Sunway shall use its best endeavours to obtain the consent of the relevant third party(ies), other shareholder(s) or private fund investor(s), failing which the Sunway ROFR will exclude the disposal of such Relevant Asset. For the avoidance of doubt, the grant by any Relevant Entity of a lease (including a long-term lease) over any such Relevant Asset (or any part thereof) for a rent or other service income shall not constitute or be deemed to constitute a Proposed Disposal for the purposes of this paragraph.

The Sunway ROFR is subject to the Trustee giving confidentiality undertakings on customary and usual terms. The Written Notice shall be accompanied by copies of the offer documents and other supporting documentation as may be reasonably available to Sunway (which shall include the indicative price for the Relevant Asset and the terms and conditions of the Proposed Disposal) in connection with the relevant Proposed Disposal (collectively, the **"Transaction Documents"**) made by, or made available to, the Relevant Entity.

Notwithstanding anything to the contrary in this section, the Sunway ROFR shall:

- (i) be subject to any prior overriding contractual obligations which the Relevant Entity may have in relation to the Relevant Assets and/or to the third parties that hold interests in these Relevant Assets;
- (ii) exclude the disposal of any interest in the Relevant Assets by a Relevant Entity to a related corporation of such Relevant Entity pursuant to a reconstruction, amalgamation, restructuring, merger and/or analogous event or transfer of shares of the Relevant Entity between the shareholders as may be provided in any shareholders agreement; and
- (iii) be subject to the applicable laws, regulations and government policies and the Listing Manual.

In the event that:

- (i) the Trustee fails to or does not indicate in writing to the Relevant Entity, its interest in purchasing the Relevant Asset within 15 days (or such other period as may be mutually agreed by the Trustee and the Relevant Entity) from the date of the Trustee's receipt of the Written Notice together with the relevant Transaction Documents;
- (ii) the Trustee fails to or does not enter into a binding commitment (in the form of a sale and purchase agreement or a put and call option agreement, whether conditional or unconditional) (the **"Binding Commitment"**) for the purchase of the Relevant Asset within 60 days (or such other period as may be mutually agreed by the Trustee and the Relevant Entity) from the date of the Trustee's receipt of the Written Notice together with the relevant Transaction Documents; or
- (iii) the proposed acquisition of the Relevant Asset is aborted by the Trustee,

the Trustee shall be deemed to be unable to, or not to have, exercised the Sunway ROFR. In the event that the Trustee fails or does not wish to exercise the Sunway ROFR, the Relevant Entity shall be entitled to dispose of its interest in the Relevant Asset to a third party on terms and conditions no more favourable to the third party than those offered by the Relevant Entity to the Trustee. It is agreed that the mere fact that the Proposed Disposal is subject to approval of the unitholders of Elite Commercial REIT would not by itself result in the terms offered by Elite Commercial REIT as being less favourable to that offered to the third party (even there is no such similar condition in the offer to the third party).

However, if the completion of the disposal of the Relevant Assets by the Relevant Entity to the third party does not occur within 12 months from the date of the Written Notice, any proposal to dispose of such Relevant Asset after the aforesaid 12-month period shall then remain subject to the Sunway ROFR in accordance with the terms of this section.

For the avoidance of doubt, nothing in this section shall abrogate the rights of the parties to the Binding Commitment in the event as set out above (including any liabilities which may arise from any breaches in the terms of the Binding Commitment).

ELITE UK COMMERCIAL FUND II ROFR

Perpetual (Asia) Limited, in its capacity as trustee of Elite UK Commercial Fund II ("**Private Fund Trustee**") hereby grants a ROFR (the "**Elite UK Commercial Fund II ROFR**") to the Trustee, on the terms set out below for so long as:

- (i) Elite Commercial REIT Management Pte. Ltd. or any of its related corporations remains the manager of Elite Commercial REIT; and
- (ii) EPH and/or any of its related corporations, alone or in aggregate, remains as a controlling shareholder of the manager of Elite Commercial REIT.

(the "**Elite UK Commercial Fund II ROFR Period**").

For the purposes of the Elite UK Commercial Fund II ROFR:

- (a) "**control**" means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company, real estate investment trust or other entity (as the case may be);
- (b) a "**controlling shareholder**" means a person who:
 - (i) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares of the company; or
 - (ii) in fact exercises control over the company;
- (c) a "**controlling unitholder**" in relation to a real estate investment trust means a person who:
 - (i) holds directly or indirectly 15.0% or more of the nominal amount of all voting units in the real estate investment trust; or
 - (ii) in fact exercises control over the real estate investment trust;
- (d) a "**related corporation**" has the meaning ascribed to it in the Companies Act;

- (e) a **“Relevant Entity”** means Elite UK Commercial Fund II or any of its existing or future subsidiaries (which shall exclude any subsidiaries listed on any recognised stock exchange);
- (f) a **“Relevant Asset”** refers to a completed income-producing real estate asset used for commercial purpose, located in UK. Where such completed income-producing real estate is held by a Relevant Entity through a special purpose company, vehicle or entity (a **“SPV”**) established solely to own such real estate, the term **“Relevant Asset”** shall refer to the shares or equity interests, as the case may be, in that SPV. Where such real estate is co-owned by a Relevant Entity as a tenant-in-common, the term **“Relevant Asset”** shall refer to the ownership share of the Relevant Entity in such real estate; and
- (g) a **“subsidiary”** has the meaning ascribed to it in the Companies Act.

The Private Fund Trustee shall, subject to the terms of this section, issue a written notice (**“Written Notice”**), any time on or after the date Elite Commercial REIT is first listed on the SGX-ST and during the Elite UK Commercial Fund II ROFR Period, to Trustee of any proposed offer by a Relevant Entity to dispose of any interest in any Relevant Asset which is owned by the Relevant Entity (**“Proposed Disposal”**).

If the Relevant Asset is owned jointly by a Relevant Entity together with one or more third parties and if consent of any of such third parties to offer the Relevant Asset to Elite Commercial REIT is required, Private Fund Trustee shall use its best endeavours to obtain the consent of the relevant third party(ies) failing which the Elite UK Commercial Fund II ROFR will exclude the disposal of such Relevant Asset. For the avoidance of doubt, the grant by any Relevant Entity of a lease (including a long-term lease) over any such Relevant Asset (or any part thereof) for a rent or other service income shall not constitute or be deemed to constitute a Proposed Disposal for the purposes of this paragraph.

The Elite UK Commercial Fund II ROFR is subject to the Trustee giving confidentiality undertakings on customary and usual terms. The Written Notice shall be accompanied by copies of the offer documents and other supporting documentation as may be reasonably available to the Private Fund Trustee (which shall include the indicative price for the Relevant Asset and the terms and conditions of the Proposed Disposal) in connection with the relevant Proposed Disposal (collectively, the **“Transaction Documents”**) made by, or made available to, the Relevant Entity.

Notwithstanding anything to the contrary in this section, the Elite UK Commercial Fund II ROFR shall:

- (i) be subject to any prior overriding contractual obligations which the Relevant Entity may have in relation to the Relevant Assets and/or to the third parties that hold interests in these Relevant Assets;
- (ii) exclude the disposal of any interest in the Relevant Assets by a Relevant Entity to a related corporation of such Relevant Entity pursuant to a reconstruction, amalgamation, restructuring, merger and/or analogous event or transfer of shares of the Relevant Entity between the shareholders as may be provided in any shareholders agreement; and
- (iii) be subject to the applicable laws, regulations and government policies and the Listing Manual.

In the event that:

- (i) the Trustee fails to or does not indicate in writing to the Relevant Entity, its interest in purchasing the Relevant Asset within 15 days (or such other period as may be mutually agreed by the Trustee and the Relevant Entity) from the date of the Trustee's receipt of the Written Notice together with the relevant Transaction Documents;
- (ii) the Trustee fails to or does not enter into a binding commitment (in the form of a sale and purchase agreement or a put and call option agreement, whether conditional or unconditional) (the "**Binding Commitment**") for the purchase of the Relevant Asset within 60 days (or such other period as may be mutually agreed by the Trustee and the Relevant Entity) from the date of the Trustee's receipt of the Written Notice together with the relevant Transaction Documents; or
- (iii) the proposed acquisition of the Relevant Asset is aborted by the Trustee,

the Trustee shall be deemed to be unable to, or not to have, exercised the Elite UK Commercial Fund II ROFR. In the event that the Trustee fails or does not wish to exercise the Elite UK Commercial Fund II ROFR, the Relevant Entity shall be entitled to dispose of its interest in the Relevant Asset to a third party on terms and conditions no more favourable to the third party than those offered by the Relevant Entity to the Trustee. It is agreed that the mere fact that the Proposed Disposal is subject to approval of the unitholders of Elite Commercial REIT would not by itself result in the terms offered by Elite Commercial REIT as being less favourable to that offered to the third party (even there is no such similar condition in the offer to the third party).

However, if the completion of the disposal of the Relevant Assets by the Relevant Entity to the third party does not occur within 12 months from the date of the Written Notice, any proposal to dispose of such Relevant Asset after the aforesaid 12-month period shall then remain subject to the Elite UK Commercial Fund II ROFR in accordance with the terms of this section.

For the avoidance of doubt, nothing in this section shall abrogate the rights of the parties to the Binding Commitment in the event as set out above (including any liabilities which may arise from any breaches in the terms of the Binding Commitment).

PROPERTY MANAGEMENT AGREEMENT

On 16 November 2018, the Property Manager has entered into the Property Management Agreement with Elite Gemstones Properties Limited.

Under the Property Management Agreement, the standard services provided by the Property Manager include support services relating to acquisitions and sales of the Properties, record management of the Properties, relationship management with occupiers of the Properties on their accommodation and service needs and general management and administration of the Properties. Pursuant to the terms of the Property Management Agreement, the Property Manager will also provide facilities management services, including but not limited to building operations and maintenance. The Property Manager will act within the approved annual budget for a Property, subject to certain permitted variances and established leasing guidelines.

The Property Management Agreement commenced on 16 November 2018 (the "**Effective Date**") and, shall continue in force and effect for the period of two years starting on the Effective Date and thereafter without limit of period unless or until terminated by either the Property Manager or Elite Gemstones Properties Limited giving to the other party not less than six months' written notice to expire no earlier than the second anniversary of the Effective Date.

The Property Manager is entitled to a fixed annual property management fee as charged under the Property Management Agreement to be paid quarterly in advance. In the event that Elite Gemstones Properties Limited decides to engage the Property Manager to provide other services, additional fees will be payable.

LEASE MANAGEMENT AGREEMENT

The Manager will perform lease management services for the Properties which comprise the IPO Portfolio of Elite Commercial REIT and any properties subsequently acquired by Elite Commercial REIT in accordance with the terms of the Lease Management Agreement entered into on 17 January 2020 by the Trustee and the Manager.

The term of the Lease Management Agreement is 10 years from the Listing Date. This is in line with market practice for lease management agreements in respect of commercial properties.

Manager's Services

The Manager shall provide for each property under its management lease management services which include securing new leases, initiating lease renewals and negotiating the terms of such renewals, customer care programme, administering of property tax and assisting in arrears management.

Fees

Under the Lease Management Agreement, the Manager is entitled to the fees set out below, to be borne out of the Deposited Property, for each property under its management.

Lease Management Fees

The Manager is entitled to, on each property of Elite Commercial REIT under its management, a Lease Management Fee of 1.0% per annum of Revenue of each property.

The Manager may elect to receive the Lease Management Fee in cash or Units or a combination of cash and Units (as the Manager may in its sole discretion determine).

Lease Commissions

For lease services rendered by the Manager for a property, the Trustee will pay the Manager the Lease Commissions, depending on the length of tenancy secured. (See "Overview – Certain Fees and Charges" for details of the commissions payable.)

The Manager may elect to receive the Lease Commissions in cash or Units or a combination of cash and Units (as the Manager may in its sole discretion determine).

Expenses

The Manager is authorised to utilise funds deposited in operating accounts maintained in the name of the Trustee to meet its obligations in relation to the provision of lease management services within each annual budget approved by the Trustee on the recommendation of the Manager.

Termination

The Trustee may terminate the appointment of the Manager in relation to all the properties of Elite Commercial REIT if the Manager is voluntarily or involuntarily dissolved or declared bankrupt, insolvent, or commits an act of bankruptcy or if an order is made or resolution is passed or a notice is issued convening a meeting for the purpose of passing a resolution or any analogous proceedings are taken for the appointment of an administrator or judicial manager of or the winding up of the Manager, other than a members' voluntary liquidation solely for the purpose of a bona fide amalgamation or reconstruction, or the Manager compounds with its creditors or has a receiver appointed over all or any substantial part of its assets or a judicial manager is appointed in respect of the Manager or the Manager ceases to carry on business.

The Trustee may also terminate the appointment of the Manager specifically in relation to a property in the event of the sale of such property, but the Lease Management Agreement will continue to apply with respect to the remaining properties under the terms of the Lease Management Agreement.

In addition, if the Trustee or, within 90 days of receipt of written notice, fails to remedy any breach (which is capable of remedy) of its obligations in relation to a property, the party who is not in breach may terminate the appointment of the Manager in relation only to such property in respect of which the breach relates, upon giving 30 days' written notice to the party in breach and shall be entitled to exercise all rights and remedies available to it at law, in equity, by statute or otherwise, including, without limitation, the right to claim damages.

There are no termination payments payable in the event of termination of the Lease Management Agreement.

The termination of the Lease Management Agreement would not affect the Manager's role as the Manager of Elite Commercial REIT and a new third party will be appointed to replace the Manager and provide the lease management services to Elite Commercial REIT.

Assignability

The Trustee and the Manager are entitled to novate their respective rights, benefits and obligations under the Lease Management Agreement to a new trustee of Elite Commercial REIT or a new manager of Elite Commercial REIT appointed in accordance with the terms of the Trust Deed.

Indemnity

Each party to the Lease Management Agreement (the "**Indemnifying Party**") shall indemnify the other Party (the "**Indemnified Party**") from and against any and all actions, proceedings, liabilities, claims, demands, losses, damages, charges, costs and expenses that the Indemnified Party suffers or incurs, to the extent that they arise out of any breach, negligence, fraud or misconduct of the Indemnifying Party, its employees or agents, in the performance of the Indemnifying Party's obligations and duties under the Lease Management Agreement.

OVERVIEW OF RELEVANT LAWS AND REGULATIONS IN ENGLAND, WALES AND SCOTLAND

General

The laws of England and Wales derive from (1) statute (2) common law (largely binding precedent normally only overruled by a higher Court) and (3) (where applicable) the application of European Union ("EU") directives and European Court precedent.

A non-exhaustive and general summary is set out below where more relevant.

The laws of Scotland have a similar derivation and are closely aligned with those of England and Wales, but contain some important differences in property law which are also set out in a similar manner.

Tenure

There are only three types of ownership interest in land. They are freehold, leasehold and commonhold:

(i) Freehold land

Freehold land is owned outright forever. The land may be subject to or have the benefit of rights and covenants, such as rights of way over adjoining land, or covenants restricting use or development.

Freehold land may also be subject to a lease, in which case there are two owners of the land: one owns the freehold and is called the freeholder, landlord or lessor; the other owns the lease and is called the tenant or lessee. The right of occupation belongs to the tenant.

(ii) Leasehold land

A lease grants ownership of property for a stated period of time, so leasehold land is owned by the tenant for the length of the lease. A lease exists at the same time as the freehold: the freehold lasts forever and is subject to the lease for the period of the lease.

A lease may be granted either for a premium or at an annual rent, or a combination of both and will commonly contain restrictions on what the leasehold owner (or tenant) can do with the property.

(iii) Commonhold

This is a form of condominium ownership, where ownership is split into a number of units. This form of land ownership is not common in England.

An owner of land has full rights to deal with the land as he likes, subject to any laws or agreements to the contrary. For example the owner of land may buy, sell, lease, build, demolish and change the use, though in practice he may find that in the case of leasehold land he needs his landlord's consent to do these things, and in the case of building, demolition and changing the use he also needs the consent of local Government planning authorities in the form of a planning permission.

Other consents may also be needed. Ownership of land gives the right to occupy the land, although where a lease exists that right belongs to the tenant, not the landlord.

In Scotland, a 'heritable' title is the equivalent of the 'freehold' title. It is also possible to register leasehold titles. Only leases with a duration in excess of twenty years (i.e. twenty years and one day, or longer) are capable of registration. However, leases for less than 20 years are almost always registered in the Books of Council and Session.

System of Land Holding in the UK

The UK has a system of registration of the ownership of title (both freehold and leaseholds (other than leaseholds for less than seven years)) as well as certain other real property related rights, restrictions and covenants.

It also provides for registration of security taken over land interests. A registered title is guaranteed and if a buyer suffers a loss because of a mistake or an omission from the register, they may be able to get government backed compensation.

Anyone can obtain copies of the registers and any documents referred to in them although some commercially sensitive information can be withheld from copies of leases, mortgages and other documents. The price paid for the property by the owner cannot be withheld. Some matters are not included in the registers. Examples are the rights of actual occupiers of property, leases for seven years or less and matters falling within the province of the relevant local authority, such as town and country planning (zoning) matters and road improvement schemes.

It is also often difficult to identify the extent of adjoining land over which there are mutual rights or obligations. The registers are therefore not complete records of all interests in or burdens on the relevant land. A registered title is guaranteed by the Land Registry, subject to any matters entered on the registers and to matters not covered by the registration system (In Scotland: information in the Land Register is backed by a State warranty). Registration of a lease, when title to the freehold interest in the property has not been registered, will be subject to any matters affecting the freehold at the time when the lease was granted.

Title is based on the registration on the records at The Land Registry (In Scotland: the Land Register of Scotland (newer register started in 1981 and is a plan based register) and the Sasine Register (older Scottish register dates from 1617 and is a deeds-based register)) and not on any certificate issued by the registry. There is a further official register of deeds kept by the Scottish courts known as the Books of Council and Session and in the context of a commercial lease transaction the parties will almost always ensure that the fully signed lease and ancillary documents (licence for works, rent deposit agreement, guarantee, rent review memorandum) are presented there for registration for the purposes of (i) preservation and (ii) execution, i.e. equivalent to the court having issued a decree for the sums due under the lease.

No restriction on who may hold land

Any person over the age of 18, of whatever nationality, may buy and sell freehold land without restriction and may buy or sell UK-incorporated entities owning freehold land without restriction. Similarly, any corporate entity, wherever it is established, may hold and dispose of freehold land provided it has the corporate power to do so. This is subject to any applicable UK, EU or United Nations sanctions in force at any time.

Regulation of Foreign Investment in Property

There are no restrictions on the acquisition or disposal of land in the UK by overseas individuals or companies. It should, however, be noted that there is likely to be a change in the applicable laws (estimated from 2021) that will, in the future, require overseas entities to maintain a register of beneficial ownership at Companies House in order to make a disposition of a UK property.

Leases of Property in England, Wales and Scotland

A tenant can grant a lease out of his own leasehold interest, called a sublease or underlease, although this will sometimes require the consent of the tenant's landlord. A chain of leases can be created in this way to meet the requirements of investors and occupiers. The right to occupation belongs to the owner of the lowest lease in the chain. Leases fall into two broad types, investment leases and occupational leases.

An investment lease is one which an investor would buy for its actual or potential income stream, so it will typically be a lease for 125 years or more either without a rent or at a very low rent. The owner of such a lease owns the value in the property.

An occupational lease is one under which a tenant who does not want to participate in the risks and rewards of long-term investment would occupy, so it will typically be a lease for somewhere between five and 25 years at a rent equal to the full annual rental value of the property. Occupational leases will not normally acquire any significant value and the owner of such a lease merely pays rent for the right to occupy. The lease will contain details of the rent and the rights and obligations of the landlord and the tenant to each other.

Even though there are a number of standard principles which one expects to see in a lease, there is no standard wording, so leases require careful negotiation by experienced lawyers.

Occupational leases normally contain restrictions on the tenant's ability to dispose of the lease, underlet, demolish, alter or extend the property and restrictions on the uses to which the tenant can put the property. For example, the use might be restricted to offices. In most cases these restrictions are imposed to protect the value of the landlord's interest, since it is the landlord and not the tenant who owns the valuable interest in an occupational lease. However, there is a balance to be struck since if the landlord seeks to restrict the tenant more than is normal in the market he will find that the rent achieved, either initially or on rent review, is lower than the market rent.

The position is different for investment leases where it is the tenant who owns the valuable interest in the property. There tend to be fewer restrictions on tenants in investment leases, and those that are included tend to be lighter.

Most leases contain a statement that if the tenant fails to pay rent or is in breach of its obligations the landlord may terminate the lease. Termination in those circumstances is called forfeiture ('irritancy' is the Scottish equivalent of forfeiture). There are statutory restrictions on the landlord's right to forfeit or irritate a lease.

Parties are free to agree to terms but there are legislative requirements (including registration at the Land Registry for leases of more than seven years (20 years in Scotland) and formalities including the requirement for a particulars section at the front of the lease (no particulars requirement in Scotland)).

Certain legislation imposes terms on the parties or restricts the extent to which certain statutory provisions can be contracted out.

Security of Tenure

The Landlord and Tenant Act 1954 (as amended) gives most occupiers of business tenancies a right to remain in occupation and to be granted a new lease on the expiry of their contractual term.

There are grounds on which a landlord can seek possession including, redevelopment, the fact that the landlord wants the premises for its own use or a history of breach of the terms of the lease. In certain circumstances compensation is payable where these grounds are used. It is possible to contract out of the security of tenure provisions. The leases to the DWP are not so contracted out.

The Landlord and Tenant Act 1954 does not apply in Scotland and therefore broadly, the terms of the lease set out the whole rights and obligations of the parties, including that the lease ends on the date specified within the document. However, the landlord must serve a significantly advanced notice, failing which, the lease continues on a year to year basis. There are strict minimum periods for service of such notices: the parties to commercial leases are usually required to give not less than 40 clear days' notice prior to the expiry date. But, the parties can agree to vary that notice period (e.g. one month, six months or 12 months). The lease notice provisions should be considered including the lease obligations regarding service of notice (e.g. deemed served after 48 hours of posting).

Statutory Intervention in Lease Terms

Various statutes impose terms in commercial leases. These include a release of a tenant on assignment. Where consent is required and subject to conditions, statute imposes reasonableness requirements and prevents the landlord delaying its response.

In Scotland, there is no automatic release of outgoing tenants on assignment (called 'assignment' there) although release is frequently given by landlords in practice. There is no requirement for reasonableness, but it is generally set out as an obligation on the landlord and likewise if the lease is silent on assignment, the tenant is entitled to assign.

There are rights for the lessee to apply for relief where a lease entitles the lessor to terminate the term for breach. This would normally result in the Court allowing the lessee additional time to remedy the breach. There are restrictions on the level of damages that can be claimed for breach of a repairing covenant based on the actual damage to the lessor's interest and termination would not normally be allowed for disrepair where the nature of the disrepair was not urgent or causing damage to the landlord's interest. As the end of the lease approaches it is more likely disrepair would damage the landlord's interest.

In Scotland there are no such controls although the landlord must follow strict notice requirements and give the tenant a minimum of 14 days to remedy monetary breaches and a reasonable period to remedy non-monetary breaches before they may terminate the lease. Although no breach is strictly exempted from the right to terminate, there is a statutory provision that termination cannot be used as a landlord remedy 'if in all the circumstances of the case a fair and reasonable landlord would not seek so to rely'. Damages for disrepair are not restricted to 'diminution in value' – the whole proper and reasonable cost of making the repairs can be sought. Also under Scots law if leased premises are destroyed, then the lease comes to an end. In most commercial leases there will be an express statement to displace this in order to allow the usual reinstatement provisions to operate.

Notwithstanding the above, a Scottish commercial lease would not usually look much different to an English commercial lease: the same key provisions will be found in leases North and South of the border e.g. clear details of the parties, duration, rent and premises let, with provisions dealing with rent review, repairs, alienation, use and forfeiture.

Contractual formalities

English law requires that an agreement for the purchase, lease or mortgage of land and buildings must:

- be in writing;
- contain all matters expressly agreed;
- be signed by all the parties; and
- be contained in one document, although terms may be incorporated by reference to other documents.

Buying land is a two-stage process. The first stage ends with a contract to acquire the land. It is not itself an immediate transfer of ownership, but commits the buyer to buy and the seller to sell the property. The second stage ends with payment of the price and the transfer of ownership. It is possible (but not usual) for the two stages to be concluded simultaneously.

(i) The contract

On conclusion of negotiations, a formal contract (the detailed terms of which will have been agreed during the negotiating period) will be signed by the buyer and seller. A deposit is usually paid on signature of the contract and where paid it is usually five or 10 per cent of the purchase price. The balance is paid when the property is transferred to the buyer, usually within the following three to six weeks: a process known as completion. There are no formal rules or requirements as to the timing of completion and the buyer is free to negotiate a longer or shorter period before completion.

The contract will provide for the terms on which the ownership of the property transfers from the seller to the buyer. These will include provisions for collection of any arrears of rent, for management matters, for disputes with tenants (if any) current at the date of the contract or arising between the date of the contract and the date of completion, and for the continuation, if desired, of maintenance contracts, employment of caretakers or other staff and other similar matters.

A contract may be conditional on the fulfilment of agreed conditions such as obtaining planning permission for development or change of use. Any such conditions are a matter for negotiation. Unlike in some jurisdictions, raising finance would not be a normal condition.

(ii) Completion of the purchase

On completion of the purchase, the buyer pays the purchase price (or the balance of it, if a deposit had been paid) and title to the property is transferred to the buyer. The formal document of transfer is then recorded at the Land Registry by the buyer's lawyers. The buyer is free to dispose of, and receive income from, the property at any time following completion of the purchase, whether or not registration at the Land Registry has been completed.

It is not necessary in England for documents relating to land to be notarised.

Scottish property transactions use 'missives' to document the sale and purchase of property. In a commercial lease transaction, the missive usually plays a role akin to an Agreement for Lease. A missive is simply an exchange of formal letters, normally between solicitors, which has the effect of creating a legally binding contract. The Scots law of agency allows solicitors to sign and issue these letters on behalf of their clients, and as a result bind their clients into a contract, without the client having actually executed any documents.

An important general point to note is that there is very little statutory intervention in Scottish commercial leases. Acts of Parliament that are fundamental to English commercial leasing, such as the Law of Property Act 1925, the Landlord and Tenant Act 1954 and the Landlord and Tenant (Covenants) Act 1995, are not part of Scots law.

There is no statutory requirement to have missives in place for the sale/transfer of land or lease of land but it would be prudent to do so. A disposition capable of registration in the Land Register of Scotland is required for a land transfer. The requirements for registration of a lease in the Land Register are noted above under the section 'Leases of Property in England, Wales and Scotland'.

Planning (Zoning) and Land Use Controls

Development, material alterations and change of use are subject to extensive controls. A failure to comply may result in enforcement notices preventing the continuing works or changed use, fines and potentially a requirement to demolish or undo works. Where an application for consent is required charges are made in connection with the application, the supporting documentation and reports required can be extensive and the Planning Authority may be entitled to impose obligations to make contributions or to carry out work to mitigate the impact of the development. Community Infrastructure Levy may be payable (a payment towards local infrastructure costs). The term 'Community Infrastructure Levy' is not used in Scotland, but a similar contribution may be sought by the planning authority.

Planning consents granted in relation to works or a change of use pre-dating the acquisition will govern the use of the properties and a breach of the conditions can result in enforcement action resulting in the closure of a business.

In areas of architectural or historic interest, and for individual buildings of particular merit, there is much tighter control over how land or the buildings on it can be altered or used. Additional consents can be required in these cases called conservation area consents and listed building consents, which, again, may be subject to conditions.

An investor would expect that a building which he is intending to buy has all necessary permissions but, nevertheless, will need to make sure that no development has been carried out without permission and no condition has been breached before committing himself to the purchase – not least because local authorities have a range of enforcement powers including significant criminal penalties which can be levied against the current owner notwithstanding that it may not have been that owner who carried out the unauthorised development or use. This will be especially important where a building is listed as there is no statutory time limit on listed building enforcement action.

Compulsory Purchases by Government Departments or Local Authorities

Any property in the UK may only at any time be compulsorily acquired by a government department or a local authority, in connection with proposed redevelopment or infrastructure projects.

In the event of a compulsory purchase order being made in respect of a Property, compensation would be payable on the basis of the value of all owners' and tenants' proprietary interests in that Property at the time of the related purchase, as determined by reference to a statutory compensation code. In the case of an acquisition of the whole of that Property, the relevant freehold, heritable or long leasehold estate and any lease would both be acquired.

If the amount received from the proceeds of purchase of the relevant freehold, heritable or long leasehold estate are inadequate to cover the loss of cash flow from such Property, the business and operations of Elite Commercial REIT in relation to such Property may be adversely affected.

There may be a delay between the compulsory purchase of a Property and the payment of compensation, the length of which will largely depend upon the ability of the property owner and the entity acquiring the property to agree on the open market value. Should such a delay occur in the case of any Property, then, unless Elite Commercial REIT's cash flow position may be negatively affected.

Environmental Considerations

Environmental legislation primarily imposes liability for cleaning up contaminated land, watercourses or groundwater on the person causing or knowingly permitting the contamination. An owner or occupier of contaminated land could become liable as a “knowing permitter” if they become aware of significant pollution, have the necessary degree of control over operations on the land to prevent such contamination and fail to take any action to prevent it. This legislation places liability for clean-up costs on the owner or occupier of contaminated land where no person can be found who has caused or knowingly permitted the presence of the substances which have led to the pollution.

The term “owner” means a person (other than a mortgagee or (in Scotland) heritable creditor not in possession) who, whether in his own right or as trustee for any other person, is entitled to receive the rack rent from the land or, where the land is not let at a rack rent, would be so entitled if it were so let. Thus, if land which falls within the title to any of the Properties and the freehold or heritable title (or, in the case of long leaseholds for a rent which is less than rack rent, such long leasehold title) is contaminated, then, where the person who caused or knowingly permitted such contamination to occur cannot be found, Elite Commercial REIT as “owner” might be liable for the costs of cleaning up such contamination.

A polluter or owner/occupier of contaminated land can also be liable to third parties for harm caused to them or their property as a result of the contamination.

Fire Regulations and Environmental Health and Health and Safety and Disability Discrimination

The relevant regulations require frequent inspections which may lead to requirements or recommendations being issued. A failure to comply could result in a business being carried on at a property being closed down with resulting loss of profit and potential breach of contract claims. Costs of undertaking required works to meet updated regulations may be significant.

There are extensive requirements to meet standards in relation to the safety of employees and customers and in particular relating to the preparation and storage of food.

There are requirements to make premises and services accessible to disabled visitors and customers which can involve an obligation to undertake works.

Local Property Taxes

Business Rates will be payable by the occupier carrying on the business.

National Property Taxes

Stamp Duty Land Tax (“**SDLT**”) is payable on land transactions in England, Land Transaction Tax (“**LTT**”) on land transactions in Wales. SDLT and LTT operate in a very similar way.

From 1 April 2015, SDLT was replaced in Scotland by the Land and Buildings Transaction Tax (“**LBTT**”). The Scottish Government has control over the tax base as well as the rates. The new regime bears great resemblance to that of SDLT regime but there are (of course) slight differences that need to be taken into account.

One of the main differences is the three yearly review. This means that an additional return must be submitted within 30 calendar days of the third anniversary of the effective date and every three years thereafter. This is designed to capture any variations in the rent payable under a lease, particularly as a result of rent reviews.

Also on an assignation (or assignment) or termination (for any reason, including a surrender) of a lease an additional LBTT return must be submitted by the assignor/tenant within 30 calendar days of the relevant event. The return should reflect any changes made to the lease since the last return. Where a lease is assigned, the assignor must make a return (as above) and then the assignee will be required to resume three-yearly submission of returns in line with the original cycle.

If a lease was granted prior to 1 April 2015 and fell under the SDLT regime, it will continue to be subject to that regime, unless it is assigned for consideration (such as payment of a premium). The extension of an SDLT governed lease will be treated as the grant of a new lease for the purposes of LBTT.

Employment Legislation

Employees benefit from protection from unfair dismissal and discrimination in treatment in relation to their selection and on-going employment. There are controls on the manner in which employees can be made redundant and as to payments to be made and notice given. There are requirements in relating to consultation in respect to both redundancy and business transfers. There are requirements imposed on successor businesses to preserve terms of employment. There are obligations relating to pensions and terms and conditions.

TAXATION

The following summarises the Singapore taxation of Elite Commercial REIT, its wholly-owned Singapore tax resident subsidiary i.e. RSIL, and that of its Unitholders on the subscription, ownership and disposal of the Units. This summary does not provide an overview of the tax consequences in Singapore in the hands of any subsequent purchaser or acquirer of the Units from any person. Other than an overview on UK NRCGT, this summary also does not provide an overview of the taxation of Unitholders, and any subsequent purchaser or acquirer of the Units from any person, in any country outside Singapore.

Where the Singapore, BVI and the UK tax laws are discussed, these are merely a general outline of the implications of such laws on the investments by Elite Commercial REIT (directly or indirectly) and the taxes payable by the companies in which such investments are proposed to be made.

The summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Units and does not purport to apply to all categories of investors, some of which may be subject to special rules either in Singapore or in the tax jurisdictions where they are resident.

In particular, the summary of the Singapore and the UK tax considerations (see, as applicable, “Singapore Taxation” or “UK Tax Overview”) is based upon laws, regulations, rulings and decisions in effect as at the date of this Prospectus, all of which are subject to changes, retroactively and/or prospectively.

This summary does not constitute tax advice. Prospective investors should consult their own tax advisers concerning the application of Singapore and the UK tax laws to their particular situation as well as any consequences of the subscription, ownership and disposal of the Units arising under the laws of any other taxing jurisdiction.

SINGAPORE TAXATION

Income Tax

Taxation of Elite Commercial REIT

Elite Commercial REIT is liable to Singapore income tax, currently at the rate of 17.0%, on:

- (a) income accruing in or derived from Singapore; and
- (b) unless otherwise exempt, income derived from outside Singapore which is received in Singapore or deemed to have been received in Singapore by the operation of law.

Elite Commercial REIT’s income or receipts may include:

- (a) interest income on bonds issued by ECHL to Elite Commercial REIT (the “**Bonds**”);
- (b) dividend income from RSIL; and
- (c) proceeds from redemption of the Bonds.

Interest income on the Bonds from ECHL

Elite Commercial REIT has obtained confirmation from the MoF that tax exemption under Section 13(12) of the Income Tax Act will apply to the interest income on the Bonds that it will receive from ECHL. This tax exemption is subject to certain conditions, including but not limited to the condition that the Trustee is a tax resident of Singapore.

Dividend income from RSIL

Provided that RSIL is a tax resident of Singapore, dividends from RSIL will be exempt from Singapore income tax in the hands of the Trustee under Section 13(1)(za) of the Income Tax Act.

A company is resident in Singapore if the control and management of its business is exercised in Singapore.

Proceeds from redemption of the Bonds

Any proceeds received by Elite Commercial REIT from the redemption of the principal amount of the Bonds are capital receipts and hence not taxable on the Trustee.

Taxation of RSIL

The Manager has represented that the control and management of RSIL is exercised in Singapore and hence RSIL is a resident of Singapore for Singapore income tax purposes.

Singapore tax resident companies are subject to Singapore income tax on income accruing in or derived from Singapore and on income derived from outside Singapore which is received in Singapore or deemed to have been received in Singapore by the operation of law unless such income is otherwise exempt from tax.

The corporate income tax rate in Singapore is currently 17.0%, with the following partial exemption granted for the first S\$200,000 of normal chargeable income with effect from the year of assessment 2020:

- (a) 75.0% of up to the first S\$10,000 of chargeable income; and
- (b) 50.0% of up to the next S\$190,000 of chargeable income.

The income of RSIL is expected to comprise foreign dividends from ECHL.

Dividends from ECHL

RSIL has obtained confirmation from the MoF that tax exemption under Section 13(12) of the Income Tax Act will apply to the dividend income it will receive from ECHL in respect of the Properties. This tax exemption is subject to certain conditions, including but not limited to the condition that RSIL is a tax resident of Singapore.

Taxation of gains from disposal of investments

Singapore does not impose tax on capital gains. The determination of whether gains from disposal of investments are income or capital in nature is based on a consideration of the facts and circumstances of each case.

In the event of any disposal of investments (shares, units or properties), gains arising from such disposal will not be liable to Singapore income tax unless the gains are considered income of a trade or business carried on in Singapore by the seller. Such gains may also be liable to Singapore income tax if the investments were acquired with the intent or purpose of making a profit from sale and not intended for long-term investment purposes.

Taxation of Unitholders

Distributions from Elite Commercial REIT

Distributions made by Elite Commercial REIT in respect of the Properties may comprise all, or a combination, of the following types of distribution:

- (a) tax-exempt income distribution;
- (b) after-tax income distribution; and
- (c) capital distribution.

Tax-exempt income distribution

Unitholders will be exempt from Singapore income tax on distribution made by Elite Commercial REIT out of its tax-exempt income such as interest from ECHL and dividends from RSIL. No tax will be deducted at source or withheld on such distribution.

After-tax income distribution

Distributions made out of income that has been assessed to tax at the Trustee level are treated as capital in nature and will not be subject to Singapore income tax in the hands of Unitholders. Unitholders are not entitled to tax credits for any taxes paid or payable by the Trustee on income subject to tax on the Trustee.

Capital distribution

Capital distributions (e.g. distribution made out of non-revenue cash flows such as amounts received in the form of a redemption of the Bonds) will be regarded as a return of capital in the hands of Unitholders. The amount of such distribution will be applied to reduce the cost base of Units held by Unitholders. For Unitholders who are liable to Singapore income tax on gains arising from the disposal of Units, the reduced cost base of Units will be used to calculate the amount of taxable gains when the Units are subsequently disposed of. If the amount of return of capital exceeds the cost base or reduced cost base of Units, the excess will be subject to tax as trading income of such Unitholders.

Gains on disposal of Units

Singapore currently does not impose tax on capital gains. Therefore, gains on disposal of the Units that are capital in nature will not be subject to Singapore income tax. However, such gains may be considered income in nature and subject to Singapore income tax if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. Such gains may also be considered income in nature, even if they do not arise from an activity in the ordinary course of trade or business or an ordinary incident of some other business activity, if the intention of the Unitholder was not to hold the Units as long-term investments.

As the precise tax status of one Unitholder will vary from another, Unitholders are advised to consult their own professional advisers on the Singapore tax consequences that may apply to their individual circumstances.

Unitholders who have adopted or are required to adopt Singapore Financial Reporting Standard 109 – Financial Instruments (“**FRS 109**”), Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement (“**FRS 39**”) or their equivalents under the Singapore Financial Reporting Standard (International) (“**SFRS(I)**”) for financial reporting purposes may, for

Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Units, irrespective of disposal. Unitholders should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Units arising from the adoption of FRS 39, FRS 109 or their equivalents under SFRS(I).

GST

GST is a broad-based consumption tax levied on the import of goods, as well as nearly all supplies of goods and services made in Singapore. The prevailing rate of GST in Singapore is 7.0%. As announced in the 2018 Singapore Budget, the Singapore Government plans to raise the standard rate of GST from 7.0% to 9.0%, sometime in the period from 2021 to 2025. GST on imported services has also been implemented with effect from 1 January 2020 via a reverse charge mechanism for business to business imported services.

Elite Commercial REIT and RSIL

Recovery of GST incurred

Pursuant to a GST remission granted by the MoF, Elite Commercial REIT (as a Singapore-listed REIT) is allowed to claim:

- (a) GST on its business expenses, irrespective of whether it holds underlying non-residential properties directly or indirectly through its SPVs (including RSIL); and
- (b) the GST incurred on the setting up of the SPVs or the GST incurred by its SPVs (including RSIL) on the acquisition and holding of the non-residential properties.

The above GST claims are allowable even if Elite Commercial REIT is not GST-registered or not eligible for GST registration. However, the GST claims are subject to conditions governing the GST remission and the general input tax claims conditions prescribed under the GST legislation. These conditions include, among others, the following:

- (a) Elite Commercial REIT is listed or to be listed on the SGX;
- (b) Elite Commercial REIT has veto rights over key operational issues of its SPVs holding the underlying non-residential properties located outside Singapore; and
- (c) the underlying non-residential properties located outside Singapore of Elite Commercial REIT make taxable supplies or out-of-scope supplies which would have been taxable supplies if made in Singapore (e.g. lease of non-residential properties located outside Singapore).

The aforementioned GST remission is currently applicable for expenses incurred up to and including 31 December 2025. If this remission is not subsequently extended beyond 31 December 2025, Elite Commercial REIT and RSIL will not be able to claim the GST incurred on their expenses after 31 December 2025 if they continue not to be eligible for GST registration.

Unitholders

Purchase and sale of Units

The sale of the Units by a GST-registered investor belonging in Singapore through an SGX-ST member or to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST (e.g. GST on brokerage) incurred by the GST-registered investor in making such an exempt supply is generally not recoverable from the Singapore Comptroller of GST unless the investor satisfies certain conditions prescribed under the GST legislation or certain GST concessions.

Where the Units are supplied by a GST-registered investor to a person who belongs outside Singapore (and who is outside Singapore at the time of supply), the sale should generally, subject to the satisfaction of certain conditions, qualify as a zero-rated supply (i.e. GST at 0%). Any input GST incurred by a GST-registered investor in making such a zero-rated supply may, subject to the provisions of the GST legislation, be recoverable from the Singapore Comptroller of GST.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and disposition of the Units.

Services such as arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership in the Units rendered by a GST-registered person to an investor belonging in Singapore for GST purposes will be subject to GST at the prevailing standard rate, currently 7.0%. Similar services contractually supplied to an investor who belongs outside Singapore (and who is outside Singapore at the time of supply) should generally, subject to satisfaction of certain conditions, qualify as a zero-rated supply (i.e. GST at 0%).

Stamp Duty

Stamp duty should not be payable on the transfers of the Units through CDP without any written instrument or agreement of transfer. In the event of a change of trustee for Elite Commercial REIT, stamp duty should not be payable on any document effecting the appointment of a new trustee and the transfer of the Deposited Property from the incumbent trustee to the new trustee, if there is no beneficial interest in the Deposited Property transferred to the new trustee.

BVI TAX OVERVIEW

There is no BVI income tax and withholding tax applicable to RSIL. Accordingly, no BVI withholding tax should apply on dividend payments made by RSIL to Elite Commercial REIT.

UK TAX OVERVIEW

Corporation Tax

The UK Companies will be subject to UK corporation tax on their worldwide income at the prevailing rate, currently 19.0% and to be reduced to 17.0% from April 2020. Dividends received by the UK Companies from its UK tax resident subsidiary should be exempt from UK corporation tax provided the UK dividend exemption rules apply.

Interest received by the UK Companies on shareholder loan will be subject to UK corporation tax at the prevailing rate, currently 19.0% and to be reduced to 17.0% from April 2020.

It should be noted that during the campaign for the 2019 UK election, the Conservative Party (which won the election in December 2019) had mentioned that it intended to maintain the UK corporation tax rate at 19.0% and did not intend to proceed with the planned reduction to 17.0% in April 2020. Such change, if any, is likely to be announced in the UK Budget which is due to take place in March 2020.

Overview of UK CIR/Anti-hybrid Rules

The amount of tax deductible interest expense for UK corporation tax purposes is subject to, among other provisions and anti-avoidance legislation, the UK CIR and anti-hybrid rules.

The CIR rules are to be considered by reference to the “worldwide group” which, broadly speaking, and in accordance with International Accounting Standard 27, is all of the entities that would be incorporated into the consolidated financial statements of the ultimate parent, of which the top entity must be a “relevant entity”. The definition of “relevant entity” according to the latest HMRC guidance is an entity of a worldwide group and which is either an ultimate parent or a consolidated subsidiary of the ultimate parent. “Entity” is not a defined term either in the legislation or under International Accounting Standard 27. In essence, it is an organisation, whether or not a legal person, for which financial statements might be drawn up. To be a “relevant entity”, it must be a company defined for Corporation Tax 2010, or a listed entity of which no participator has more than 10% by value. A “participator” is a broad term which is not defined in UK tax law, whose meaning can include investor or unitholder. Broadly, the CIR rules aim to restrict a group’s UK tax deduction on interest expense, which would otherwise be allowable, where the “aggregate net tax interest expense” of the group is in excess of the interest capacity of the UK group. The interest capacity of the group is, broadly, equal to the interest allowance of the group in the current period, plus any excess interest allowance from a prior period brought forward and available for use in the current period.

In the case of a unit trust which is listed on a recognised stock exchange (such as Elite Commercial REIT), it should not be deemed a “relevant entity” if its units are not “sufficiently widely held”, meaning it has a participator that holds a legal and economic interest of at least 10.0% by value of all its units. (See “Ownership of the Units – Principal Unitholders of Elite Commercial REIT and their Unitholdings” for details regarding the details of the unitholder who holds at least 10% of the Units.) Where the top entity in the group (for accounting consolidation purposes) does not qualify as a “relevant entity”, the test applies to the first “relevant entity”. Accordingly, if Elite Commercial REIT is not considered the top entity, then RSIL is treated as the ultimate parent of the CIR worldwide group. As at the date of this Prospectus, the Independent Tax Adviser has analysed the factual events and transactions undertaken by the Group and is of the view that the REIT is not a “relevant entity” for the CIR world group, and therefore RSIL should be treated as the ultimate parent of the CIR worldwide group.

The condition of “sufficiently widely held” is ongoing and for the CIR group to include RSIL as the “relevant entity”, Elite Commercial REIT must not be “sufficiently widely held” on an ongoing basis. The “sufficiently widely held” condition is an annual test which must be performed alongside the preparation of the Interest Restriction Return for UK CIR purposes. However, in principle it applies to each day within the tax period of account.

In relation to the above, the Manager will make an immediate SGXNet announcement on the implications to Elite Commercial REIT upon the Manager becoming aware that factual events and/or transactions undertaken by Elite Commercial REIT is likely to cause Elite Commercial REIT to be considered the ultimate parent of the CIR worldwide group, and/or where there is a change in the “relevant entity” of the Elite Commercial REIT Group. Under the Securities and Futures Act, Substantial Unitholders are required to disclose changes in their percentage unitholdings. The Manager will rely on such disclosures to monitor the ownership of Units.

A separate UK legislative provision is the anti-hybrid rules which broadly aim to counteract tax mismatches obtained by entities using hybrid entities, hybrid instruments, and/or certain branch arrangements to obtain a tax deduction in a territory, with no corresponding taxable income in another territory (a “deduction/non-inclusion mismatch”) or by obtaining a tax deduction in more than one territory for the same expense (a “double deduction mismatch”). Broadly, “hybridity” refers to applying the domestic law of two territories to the general characteristics of an instrument/entity which leads to different outcomes. Based on the facts and circumstances analysed for the anti-hybrids analysis in December 2019, the Independent Tax Adviser is of the

view that Elite Commercial REIT should not be treated as a hybrid entity and the QEB issued to Elite Commercial REIT should not be treated as hybrid instrument as at the date of the Prospectus.

The provisions also include an imported mismatch rule aimed at counteracting deduction / non-inclusion mismatches or double deduction mismatches not involving the UK but where the benefit of such mismatches is imported into the UK through back to back arrangements. The anti-hybrid rules do not include a commercial purpose test and, therefore, the rules should apply where the relevant conditions are met, irrespective of whether there are genuine commercial reasons for the transaction or arrangement. To the extent any mismatches arise in Elite Commercial REIT, any related interest expenses related to the hybrid entity/instrument should be denied for UK tax purposes under the anti-hybrid rules.

WHT

Dividends paid by the UK Companies are not subject to UK WHT under UK domestic tax laws. Interest paid between the UK Companies is not subject to UK WHT provided the UK Company receiving the interest is a tax resident of the UK. Interest paid by the UK Companies to a non-resident of UK is in principle subject to UK WHT at the prevailing rate of 20.0%. This rate may be reduced under the DTA in force between the UK and the country of residence of the non-UK tax resident recipient, subject to the terms and conditions of the relevant DTA.

UK NRCGT

The UK NRCGT rules were introduced with effect from 5 April 2019, where UK corporation tax is chargeable on capital gains made by non-residents where there is a direct disposal of UK real estate interests or where there is an indirect disposal of UK interests in land. A rebasing will be available to ensure that the new tax regime subjects only the gains accruing post 6 April 2019 to tax.

The definition of “non-residents”, in relation to a corporate entity, is broadly any corporate entity that is both not incorporated in the UK and does not have its central management and control in the UK. For individuals, it refers to any individual who is neither tax resident nor domiciled in the UK.

Gains arising on indirect disposals are expected to be subject to UK corporation tax where the disposal is of interest in an entity which derives 75.0% or more of its value from UK land (a so-called ‘property rich’ entity, based on gross assets value) except in certain circumstances. For example, gains arising on indirect disposals may not be subject to UK corporation tax where the disposal is by a non-resident person who holds or has held less than 25.0% interest in the ‘property rich’ entity at all times falling within that person’s qualifying ownership period (which is broadly within two years prior to the disposal event). The 25.0% substantial indirect interests should be calculated by aggregating holdings by related entities or connected parties. The 25.0% de-minimis exemption will not apply where the disposal has an ‘appropriate connection’ to a CIV (whether onshore or offshore). As a result, even a minority non-UK resident investor will be within the scope of UK tax on gains on direct and indirect disposals of investments in a CIV which is UK property rich.

The applicable UK corporation tax rate for companies is 19.0% and this will reduce to 17.0% from April 2020. As mentioned under “Corporation Tax”, the UK corporation tax rate may be maintained at 19.0%. For individuals, the UK NRCGT regime applies at a rate of either 28.0% or 20.0%, depending on the nature of the asset disposed of (residential property at a rate of 28.0% and non-residential property at a rate of 20.0%). Based on the facts and circumstances, Elite Commercial REIT should be classified as a CIV, and therefore the 25.0% de-minimis exemption threshold does not apply to a disposal of units in Elite Commercial REIT.

The entities within the Group should be classified as “property rich” entities for UK taxation purposes and a disposal of interests in these entities should fall within the scope of the UK NRCGT rules.

All persons fall within the scope of the UK NRCGT rules, including that of Elite Commercial REIT which should be treated as a CIV by virtue that it is a “unit trust scheme”. Accordingly, gains on the disposal of interests in the Units (regardless of the percentage of holding), where Elite Commercial REIT is a UK property rich entity, are subject to UK corporation tax under the UK NRCGT rules, unless the person making the disposal benefits from a specific exemption, or relevant DTA relief. The capital gains tax charge falls due in the hands of the Unitholders and the UK tax filings and obligations fall on the Unitholders accordingly.

Certain DTAs that the UK has entered into, including the DTA with Singapore, provide an exemption from UK tax on gains arising from disposal of shares traded or quoted on a recognised or approved stock exchange even if such shares are considered shares of “property rich” entities (i.e. “listed shares” exemption). HMRC clearance has been obtained in this regard and the HMRC clearance confirmed that Article 3 of the DTA between the UK and Singapore requires one to look at the UK domestic legislation for the definition of “shares” where this is not specifically defined in the DTA. In accordance with the UK domestic legislation (i.e. section 3(b) of Schedule 5AAA), a CIV should be treated as a company with shares for the purpose of Schedule 5AAA. Elite Commercial REIT should qualify as a CIV, following the qualification as a Unit Trust Scheme according to a UK legal opinion provided by Eversheds Sutherland.

It follows that, should any UK DTA not include a “shares” definition, and Article 3 of that DTA (General Definitions) requires one to look to UK domestic legislation for that definition, Unitholders may be exempt from UK NRCGT under the “listed shares” exemption included in the relevant UK DTA (provided those Unitholders have DTA access).

As part of the HMRC clearance process, HMRC has granted clearance on a number of specific UK DTAs (which were identified by the Manager) which do not include a definition of “shares”, that Units are considered to be “shares” for the purposes of interpreting these respective DTAs, under section 3(b) of Schedule 5AAA. These DTAs are as follows:

- Bahrain;
- Hong Kong;
- Japan;
- Malaysia;
- The Netherlands;
- Qatar;
- Singapore;
- South Korea;
- The Republic of China (Taiwan); and
- UAE.

Accordingly, upon the listing of Elite Commercial REIT, Unitholders which are tax resident in the aforesaid jurisdictions may be exempt from UK NRCGT, provided they have DTA access. All prospective investors (including investors who are resident in a jurisdiction other than those listed above) should seek their own tax advice in order to determine their own tax treatment under the UK NRCGT rules and in their jurisdiction of residence, including any double taxation relief available.

Value Added Tax (“VAT”)

VAT, currently at a standard rate of 20.0%, is due on any supply of goods or services made in the UK where a taxable supply is made by a taxable person in the course or furtherance of a business carried on by the said person, including the grant or variation of leases. Separate rates of 5.0%, 0% and exempt supply are also applicable on certain goods or services.

Stamp Duty Land Tax (“SDLT”)

The applicable rate of SDLT on the acquisition of a property located in England & Wales is determined based on whether the property is commercial, residential or have a residential use for SDLT purpose.

SDLT is imposed on acquisition of a non-residential property located in England & Wales where a maximum rate of up to 5.0% (or up to 15.0% in certain circumstances) of the VAT inclusive price paid applies. However, this price may be replaced by market value in certain circumstances. SDLT is not applicable for properties located in Scotland from 1 April 2015 and, from 1 April 2018, for properties located in Wales.

Land and Buildings Transaction Tax (“LBTT”)

LBTT is imposed on acquisitions of Scottish interests in land and buildings and certain partnership transactions where tax at rates of up to 4.5% or 15.0% (for non-residential and residential properties, respectively) is charged on the VAT inclusive consideration. However, this price may be replaced by market value in certain circumstances.

Land Transaction Tax (“LTT”)

LTT is imposed on acquisitions of Welsh interests in land and buildings and certain partnership transactions where tax at rates of up to 6.0% or 15.0% (for non-residential and residential properties, respectively) is charged on the VAT inclusive consideration. However, this price may be replaced by market value in certain circumstances.

PLAN OF DISTRIBUTION

The Manager is making an offering of 114,686,200 Units (representing 34.5% of the total number of Units in issue after the Offering) for subscription at the Offering Price under the Placement Tranche and the Singapore Public Offer. 108,951,900 Units will be offered under the Placement Tranche and 5,734,300 Units will be offered under the Singapore Public Offer.

Units may be re-allocated between the Placement Tranche and the Singapore Public Offer at the discretion of the Joint Bookrunners (in consultation with the Manager), subject to the minimum unitholding and distribution requirements of the SGX-ST, in the event of an excess of applications in one and a deficit in the other.

The Singapore Public Offer is open to members of the public in Singapore. Under the Placement Tranche, the Manager intends to offer the Units by way of an international placement through the Joint Bookrunners to investors, in reliance on Regulation S.

Subject to the terms and conditions set forth in the underwriting agreement entered into among the Manager, the Sponsors, the Unit Lenders and the Joint Bookrunners on 28 January 2020 (the “**Underwriting Agreement**”), the Manager is expected to effect for the account of Elite Commercial REIT the issue of, and the Joint Bookrunners are expected to severally (but not jointly or jointly and severally) procure subscribers, and failing which to subscribe and pay, for 192,514,100 Units (which includes the Units to be issued pursuant to the Offering and the Cornerstone Units), in the proportions set forth opposite their respective names below.

Joint Bookrunners	Number of Units
Oversea-Chinese Banking Corporation Limited	57,754,230
UBS AG, Singapore Branch	102,032,473
CGS-CIMB Securities (Singapore) Pte. Ltd.	23,101,692
China International Capital Corporation (Singapore) Pte. Limited	9,625,705
Total	192,514,100

The Units will be offered at the Offering Price. The Offering Price per Unit in the Placement Tranche and the Singapore Public Offer will be identical. The Joint Bookrunners have agreed to procure the subscription, and failing which to subscribe and pay, for 192,514,100 Units at the Offering Price, less the Underwriting, Selling and Management Commission to be borne by Elite Commercial REIT.

The Manager, the Sponsors and the Unit Lenders have agreed in the Underwriting Agreement to indemnify the Joint Bookrunners against certain liabilities. The indemnity in the Underwriting Agreement contains a contribution clause which provides that where the indemnification to the Joint Bookrunners is unavailable or insufficient, the Manager, the Sponsors or the Unit Lenders, as the case may be, shall contribute to the amount paid or payable by such Joint Bookrunners as a result of any, *inter alia*, losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Manager, the Sponsors or the Unit Lenders, as the case may be, on the one hand and the Joint Bookrunners on the other from the offering of the Units. If, however, such allocation provided by the immediately preceding sentence is not permitted by applicable law, then the Manager, the Sponsors or the Unit Lenders, as the case may be, shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Manager, the Sponsors or the Unit Lenders, as the case may be, on the one hand and the Joint Bookrunners on the other in connection with the statements or omissions which

resulted in, *inter alia*, such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Manager, the Sponsors or the Unit Lenders, on the one hand and the Joint Bookrunners on the other shall be deemed to be in the same proportion as the total net proceeds from the offering of the Units subscribed for or purchased under the Underwriting Agreement (before deducting expenses) received by the Manager, the Sponsors or the Unit Lenders, as the case may be, bear to the total underwriting discounts and commissions received by the Joint Bookrunners with respect to the Units subscribed for or purchased under the Underwriting Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Manager, the Sponsors or the Unit Lenders, on the one hand or the Joint Bookrunners on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. No Joint Bookrunner shall be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by it exceeds the amount of any damages which such Joint Bookrunner has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

The Underwriting Agreement also provides for the obligations of the Joint Bookrunners to procure the subscription, and failing which to subscribe and pay, for the Units in the Offering and the Cornerstone Units subject to certain conditions contained in the Underwriting Agreement.

The Underwriting Agreement may be terminated by the Joint Bookrunners at any time prior to issue and delivery of the Units upon the occurrence of certain events including, among others, certain force majeure events pursuant to the terms of the Underwriting Agreement.

Each of the Joint Bookrunners and their associates may engage in transactions with, and perform services for, the Trustee, the Manager, the Sponsors and Elite Commercial REIT in the ordinary course of business and have engaged, and may in the future engage, in commercial banking, investment banking transactions and/or other commercial transactions with the Trustee, the Manager, the Sponsors and Elite Commercial REIT, for which they have received or made payment of, or may in the future receive or make payment of, customary compensation.

Each of the Joint Bookrunners and their associates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers in the ordinary course of business, and such investment and securities activities may involve securities and instruments, including Units. The Joint Bookrunners and their associates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to their clients that they acquire, long and/or short positions in such securities and instruments.

OVER-ALLOTMENT AND STABILISATION

The Unit Lenders have granted the Over-Allotment Option to the Joint Bookrunners for the purchase of up to an aggregate of 6,617,300 Units at the Offering Price in the following proportion:

Unit Lenders	Number of Units
Ho Lee Group Trust	882,300
Sunway	2,205,800
Kim Seng Holdings Pte. Ltd.	1,323,500
Tan Hai Peng Micheal	588,200
Kan Phui Lin	735,200
Tan Dah Ching	882,300
Total	6,617,300

The number of Units subject to the Over-Allotment Option will not be more than 5.8% of the number of Units under the Placement Tranche and the Singapore Public Offer. The Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager), in consultation with the other Joint Bookrunners, may exercise the Over-Allotment Option, in full or in part, on one or more occasions, only from the Listing Date but no later than the earlier of: (i) the date falling 30 days from the Listing Date; or (ii) the date when the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) has bought, on the SGX-ST, an aggregate of 6,617,300 Units, representing approximately 5.8% of the total number of Units in the Offering, to undertake stabilising actions to purchase up to an aggregate of 6,617,300 Units representing approximately 5.8% of the total number of Units in the Offering), at the Offering Price. In connection with the Over-Allotment Option, the Stabilising Manager and the Unit Lenders have entered into a unit lending agreement (the “**Unit Lending Agreement**”) dated 28 January 2020 pursuant to which the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may borrow up to an aggregate of 6,617,300 Units from the Unit Lenders for the purpose of effecting over-allotments or stabilising activities in connection with the Offering. The Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will re-deliver to the Unit Lenders such number of Units which have not been purchased pursuant to the exercise of the Over-Allotment Option.

In connection with the Offering, the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) may, in consultation with the other Joint Bookrunners and at its discretion, over-allot or effect transactions which stabilise or maintain the market price of the Units at levels which might not otherwise prevail in the open market. Such transactions may be effected on the SGX-ST and in other jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulations, including the SFA and any regulations hereunder. However, there is no assurance that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will undertake stabilising action. Any profit after expenses derived, or any loss sustained as a consequence of the exercise of the Over-Allotment Option or the undertaking of any stabilising activities shall be shared equally between the Joint Issue Managers and the Unit Lenders.

None of the Manager, the Sponsors, the Unit Lenders, the Joint Bookrunners or the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) makes any representation or prediction as to the magnitude of any effect that the transactions described above may have on the price of the Units. In addition, none of the Manager, the Sponsors, the Unit Lenders, the Joint Bookrunners or the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) makes any representation

that the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice (unless such notice is required by law). The Stabilising Manager will be required to make a public announcement via SGXNET in relation to the total number of Units purchased by the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager), not later than 12.00 noon on the next trading day of the SGX-ST after the transactions are effected. The Stabilising Manager will also be required to make a public announcement through the SGX-ST in relation to the cessation of stabilising action and the number of Units in respect of which the Over-Allotment Option has been exercised not later than 8.30 a.m. on the next trading day of the SGX-ST after the cessation of stabilising action.

LOCK-UP ARRANGEMENTS

Ho Lee Group Trust

Subject to the exceptions described below, Ho Lee Group Trust has agreed with the Joint Bookrunners that it will not during the First Lock-up Period, directly or indirectly:

- (i) offer, pledge, sell or contract to sell, grant any option to purchase, grant security over, swap, hedge, transfer, encumber or otherwise dispose of any or all of its direct and indirect effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-up Units or part thereof);
- (ii) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-up Units (including any securities convertible into or exercisable or exchangeable for any Lock-up Units or which carry rights to subscribe for or purchase any such Lock-up Units);
- (iii) enter into any transaction (including a derivative transaction) with a similar economic effect to the foregoing sub-paragraph (i) or (ii);
- (iv) deposit any or all of its direct and indirect effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-up Units or part thereof) in any depository receipt facility;
- (v) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or
- (vi) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (i) to (v) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period or the Second Lock-up Period), and the same restrictions will apply in respect of its effective interest in 50.0% of the Lock-up Units during the Second Lock-up Period.

The restrictions described in the preceding paragraph do not apply to prohibit Ho Lee Group Trust from being able to:

- (i) create a charge over the Lock-up Units or otherwise grant security over or create any encumbrance over the Lock-up Units, provided that such charge, security or encumbrance can only be enforced after the expiry of the First Lock-up Period and only in respect of not more than its effective interest in 50.0% of the Lock-up Units during the Second Lock-up Period, or (as the case may be) in respect of all of the Lock-up Units after the Second Lock-up Period;
- (ii) enter into any unit lending arrangement with the Joint Bookrunners or any sale or transfer of any of the Lock-up Units by any Unit Lender pursuant to the exercise of an over-allotment option granted by the Unit Lenders to the Joint Bookrunners; and
- (iii) transfer any Lock-up Units to and between wholly-owned subsidiaries or wholly-owned sub-trusts of Ho Lee Group Trust (each, a “**HLGT Subsidiary**”) and Ho Lee Group Trust or any declaration of trust by Ho Lee Group Trust in respect of such Lock-up Units where the sole beneficiary of such trust is Ho Lee Group Trust or a HLGT Subsidiary, provided that the Trustee has procured and ensured that such HLGT Subsidiary or Ho Lee Group Trust (as the case may be) have executed and delivered to the Joint Bookrunners an undertaking to the effect that such HLGT Subsidiary will undertake to comply with the foregoing restrictions to remain in effect for the unexpired period of the First Lock-up Period (as the case may be) and the Second Lock-up Period in relation to its effective interest in 50.0% of the Lock-up Units.

If, for any reason, the Listing Date does not take place within six months of the date of registration of this Prospectus, the lock-up arrangements described above will be terminated. For the avoidance of doubt, any Units returned to the Unit Lenders pursuant to the Unit Lending Agreement shall be subject to the lock-up arrangements described above.

Sunway

Subject to the exceptions described below, Sunway has agreed with the Joint Bookrunners that it will not during the First Lock-up Period, directly or indirectly:

- (i) offer, pledge, sell or contract to sell, grant any option to purchase, grant security over, swap, hedge, transfer, encumber or otherwise dispose of any or all of its direct and indirect effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-up Units or part thereof);
- (ii) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-up Units (including any securities convertible into or exercisable or exchangeable for any Lock-up Units or which carry rights to subscribe for or purchase any such Lock-up Units);
- (iii) enter into any transaction (including a derivative transaction) with a similar economic effect to the foregoing sub-paragraph (i) or (ii);
- (iv) deposit any or all of its direct and indirect effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-up Units or part thereof) in any depository receipt facility;
- (v) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(vi) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (i) to (v) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period or the Second Lock-up Period), and the same restrictions will apply in respect of its effective interest in 50.0% of the Lock-up Units during the Second Lock-up Period.

The restrictions described in the preceding paragraph do not apply to prohibit Sunway from being able to:

- (i) create a charge over the Lock-up Units or otherwise grant security over or create any encumbrance over the Lock-up Units, provided that such charge, security or encumbrance can only be enforced after the expiry of the First Lock-up Period and only in respect of not more than its effective interest in 50.0% of the Lock-up Units during the Second Lock-up Period, or (as the case may be) in respect of all of the Lock-up Units after the Second Lock-up Period;
- (ii) enter into any unit lending arrangement with the Joint Bookrunners or any sale or transfer of any of the Lock-up Units by any Unit Lender pursuant to the exercise of an over-allotment option granted by the Unit Lenders to the Joint Bookrunners; and
- (iii) transfer any Lock-up Units to and between wholly-owned subsidiaries of Sunway (each, a **“Sunway Subsidiary”**) and Sunway or any declaration of trust by Sunway in respect of such Lock-up Units where the sole beneficiary of such trust is Sunway or a Sunway Subsidiary, provided that such Sunway Subsidiary or Sunway (as the case may be) have executed and delivered to the Joint Bookrunners and Underwriters an undertaking to the effect that such Sunway Subsidiary will undertake to comply with the foregoing restrictions to remain in effect for the unexpired period of the First Lock-up Period (as the case may be) and the Second Lock-up Period in relation to its effective interest in 50.0% of the Lock-up Units.

If, for any reason, the Listing Date does not take place within six months of the date of registration of this Prospectus, the lock-up arrangements described above will be terminated. For the avoidance of doubt, any Units returned to the Unit Lenders pursuant to the Unit Lending Agreement shall be subject to the lock-up arrangements described above.

Tan Hai Peng Micheal

Subject to the exceptions described below, Tan Hai Peng Micheal has agreed with the Joint Bookrunners that he will not during the First Lock-up Period, directly or indirectly:

- (i) offer, pledge, sell or contract to sell, grant any option to purchase, grant security over, swap, hedge, transfer, encumber or otherwise dispose of any or all of his direct and indirect effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-up Units or part thereof);
- (ii) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-up Units (including any securities convertible into or exercisable or exchangeable for any Lock-up Units or which carry rights to subscribe for or purchase any such Lock-up Units);
- (iii) enter into any transaction (including a derivative transaction) with a similar economic effect to the foregoing sub-paragraph (i) or (ii);

- (iv) deposit any or all of his direct and indirect effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-up Units or part thereof) in any depository receipt facility;
- (v) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or
- (vi) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (i) to (v) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period or the Second Lock-up Period), and the same restrictions will apply in respect of its effective interest in 50.0% of the Lock-up Units during the Second Lock-up Period.

The restrictions described in the preceding paragraph do not apply to prohibit Tan Hai Peng Micheal from being able to:

- (i) create a charge over the Lock-up Units or otherwise grant security over or create any encumbrance over the Lock-up Units, provided that such charge, security or encumbrance can only be enforced after the expiry of the First Lock-up Period and only in respect of not more than his effective interest in 50.0% of the Lock-up Units during the Second Lock-up Period, or (as the case may be) in respect of all of the Lock-up Units after the Second Lock-up Period;
- (ii) enter into any unit lending arrangement with the Joint Bookrunners or any sale or transfer of any of the Lock-up Units by any Unit Lender pursuant to the exercise of an over-allotment option granted by the Unit Lenders to the Joint Bookrunners; and
- (iii) transfer any Lock-up Units to and between wholly-owned entities of Tan Hai Peng Micheal (each, an “**Entity (THPM)**”) and Tan Hai Peng Micheal or any declaration of trust by Tan Hai Peng Micheal in respect of such Lock-up Units where the sole beneficiary of such trust is Tan Hai Peng Micheal, provided that the such Entity (THPM) or Tan Hai Peng Micheal (as the case may be) have executed and delivered to the Joint Bookrunners an undertaking to the effect that such Entity (THPM) will undertake to comply with the foregoing restrictions to remain in effect for the unexpired period of the First Lock-up Period (as the case may be) and the Second Lock-up Period in relation to his effective interest in 50.0% of the Lock-up Units.

If, for any reason, the Listing Date does not take place within six months of the date of registration of this Prospectus, the lock-up arrangements described above will be terminated. For the avoidance of doubt, any Units returned to the Unit Lenders pursuant to the Unit Lending Agreement shall be subject to the lock-up arrangements described above.

Kan Phui Lin

Subject to the exceptions described below, Kan Phui Lin has agreed with the Joint Bookrunners that she will not during the First Lock-up Period, directly or indirectly:

- (i) offer, pledge, sell or contract to sell, grant any option to purchase, grant security over, swap, hedge, transfer, encumber or otherwise dispose of any or all of her direct and indirect effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-up Units or part thereof);

- (ii) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-up Units (including any securities convertible into or exercisable or exchangeable for any Lock-up Units or which carry rights to subscribe for or purchase any such Lock-up Units);
- (iii) enter into any transaction (including a derivative transaction) with a similar economic effect to the foregoing sub-paragraph (i) or (ii);
- (iv) deposit any or all of her direct and indirect effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-up Units or part thereof) in any depository receipt facility;
- (v) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or
- (vi) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (i) to (v) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period or the Second Lock-up Period), and the same restrictions will apply in respect of its effective interest in 50.0% of the Lock-up Units during the Second Lock-up Period.

The restrictions described in the preceding paragraph do not apply to prohibit Kan Phui Lin from being able to:

- (i) create a charge over the Lock-up Units or otherwise grant security over or create any encumbrance over the Lock-up Units, provided that such charge, security or encumbrance can only be enforced after the expiry of the First Lock-up Period and only in respect of not more than her effective interest in 50.0% of the Lock-up Units during the Second Lock-up Period, or (as the case may be) in respect of all of the Lock-up Units after the Second Lock-up Period;
- (ii) enter into any unit lending arrangement with the Joint Bookrunners or any sale or transfer of any of the Lock-up Units by any Unit Lender pursuant to the exercise of an over-allotment option granted by the Unit Lenders to the Joint Bookrunners; and
- (iii) transfer any Lock-up Units to and between wholly-owned entities of Kan Phui Lin (each, an “**Entity (KPL)**”) and Kan Phui Lin or any declaration of trust by Kan Phui Lin in respect of such Lock-up Units where the sole beneficiary of such trust is Kan Phui Lin, provided that the such Entity (KPL) or Kan Phui Lin (as the case may be) have executed and delivered to the Joint Bookrunners and Underwriters an undertaking to the effect that such Entity (KPL) will undertake to comply with the foregoing restrictions to remain in effect for the unexpired period of the First Lock-up Period (as the case may be) and the Second Lock-up Period in relation to her effective interest in 50.0% of the Lock-up Units.

If, for any reason, the Listing Date does not take place within six months of the date of registration of this Prospectus, the lock-up arrangements described above will be terminated. For the avoidance of doubt, any Units returned to the Unit Lenders pursuant to the Unit Lending Agreement shall be subject to the lock-up arrangements described above.

Tan Dah Ching

Subject to the exceptions described below, Tan Dah Ching has agreed with the Joint Bookrunners that he will not during the First Lock-up Period, directly or indirectly:

- (i) offer, pledge, sell or contract to sell, grant any option to purchase, grant security over, swap, hedge, transfer, encumber or otherwise dispose of any or all of his direct and indirect effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-up Units or part thereof);
- (ii) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-up Units (including any securities convertible into or exercisable or exchangeable for any Lock-up Units or which carry rights to subscribe for or purchase any such Lock-up Units);
- (iii) enter into any transaction (including a derivative transaction) with a similar economic effect to the foregoing sub-paragraph (i) or (ii);
- (iv) deposit any or all of his direct and indirect effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-up Units or part thereof) in any depository receipt facility;
- (v) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or
- (vi) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (i) to (v) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period or the Second Lock-up Period, and the same restrictions will apply in respect of his effective interest in 50.0% of the Lock-up Units during the Second Lock-up Period.

The restrictions described in the preceding paragraph do not apply to prohibit Tan Dah Ching from being able to:

- (i) create a charge over the Lock-up Units or otherwise grant security over or create any encumbrance over the Lock-up Units, provided that such charge, security or encumbrance can only be enforced after the expiry of the First Lock-up Period and only in respect of not more than his effective interest in 50.0% of the Lock-up Units during the Second Lock-up Period, or (as the case may be) in respect of all of the Lock-up Units after the Second Lock-up Period;
- (ii) enter into any unit lending arrangement with the Joint Bookrunners or any sale or transfer of any of the Lock-up Units by any Unit Lender pursuant to the exercise of an over-allotment option granted by the Unit Lenders to the Joint Bookrunners; and
- (iii) transfer any Lock-up Units to and between wholly-owned entities of Tan Dah Ching (each, an **“Entity (TDC)”**) and Tan Dah Ching or any declaration of trust by Tan Dah Ching in respect of such Lock-up Units where the sole beneficiary of such trust is Tan Dah Ching, provided that the such Entity (TDC) or Tan Dah Ching (as the case may be) have executed and delivered to the Joint Bookrunners an undertaking to the effect that such Entity (TDC) will undertake to comply with the foregoing restrictions to remain in effect for the unexpired period of the First Lock-up Period (as the case may be) and the Second Lock-up Period in relation to his effective interest in 50.0% of the Lock-up Units.

If, for any reason, the Listing Date does not take place within six months of the date of registration of this Prospectus, the lock-up arrangements described above will be terminated. For the avoidance of doubt, any Units returned to the Unit Lenders pursuant to the Unit Lending Agreement shall be subject to the lock-up arrangements described above.

Other Private Trust Investors

Subject to the exceptions described below, the Other Private Trust Investors (save for those listed above) have each agreed with the Joint Bookrunners that he or she or it, as the case may be, will not during the First Lock-up Period, directly or indirectly:

- (i) offer, pledge, sell or contract to sell, grant any option to purchase, grant security over, swap, hedge, transfer, encumber or otherwise dispose of any or all of his/her/its direct and indirect effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-up Units or part thereof);
- (ii) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Lock-up Units (including any securities convertible into or exercisable or exchangeable for any Lock-up Units or which carry rights to subscribe for or purchase any such Lock-up Units);
- (iii) enter into any transaction (including a derivative transaction) with a similar economic effect to the foregoing sub-paragraph (i) or (ii);
- (iv) deposit any or all of his/her/its direct and indirect effective interest in the Lock-up Units (or any securities convertible into or exchangeable for any such Lock-up Units or part thereof or which carry rights to subscribe for or purchase any such Lock-up Units or part thereof) in any depository receipt facility;
- (v) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or
- (vi) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (i) to (v) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period).

The restrictions described in the preceding paragraph do not apply to prohibit the Other Private Trust Investors from being able to:

- (i) create a charge over the Lock-up Units or otherwise grant of security over or creation of any encumbrance over the Lock-up Units, provided that such charge, security or encumbrance (i) cannot be enforced over any Lock-up Units during the Lock-up Period. The charge, security or encumbrance will only be created if the chargor (such as a bank or financial institution) agrees that the charge, security or encumbrance over the Lock-up Units cannot be enforced over 100.0% of the Lock-up Unit during the Lock-up Period;
- (ii) enter into any unit lending arrangement with the Joint Bookrunners or any sale or transfer of any of the Lock-up Units by any Unit Lender pursuant to the exercise of an over-allotment option granted by the Unit Lenders to the Joint Bookrunners; and

- (iii) transfer the Lock-up Units to and between any entities which are directly and indirectly owned by the relevant Other Private Trust Investor, provided that the relevant Other Private Trust Investor shall, during the Lock-up Period, maintain a direct or indirect interest in 100.0% of the Lock-up Units and the relevant Other Private Trust Investor has procured that such transferee subsidiaries have executed and delivered to the Joint Bookrunners undertakings to the effect that such transferee subsidiaries will comply with such restrictions so as to enable the relevant Other Private Trust Investor to comply with the foregoing restrictions for the unexpired period of the Lock-up Period.

If, for any reason, the Listing Date does not take place within six months of the date of registration of this Prospectus, the lock-up arrangements described above will be terminated. For the avoidance of doubt, any Units returned to the Unit Lenders pursuant to the Unit Lending Agreement shall be subject to the lock-up arrangements described above.

Save for Kim Seng Holdings Pte. Ltd. and Tan Kim Seng, the Lock-Up Units referred to above in relation to the Other Private Trust Investors have been calculated pursuant to Rule 229(4) of the Listing Manual as follows:

$$M = \frac{V_{IPO} - V_{CP}}{V_{IPO}} \times P$$

Where

M = the number of Units subject to moratorium;

V_{CP} = the total cash paid for the Units acquired by the Private Trust Investor during the Pre-IPO Period;

V_{IPO} = the value of the Private Trust Investor's total Units holdings acquired during the Pre-IPO Period based on the Offering Price; and

P = the total number of Units paid for by the Private Trust Investor during the Pre-IPO Period.

In respect of Kim Seng Holdings Pte. Ltd. and Tan Kim Seng, the number of Units subject to the lock-up arrangement has been calculated pursuant to Rule 229(3) of the Listing Manual as follows:

$$M = \frac{V_{IPO} - V_{CP}}{V_{IPO}} \times P$$

Where

M = the number of Units subject to moratorium;

V_{CP} = the total cash paid for the Units acquired by the Private Trust Investor during the Pre-IPO Period;

V_{IPO} = the value of the Private Trust Investor's total Units holdings acquired during the Pre-IPO Period based on the Offering Price; and

P = the total number of Units paid for by the Private Trust Investor in the 12 months preceding the date of the listing application.

The Lock-Up Units of each Other Private Trust Investor is as follows:

Other Private Trust Investor	Number of Lock-Up Units
Kim Seng Holdings Pte. Ltd.	4,392,000
Sing Lun Industrial Pte. Ltd.	1,464,000
Tan Kim Seng	1,172,000
Zeng Fuzu	1,025,000
Apricot Capital Pte. Ltd.	879,000
LB Venture Capital Pte. Ltd.	879,000
Partner Reinsurance Asia Pte. Ltd.	732,000
Lee Yong Miang	586,000
Chua Hwee Chuang	586,000
OKS Ventures Limited	586,000
Ng Chee Chuan	440,000
Te Kok Chiew	293,000
Wang Wai Choy	293,000
Lu Mo Ching Nee Keung	220,000
Tan Chin Hwee	147,000
Toh Bee Na	147,000
Wong Wai Yin Virginia	147,000
Nikhil Srinivasan	147,000

The Manager

Subject to the exceptions described below, the Manager has agreed with the Joint Bookrunners that it will not during the First Lock-up Period, directly or indirectly:

- (i) allot, issue, offer, pledge, sell, contract to issue or sell, grant any option to purchase, grant security over, swap, hedge, transfer, encumber or otherwise dispose of any Units (or any securities convertible into or exchangeable for Units or part thereof or which carry rights to subscribe for or purchase any Units or part thereof);
- (ii) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Units or any other securities of Elite Commercial REIT or any of its subsidiaries or any interest in any of the foregoing (including any securities convertible into or exercisable or exchangeable for any Units or which carry rights to subscribe for or purchase Units or any other securities of Elite Commercial REIT or any of its subsidiaries);
- (iii) enter into any transaction (including a derivative transaction) with a similar economic effect to the foregoing sub-paragraph (i) or (ii);
- (iv) deposit any or all of its effective interest in the Units (or any securities convertible into or exchangeable for Units or part thereof or which carry rights to subscribe for or purchase Units or part thereof) in any depository receipt facility;

(v) enter into a transaction which is designed or which may reasonably be expected to result in any of the above; or

(vi) publicly announce any intention to do any of the above,

whether any such transaction described in sub-paragraphs (i) to (v) above is to be settled by delivery of such capital or securities, in cash or otherwise (whether or not such transaction will be completed within or after the First Lock-up Period).

The restrictions described in the preceding paragraphs do not apply to the issuance of (i) the Offering Units, (ii) the Lock-up Units, (iii) the Cornerstone Units, (iv) Units to be issued the Manager from time to time in full or part in payment of the Manager's fees, and (v) Units to be issued the Manager from time to time in full or part payment of the Lease Management Fees.

If, for any reason, the Listing Date does not take place within six months of the date of registration of this Prospectus, the lock-up arrangements described above will be terminated.

SGX-ST LISTING

Elite Commercial REIT has received a letter of eligibility from the SGX-ST for the listing and quotation of the Units on the Main Board of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements or opinions made or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, Elite Commercial REIT, the Manager, the Trustee or the Units. It is expected that the Units will commence trading on the SGX-ST on a "ready" basis on or about 6 February 2020.

Prior to this Offering, there has been no trading market for the Units. There can be no assurance that an active trading market will develop for the Units, or that the Units will trade in the public market subsequent to this Offering at or above the Offering Price (see "Risk Factors – Risks Relating to an Investment in the Units – The Units have never been publicly traded and the listing of the Units on the Main Board of the SGX-ST may not result in an active or liquid market for the Units" for further details).

ISSUE EXPENSES

The estimated amount of the expenses in relation to the Offering and the issuance of Cornerstone Units of £8.3 million (assuming that the Over-Allotment Option is exercised in full) includes the Underwriting, Selling and Management Commission, professional and other fees and all other incidental expenses in relation to the Offering and the issuance of the Cornerstone Units, which will be borne by Elite Commercial REIT. A breakdown of these estimated expenses is as follows:

	(£'000)
Underwriting, Selling and Management Commission ⁽¹⁾	3,712
Professional and other fees ⁽²⁾	3,521
Other expenses ⁽³⁾	1,072
Total estimated expenses	8,305

Notes:

- (1) Such commission represent a maximum of 2.65% of the total proceeds of the Offering (based on the Offering Price) and the proceeds raised from the issuance of Cornerstone Units and assuming the Over-Allotment Option is not exercised.
- (2) Includes solicitors' fees and fees for the Reporting Auditors, the Independent Tax Advisers (as defined herein), the Independent Valuers and other professionals' fees and other expenses.
- (3) Based on the Offering Price. Includes cost of prospectus production, road show expenses and certain other expenses incurred or to be incurred in connection with the Offering.

DISTRIBUTION AND SELLING RESTRICTIONS

None of the Manager, the Sponsors, the Joint Issue Managers or the Joint Bookrunners have taken any action, or will take any action, in any jurisdiction other than Singapore that would permit a public offering of Units, or the possession, circulation or distribution of this Prospectus or any other material relating to the Offering in any jurisdiction other than Singapore where action for that purpose is required.

Accordingly, each purchaser of the Units may not offer or sell, directly or indirectly, any Units and may not distribute or publish this Prospectus or any other offering material or advertisements in connection with the Units in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

Each purchaser of the Units is deemed to have represented and agreed that it will comply with the selling restrictions set out below for each of the following jurisdictions:

Selling Restrictions

United States

The Units have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Units are being offered and sold outside of the United States in reliance on Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of the Units, an offer or sale of Units within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Notice to investors in the EEA

For the purposes of the AIFMD, Elite Commercial REIT will constitute a non-EU AIF whose AIFM is the Manager, itself a non-EU AIFM. Each member state of the EEA has adopted legislation implementing AIFMD into national law. Under AIFMD, marketing to any investor domiciled or with a registered office in the EEA will be restricted by such laws and no such marketing shall take place except as permitted by such laws. The Units may only be offered and issued in accordance with applicable laws in relevant member states, and potential investors should ensure they are able to subscribe for Units in accordance with those laws. The Units may only be made available for purchase in the EEA by professional investors, being investors that are considered to be a professional client or may, on request, be treated as a professional client, within the meaning of Annex II to MiFID II.

Notwithstanding anything in this Prospectus to the contrary, the Units are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of article 4(1) of MiFID II; (ii) a customer within the meaning of directive 2002/92/EC (“**IMD**”), as amended or superseded, where that customer would not qualify as a professional client as defined in point (10) of article 4(1) of MiFID II; or (iii) not a qualified investor as defined in directive 2003/71/EC (the “**Prospectus Directive**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Interests or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Interests or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs regulation.

United Kingdom

This Prospectus may only be distributed to persons to whom a financial promotion can be made in accordance with paragraph 29(3) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) and any other professional investors to whom it may be communicated lawfully (all such persons together being referred to as “**FSMA Relevant Persons**”). In the UK, this Prospectus is directed only at FSMA Relevant Persons and must not be acted on or relied on by persons who are not FSMA Relevant Persons. Any investment or investment activity to which this Prospectus relates is available only to FSMA Relevant Persons and will be engaged in only with FSMA Relevant Persons.

United Arab Emirates (Excluding The Dubai International Financial Centre)

This Prospectus is strictly private and confidential and is being issued to a limited number of investors who are each exempt from the requirements of The Securities and Commodities Authority (“**UAE-SCA**”) Board of Directors’ Chairman Decision No. (9/R.M) of 2016 Concerning the Regulations as to Mutual Funds (as amended) (the “**UAE Mutual Funds Regulations**”) and the UAE-SCA Board of Directors’ Chairman Decision No. (3/R.M.) of 2017 on The Regulation of Promotion and Introduction (“**UAE-PIRS**”).

No Units have been or are being publicly offered, sold, promoted or advertised in the UAE in accordance with the UAE Mutual Funds Regulations or the UAE-PIRS. The Units will be sold outside the UAE and are not part of a public offering. Elite Commercial REIT, the Manager, this Prospectus and the relevant documents have not been reviewed, approved or licensed by the UAE Central Bank, UAE-SCA or any other relevant licensing authorities or governmental agencies in the UAE. This Prospectus is strictly private and confidential and has not been reviewed, deposited or registered with any licensing authority or governmental agency in the UAE.

This Prospectus must not be shown, made available or provided to any person other than the original recipient and may not be reproduced or used for any other purpose. The Units may not be offered or sold directly or indirectly to the public in the UAE. If you do not understand the contents of this Prospectus you should consult an authorised financial adviser.

Dubai International Financial Centre

This Prospectus relates to a fund which is not subject to any form of regulation or approval by The Dubai Financial Services Authority (“**DFSA**”).

The DFSA has no responsibility for reviewing or verifying any prospectus or other documents in connection with this fund. Accordingly, the DFSA has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it.

This Prospectus is intended for distribution only to persons of a type specified in the DFSA’s rules (i.e. “**DFSA Professional Clients**”) and must not, therefore, be delivered to, or relied on by, any other type of person. This Prospectus is for the exclusive use of the persons to whom it is addressed and in connection with the subject matter contained therein.

The Units to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the Units.

If you do not understand the contents of this Prospectus, you should consult an authorised financial adviser.

Hong Kong

Each Joint Bookrunner has acknowledged that Elite Commercial REIT has not been authorised by the Hong Kong Securities and Futures Commission and has represented and agreed that it will not issue, or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation, or document relating to the Units, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Units which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**HK-SFO**”) and any rules made under the HK-SFO.

This Prospectus is intended solely for the use of the person to whom it has been delivered for the purpose of evaluating a possible investment by the recipient in the Units described herein and is not to be reproduced or distributed to any other persons (other than professional advisors of the prospective investor receiving this Prospectus).

Japan

The Units offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each Joint Bookrunner has represented, warranted and agreed that the Units which it subscribes will be subscribed by it as principal and that, in connection with the offering made hereby, it will not, directly or indirectly, offer or sell any Units in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

General

Each applicant for Units in the Offering will be deemed to have represented and agreed that it is relying on this Prospectus and not on any other information or representation not contained in this Prospectus and none of Elite Commercial REIT, the Manager, the Trustee, the Sponsors, the Joint Issue Managers, the Joint Bookrunners or any other person responsible for this Prospectus or any part of it will have any liability for any such other information or representation.

CLEARANCE AND SETTLEMENT

INTRODUCTION

A letter of eligibility has been obtained from the SGX-ST for the listing and quotation of the Units. For the purpose of trading on the SGX-ST, a board lot for the Units will comprise 100 Units.

Upon listing and quotation on the SGX-ST, the Units will be traded under the electronic book-entry clearance and settlement system of CDP. All dealings in and transactions of the Units through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts, as amended from time to time.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account-holders and facilitates the clearance and settlement of securities transactions between account-holders through electronic book-entry changes in the Securities Accounts maintained by such account-holders with CDP.

It is expected that the Units will be credited into the Securities Accounts of applicants for the Units within four Market Days after the closing date for applications for the Units.

CLEARANCE AND SETTLEMENT UNDER THE DEPOSITORY SYSTEM

The Units will be registered in the name of CDP or its nominee and held by CDP for and on behalf of persons who maintain, either directly or through depository agents, Securities Accounts with CDP. Persons named as direct Securities Account holders and depository agents in the depository register maintained by CDP will be treated as Unitholders in respect of the number of Units credited to their respective Securities Accounts.

Transactions in the Units under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of Units sold and the buyer's Securities Account being credited with the number of Units acquired and no transfer stamp duty is currently payable for the transfer of Units that are settled on a book-entry basis.

Units credited to a Securities Account may be traded on the SGX-ST on the basis of a price between a willing buyer and a willing seller. Units credited into a Securities Account may be transferred to any other Securities Account with CDP, subject to the terms and conditions for the operation of Securities Accounts and the applicable transfer fee payable to CDP. All persons trading in the Units through the SGX-ST should ensure that the relevant Units have been credited into their Securities Account, prior to trading in such Units, since no assurance can be given that the Units can be credited into the Securities Account in time for settlement following a dealing. If the Units have not been credited into the Securities Account by the due date for the settlement of the trade, the buy-in procedures of the SGX-ST will be implemented.

CLEARING FEES

A clearing fee for the trading of Units on the SGX-ST is payable at the rate of 0.0325% of the transaction value. The clearing fee, and the deposit fee and unit withdrawal fee that CDP may charge may be subject to the prevailing GST.

DEALING IN UNITS

Dealings in the Units will be carried out in pound sterling and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the second Market Day following the transaction date. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct account with CDP or a sub-account with any CDP depository agent. A CDP depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

EXPERTS

KPMG LLP, the Reporting Auditors, was responsible for preparing the Reporting Auditors' Report on the Profit Forecast and Profit Projection and the Reporting Auditors' Report on the Unaudited Pro Forma Consolidated Financial Information found in Appendix A and Appendix B of this Prospectus, respectively.

Ernst & Young Solutions LLP, the Independent Tax Adviser, was responsible for preparing the Independent Taxation Report found in Appendix D of this Prospectus.

Colliers and Knight Frank, the Independent Valuers, were responsible for preparing the Independent Property Valuation Summary Reports found in Appendix E of this Prospectus.

Jones Lang LaSalle Limited, the Independent Market Research Consultant, was responsible for preparing the Independent United Kingdom Property Market Research Report found in Appendix F of this Prospectus.

The Independent Tax Adviser, the Independent Valuers and the Independent Market Research Consultant have each given and have not withdrawn their written consents to the issue of this Prospectus with the inclusion herein of their names and their respective write-ups and reports and all references thereto in the form and context in which they respectively appear in this Prospectus, and to act in such capacity in relation to this Prospectus.

None of Allen & Gledhill LLP, WongPartnership LLP, Linklaters Singapore Pte. Ltd., or Dentons Rodyk & Davidson LLP, makes, or purports to make, any statement in this Prospectus and none of them is aware of any statement in this Prospectus which purports to be based on a statement made by it and it makes no representation, express or implied, regarding, and takes no responsibility for, any statement in or omission from this Prospectus.

Save for the section "Risk Factors", Eversheds Sutherland does not make, or purport to make, any statement in this Prospectus and it is not aware of any statement in this Prospectus which purports to be based on a statement made by it and it makes no representation, express or implied, regarding, and takes no responsibility for, any statement in or omission from this Prospectus.

REPORTING AUDITORS

KPMG LLP, the Reporting Auditors, have given and have not withdrawn their consent to the issue of this Prospectus for the inclusion herein of:

- their name;
- the Reporting Auditors' Report on the Unaudited Pro Forma Consolidated Financial Information; and
- the Reporting Auditors' Report on the Profit Forecast and Profit Projection,

in the form and context in which they appear in this Prospectus, and references to its name and such reports in the form and context in which they appear in this Prospectus and to act in such capacity in relation to this Prospectus.

GENERAL INFORMATION

RESPONSIBILITY STATEMENT BY THE DIRECTORS

- (1) The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Offering, Elite Commercial REIT and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Prospectus misleading, and the Directors are satisfied that the Profit Forecast and Profit Projection contained in “Profit Forecast and Profit Projection” have been stated after due and careful enquiry. Where information in this Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

MATERIAL BACKGROUND INFORMATION

- (2) There are no legal or arbitration proceedings pending or, so far as the Directors are aware, threatened against the Manager the outcome of which, in the opinion of the Directors, may have or have had during the 12 months prior to the date of this Prospectus, a material adverse effect on the financial position of the Manager.
- (3) There are no legal or arbitration proceedings pending or, so far as the Directors are aware, threatened against Elite Commercial REIT the outcome of which, in the opinion of the Directors, may have or have had during the 12 months prior to the date of this Prospectus, a material adverse effect on the financial position (on a pro forma basis) of Elite Commercial REIT.
- (4) The name, age and address of each of the Directors are set out in “The Manager and Corporate Governance – Directors of the Manager”. A list of the present and past directorships of each Director and executive officer of the Manager over the last five years preceding the Latest Practicable Date is set out in Appendix H “List of Present and Past Principal Directorships of Directors and Executive Officers”.
- (5) There is no family relationship among the Directors and executive officers of the Manager.
- (6) Save as disclosed below, none of the Directors or executive officers of the Manager is or was involved in any of the following events:
 - (i) at any time during the last 10 years, an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two years from the date he ceased to be a partner;
 - (ii) at any time during the last 10 years, an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
 - (iii) any unsatisfied judgement against him;

- (iv) a conviction of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
- (v) a conviction of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;
- (vi) at any time during the last 10 years, judgement been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
- (vii) a conviction in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
- (viii) disqualification from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
- (ix) any order, judgement or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;
- (x) to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
 - (a) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (b) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (c) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (d) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,

in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or

- (xi) the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

Mr Evan Cheah Yean Shin

As a director of Sunway Construction Sdn Bhd, Mr Evan Cheah Yean Shin was charged in 2018 pursuant to an inspection of the premises by Pejabat Kesihatan Daerah Petaling (Petaling District Health Office) in January 2017 for allowing the Aedes aegypti mosquito larvae to propagate at one of the firm's construction sites. The charge was however duly withdrawn. Sunway Construction Sdn Bhd was fined RM15,000 and the fine was paid.

Mr Tan Hai Peng Micheal

On 15 May 2012, the MAS issued a supervisory warning to Mr Tan Hai Peng Micheal pursuant to a breach of Section 137 of the SFA due to a failure to notify the SGX-ST within the legally stipulated time frame of the change in his interest in the voting shares in Liang Huat Aluminium Limited (now known as Pacific Star Development Limited following the reverse take-over of LH Group Limited in 2017) due to an inadvertent oversight. Mr Tan had notified the SGX-ST on 4 January 2011 in respect of a change in his interest in Liang Huat Aluminium Limited from 0.00% to 50.68% on 29 December 2010. No further action was taken by the MAS.

The MAS had on 9 February 2017 issued a supervisory warning to Viva Industrial Trust Management Pte. Ltd., the manager of Viva Industrial Real Estate Investment Trust (the **"Viva REIT Manager"**), arising from the Viva REIT Manager's failure to announce particulars of certain acquisition(s) or disposal(s) of securities in Viva Industrial Trust within the legally stipulated time frame. Viva Industrial Real Estate Investment Trust and Viva Industrial Business Trust comprised the stapled group Viva Industrial Trust which was merged with ESR-REIT in 2018. Mr Tan was a non-executive director of the Viva REIT Manager between 2013 and 2018. The supervisory warning was not issued to Mr Tan, but to the Viva REIT Manager instead. Mr Tan had notified the Viva REIT Manager of changes to his interest in Viva Industrial Trust within the legally stipulated time frame in accordance with the SFA. No further action was taken against Mr Tan or Viva REIT Manager by the MAS.

Mr Tan Huay Lim

On 23 March 2009, Mr Tan Huay Lim was interviewed by the Commercial Affairs Department (the **"CAD"**) in his capacity as a member of the Management Committee of Ren Ci Hospital and Medical Centre (**"RCHMC"**) in connection with the CAD's investigations in the affairs of RCHMC. For the avoidance of doubt, Mr Tan was not the subject of the foregoing investigations and following the interview, Mr Tan has not been required by the CAD to provide any further assistance in the matter for which he was interviewed for. RCHMC, which was registered as a society under the Societies Act, Chapter 311 of Singapore, was voluntarily dissolved on 31 March 2013.

MATERIAL CONTRACTS

(7) The dates of, parties to, and general nature of every material contract which Elite Commercial REIT and its subsidiaries has entered into within the two years preceding the date of this Prospectus (not being contracts entered into in the ordinary course of the business of Elite Commercial REIT) are as follows:

- (i) the Trust Deed;
- (ii) the EPH ROFR, HLG ROFR, Sunway ROFR and the Elite UK Commercial Fund II ROFR;
- (iii) the Property Management Agreement; and
- (iv) the Lease Management Agreement.

DOCUMENTS FOR INSPECTION

- (8) Copies of the following documents are available for inspection at the principal place of business of the Manager at 9 Temasek Boulevard, #17-01 Suntec Tower Two, Singapore 038989, for a period of six months from the date of this Prospectus (prior appointment would be appreciated):
- (i) the material contracts referred to in paragraph 7 above, save for the Trust Deed (which will be available for inspection for so long as Elite Commercial REIT is in existence);
 - (ii) the Underwriting Agreement;
 - (iii) the Reporting Auditors' Report on the Profit Forecast and Profit Projection as set out in Appendix A of this Prospectus;
 - (iv) the Reporting Auditors' Report on the Unaudited Pro Forma Consolidated Financial Information as set out in Appendix B of this Prospectus;
 - (v) the Independent Taxation Report as set out in Appendix D of this Prospectus;
 - (vi) the Independent Property Valuation Summary Reports as set out in Appendix E of this Prospectus as well as the full valuation reports for each of the Properties;
 - (vii) the Independent United Kingdom Property Market Research Report set out in Appendix F of this Prospectus;
 - (viii) the written consents of the Reporting Auditors, the Independent Valuers, the Independent Market Research Consultant and the Independent Tax Advisers (see "Experts" and "Reporting Auditors" for further details);
 - (ix) the separate subscription agreements entered into between the Manager and the Cornerstone Investors to subscribe for the Cornerstone Units; and
 - (x) the Depository Services Terms and Conditions.

CONSENTS OF THE JOINT ISSUE MANAGERS AND THE JOINT BOOKRUNNERS AND UNDERWRITERS

- (9) Oversea-Chinese Banking Corporation Limited and UBS AG, Singapore Branch have given and not withdrawn their written consents to being named in this Prospectus as the Joint Issue Managers to the Offering.
- (10) Each of Oversea-Chinese Banking Corporation Limited, UBS AG, Singapore Branch, CGS-CIMB Securities (Singapore) Pte. Ltd., and China International Capital Corporation (Singapore) Pte. Limited have given and not withdrawn their written consents to being named in this Prospectus as a Joint Bookrunner and Underwriter to the Offering.

WAIVERS FROM THE SGX-ST

(11) The Manager has obtained from the SGX-ST waivers from compliance with the following listing rules under the Listing Manual:

- (i) Rule 404(3)(a), which requires a REIT to limit its investments in companies which are related to its substantial unitholders, investment managers or management companies, to a maximum of 10.0% of gross assets; and Rule 404(3)(c) which requires a REIT to restrict investments in unlisted securities to 30.0% of gross assets, subject to compliance with the requirements under Chapter 9 of the Listing Manual and the CIS Code;
- (ii) Rule 404(5), which requires the management company (if there is no management company, the sponsor or trustee) to be reputable and have an established track record in managing investments, subject to the management team in the Manager having the relevant experience as required under Rule 404(6) of the Listing Manual; and
- (iii) Rule 407(4), which requires the submission of the financial track record of the investment manager, investment adviser and persons employed by them in the application to the SGX-ST for the listing of Elite Commercial REIT, subject to the management team in the Manager having the relevant experience as required under Rule 404(6) of the Listing Manual;

(12) The Manager has obtained confirmation from the SGX-ST that it has no comments on Elite Commercial REIT's compliance with the following listing rules under the Listing Manual:

- (i) Rule 409(3), on the provision of annual accounts for the IPO Portfolio, subject to the disclosure in the Prospectus of (i) the pro forma statements of comprehensive income and statements of cash flows of Elite Commercial REIT for the period 7 June 2018 to 31 December 2018 and the eight months ended 31 August 2019; (ii) the unaudited pro forma balance sheet as at 31 December 2018 and 31 August 2019; (iii) the profit forecast for FY2020 and profit projection for FY2021; and (iv) reason(s) for which it is unable to provide historical audited financial information for the IPO Portfolio; and
- (ii) Rule 609(b), on the provision of historical pro forma financial information of the IPO Portfolio for the latest three financial years, subject to disclosure in the Prospectus of (i) the pro forma statements of comprehensive income and statements of cash flows of Elite Commercial REIT for the period 7 June 2018 to 31 December 2018 and the eight months ended 31 August 2019; (ii) the unaudited pro forma balance sheet as at 31 December 2018 and 31 August 2019; (iii) the profit forecast for FY2020 and profit projection for FY2021; and (iv) reason(s) for which it is unable to provide the historical pro forma financial information for the IPO Portfolio for the latest three financial years.

WAIVERS FROM THE MAS

(13) The Manager has obtained from the MAS a waiver from compliance with paragraph 4.3 (read with paragraph 5.1.1) of the Property Funds Appendix in respect of the requirement for a REIT's statement of total return and balance sheet presented at its annual general meeting to be prepared in accordance with the Statement of Recommended Accounting Practice 7: Reporting Framework for Unit Trusts, subject to the conditions that the financial statements of Elite Commercial REIT shall be prepared in accordance with IFRS.

MISCELLANEOUS

- (14) The financial year end of Elite Commercial REIT is 31 December and the first reporting period for Elite Commercial REIT will be from Listing Date to 31 December 2020.
- (15) A full valuation of each of the real estate assets held by Elite Commercial REIT will be carried out at least once a year in accordance with the Property Funds Appendix. Generally, where the Manager proposes to issue new Units (except in the case where new Units are being issued in payment of the Manager's Management Fees and in payment of the Property Manager's Property Management Fee) or to redeem existing Units, a valuation of the real properties held by Elite Commercial REIT must be carried out in accordance with the Property Funds Appendix. The Manager or the Trustee may at any other time arrange for the valuation of any of the real properties held by Elite Commercial REIT if it is of the opinion that it is in the best interest of Unitholders to do so.
- (16) While Elite Commercial REIT is listed on the SGX-ST, investors may check the SGX-ST website <http://www.sgx.com> for the prices at which Units are being traded on the SGX-ST. Investors may also check one or more major Singapore newspapers such as *The Straits Times*, *The Business Times* and *Lianhe Zaobao*, for the price range within which Units were traded on the SGX-ST on the preceding day.
- (17) The Manager does not intend to receive soft dollars (as defined in the CIS Code) in respect of Elite Commercial REIT. Save as disclosed in this Prospectus, unless otherwise permitted under the Listing Manual, neither the Manager nor any of its Associates will be entitled to receive any part of any brokerage charged to Elite Commercial REIT, or any part of any fees, allowances or benefits received on purchases charged to Elite Commercial REIT.
- (18) There is no benchmark applicable to Elite Commercial REIT as it is a real estate investment trust to be listed on the SGX-ST.

GLOSSARY

%	:	Per centum or percentage
Acquisition Date	:	16 November 2018, being the date Elite Commercial REIT acquired the subsidiaries which own the underlying Properties
Acquisition Fee	:	1.0% of each of the following as is applicable (subject to there being no double-counting): - the acquisition price of any real estate purchased, whether directly or indirectly through one or more SPVs, by Elite Commercial REIT (plus any other payments in addition to the acquisition price made by Elite Commercial REIT or its SPVs to the vendor in connection with the purchase of the real estate) (pro-rated, if applicable, to the proportion of Elite Commercial REIT's interest); - the underlying value of any real estate which is taken into account when computing the acquisition price payable for the equity interests of any vehicle holding directly or indirectly the real estate purchased by Elite Commercial REIT, whether directly or indirectly through one or more SPVs (plus any additional payments made by Elite Commercial REIT or its SPVs to the vendor in connection with the purchase of such equity interests) (pro-rated, if applicable, to the proportion of Elite Commercial REIT's interest); or - the acquisition price of any investment purchased by Elite Commercial REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate

Adjustments	:	Adjustments which are charged or credited to the consolidated profit and loss account of Elite Commercial REIT for the relevant financial year or the relevant distribution period (as the case may be), including (i) differences between cash and accounting Revenue, including but not limited to adjustment for amortisation of rental incentives (as deemed appropriate by the Manager), (ii) unrealised income or loss, including property revaluation gains or losses, and provision or reversals of impairment provisions, (iii) deferred tax charges/credits (as deemed appropriate by the Manager), (iv) negative goodwill, (v) differences between cash and accounting finance costs, (vi) realised gains or losses on the disposal of properties and disposal/settlement of financial instruments, (vii) the portion of the Management Fee and property and portfolio management fees that is paid or payable in the form of Units, (viii) costs of any public or other offering of Units or convertible instruments that are expensed but are funded by proceeds from the issuance of such Units or convertible instruments, (ix) other non-cash or timing differences related to income or expenses and (x) other charges or credits (as deemed appropriate by the Manager in each case for (i) to (x))
Aggregate Leverage	:	The total borrowings and deferred payments (if any) as a percentage of the Deposited Property
AIF	:	Alternative investment fund
AIFM	:	Alternative investment fund manager
AIFMD	:	Alternative Investment Fund Managers Directive 2011/61/EU of the European Parliament and of the European Council
Annual Distributable Income	:	The amount calculated by the Manager (based on the audited financial statements of Elite Commercial REIT for that financial year) as representing the consolidated audited net profit after tax of Elite Commercial REIT (which includes the net profits of the SPVs held by Elite Commercial REIT for the financial year, to be pro-rated where applicable to the portion of Elite Commercial REIT's interest in the relevant SPV) for the financial year, as adjusted to eliminate the effects of Adjustments. After eliminating the effects of these Adjustments, the Annual Distributable Income may be different from the net profit recorded for the relevant Financial Year
Appendices or Appendix	:	The appendices set out in this Prospectus
Application Forms	:	The printed application forms to be used for the purpose of the Offering and which form part of this Prospectus
Application List	:	The list of applicants subscribing for Units which are the subject of the Singapore Public Offer

Appraised Value	:	The appraised value based on the valuation report prepared by Colliers International Valuation UK LLP
Associate	:	Has the meaning ascribed to it in the Listing Manual
ATM	:	Automated teller machine
Audit and Risk Committee	:	The audit and risk committee of the Board
AUM	:	Assets under management
Authorised Investments	:	Means: (i) real estate; (ii) any improvement or extension of or addition to, or reconstruction, refurbishment, retrofitting, renovation or other development of any real estate or any building thereon; (iii) real estate-related assets, wherever the issuers, assets or securities are incorporated, located, issued or traded; (iv) listed or unlisted debt securities and listed shares or stock and (if permitted by the Authority) unlisted shares or stock of or issued by local or foreign non-property companies or corporations; (v) government securities (issued on behalf of the Singapore Government or governments of other countries) and securities issued by a supra-national agency or a Singapore statutory board; (vi) cash and cash equivalent items; (vii) financial derivatives only for the purposes of (a) hedging existing positions in Elite Commercial REIT's portfolio where there is a strong correlation to the underlying investments or (b) efficient portfolio management, PROVIDED THAT such derivatives are not used to gear the overall portfolio of Elite Commercial REIT or intended to be borrowings or any form of financial indebtedness of Elite Commercial REIT; and (viii) any other investment not covered by paragraph (i) to (vii) of this definition but specified as a permissible investment in the Property Funds Appendix and selected by the Manager for investment by Elite Commercial REIT and approved by the Trustee in writing

Authority or MAS	:	Monetary Authority of Singapore
Base Fee	:	10.0% of Elite Commercial REIT's Annual Distributable Income (calculated before accounting for the Base Fee and the Performance Fee)
Board	:	The board of directors of the Manager
Bonds	:	The bonds issued by ECHL to Elite Commercial REIT
Business Day	:	Any day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks are open for business in Singapore and the SGX-ST is open for trading
BVI	:	British Virgin Islands
CAD	:	Commercial Affairs Department
CDP	:	The Central Depository (Pte) Limited
CEO	:	Chief Executive Officer
CFO	:	Chief Financial Officer
CIO	:	Chief Investment Officer
CIR	:	Corporate interest restriction
CIS Code	:	The Code on Collective Investment Schemes issued by the MAS
CIV	:	Collective Investment Vehicle
CMP Regulations 2018	:	Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore
CMS Licence	:	Capital markets services licence for REIT management
Colliers	:	Colliers International Valuation UK LLP
Commercial properties	:	Real estate that are predominantly used for commercial purposes, whether in existence by themselves as a whole or as a part of large mixed-use developments
Companies Act	:	Companies Act, Chapter 50 of Singapore
Construction Cost	:	The cost of a construction project (including any series of related construction projects), excluding design fees and permitted costs

controlling shareholder	:	As defined in the Listing Manual, means a person who: (i) holds directly or indirectly 15.0% or more of the total number of issued shares (excluding treasury shares) of a company; or (ii) in fact exercises control over a company, where “control” refers to the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
Cornerstone Investors	:	The cornerstone investors being UBS AG, Singapore Branch and UBS AG, Hong Kong Branch (on behalf of certain Wealth Management clients), Bank of Singapore Limited (on behalf of one or more of its private banking clients) and CIMB Bank Berhad, Singapore Branch (on behalf of certain clients of its Private Banking Division)
Cornerstone Units	:	The 77,827,900 Units to be issued to the Cornerstone Investors
Corporate Entities	:	Regal Sheen Investment Limited, Elite UK Commercial Holdings Limited, Elite UK Commercial Investments Limited, Elite UK Commercial Limited and Elite Gemstones Properties Limited
CPF	:	Central Provident Fund
CPI	:	Consumer Price Index
CVs	:	Curriculum vitae
Deposited Property	:	All the Authorised Investments of Elite Commercial REIT for the time being held or deemed to be held by Elite Commercial REIT under the Trust Deed
Depository	:	Has the meaning ascribed to it in Section 81SF of the Securities and Futures Act
Depository Services Terms and Conditions	:	CDP’s depository services terms and conditions in relation to the deposit of the Units in CDP
Deutsche Bank Loan	:	The loan facility of £181.0 million entered into by Elite Gemstones Properties Limited with Deutsche Bank AG, Singapore Branch
Development Management Fee	:	The development management fee payable to the Manager as described in “Overview – Certain Fees and Charges”
Development Project	:	A project involving the development of land, or buildings, or part(s) thereof on land which is acquired, held or leased by Elite Commercial REIT, provided always that the Property Funds Appendix shall be complied with for the purposes of such development, but does not include refurbishment, retrofitting and renovations.

DFSA	:	The Dubai Financial Services Authority
DFSA Professional Clients	:	Persons of a type specified in the DFSA's rules
Directors	:	The directors of the Manager
Divestment Fee	:	0.5% (or such lower percentage as may be determined by the Manager in its absolute discretion) of each of the following as is applicable (subject to there being no double-counting): - the sale price of any real estate sold or divested, whether directly or indirectly through one or more SPVs, by Elite Commercial REIT (plus any other payments¹ in addition to the sale price received by Elite Commercial REIT or its SPVs from the purchaser in connection with the sale or divestment of the real estate) (pro-rated, if applicable, to the proportion of Elite Commercial REIT's interest); - the underlying value² of any real estate which is taken into account when computing the sale price for the equity interests in any vehicle holding directly or indirectly the real estate, sold or divested, whether directly or indirectly through one or more SPVs, by Elite Commercial REIT (plus any additional payments received by Elite Commercial REIT or its SPVs from the purchaser in connection with the sale or divestment of such equity interests) (pro-rated, if applicable, to the proportion of Elite Commercial REIT's interest); or - the sale price of any investment sold or divested by Elite Commercial REIT, whether directly or indirectly through one or more SPVs, in any debt securities of any property corporation or other SPV owning or acquiring real estate or any debt securities which are secured whether directly or indirectly by the rental income from real estate
DPU	:	Distribution per Unit
DTA	:	Double taxation agreement
DWP	:	Department for Work & Pensions
ECHL	:	Elite UK Commercial Holdings Limited

1 "Other payments" refer to additional payments to Elite Commercial REIT or its SPVs for the sale of the asset, for example, where Elite Commercial REIT or its SPVs have already made certain payments for enhancements to the asset, and the value of the asset enhancements is not reflected in the sale price as the asset enhancements are not completed, but "other payments" do not include stamp duty or other payments to third party agents and brokers.

2 For example, if Elite Commercial REIT sells or divests an SPV which holds real estate, such underlying value would be the value of the real estate derived from the amount of equity ascribed to the asset which will be paid to Elite Commercial REIT as the sale price and any debt of the SPV.

EEA	:	European Economic Area
Elite UK Commercial Fund II ROFR	:	Right of first refusal provided by Elite UK Commercial Fund II to Elite Commercial REIT
Effective Date	:	16 November 2018, being the effective date of the Property Management Agreement
EPC	:	Elite Partners Capital Pte. Ltd.
EPH	:	Elite Partners Holdings Pte. Ltd.
EPH ROFR	:	Right of first refusal provided by EPH to Elite Commercial REIT
EU	:	European Union
Eversheds Sutherland	:	Eversheds Sutherland (International) LLP
Exempted Agreements	:	The Trust Deed (including the Internal Asset Management Agreement) and the Lease Management Agreement (including the individual lease management agreement)
Extraordinary Resolution	:	A resolution proposed and passed as such by a majority consisting of 75.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed
Facilities	:	The separate loan facilities which Elite Commercial REIT has obtained from the Lenders
Fee Arrangement	:	The fee arrangements as set out in Section E of Appendix C
Financial Instruments and Exchange Act	:	Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended
First Distribution	:	The first distribution of Elite Commercial REIT after the Listing Date for the period from the Listing Date to 30 June 2020
First Lock-up Period	:	The period commencing from the date of issuance of the Units until the date falling six months after the Listing Date (both dates inclusive)
First-time Director	:	A director who has no prior experience as a director of an issuer listed on the SGX-ST
Forecast Year 2020	:	1 January 2020 to 31 December 2020
FRS 109	:	Singapore Financial Reporting Standard 109 – Financial Instruments
FRS 39	:	Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement

FSMA Relevant Persons	:	Persons to whom a financial promotion can be made in accordance with paragraph 29(3) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) and any other professional investors to whom it may be communicated lawfully
FY	:	Financial year ended or, as the case may be, ending 31 December
GBP or £ or pound sterling or pence	:	Refers to the lawful currency of the UK
GDP	:	Gross domestic product
Gross Rental Income	:	Rental income payable under the respective lease agreements for the Properties, including any turnover rent (if applicable), and after the impact of any straight-line adjustments over the committed term of the lease agreement
Group	:	Elite Commercial REIT and its subsidiaries
group sharing arrangement	:	Under a “ group sharing arrangement ”, a group of companies, or in the case of the UK Government, the various departments of the UK Government, may share occupation of the tenanted Property pursuant to the tenancy agreement on the basis that (a) no relationship of landlord and tenant is created or allowed to arise between the tenant and occupier; (b) the sharing arrangement ends if the occupier ceases to be a group company; and (c) the tenant notifies the landlord of the identity of the occupier, the area occupied and the date on which such occupation ceases. DWP is a UK Government division under the umbrella of the tenant (The Secretary of State for Communities and Local Government). Such arrangement does not in any way affect the liability of the tenant under the tenancy contracts and is common practice in the UK. For the avoidance of doubt, in this case, (i) the landlord refers to Elite Commercial REIT, through its indirect wholly-owned subsidiary, Elite Gemstones Properties Limited, (ii) the tenant refers to the UK Government and (iii) the occupier refers to the DWP
GST	:	Goods and Services Tax
HK-SFO	:	Securities and Futures Ordinance (Cap. 571) of Hong Kong
HLG	:	Ho Lee Group Pte. Ltd.
HLG ROFR	:	Right of first refusal provided by HLG to Elite Commercial REIT
HMRC	:	HM Revenue & Customs
Income Tax Act	:	Income Tax Act, Chapter 134 of Singapore
IFRS	:	International Financial Reporting Standards

Independent Market Research Consultant	:	Jones Lang LaSalle Limited
Independent Tax Adviser	:	Ernst & Young Solutions LLP
Independent Valuers	:	Colliers International Valuation UK LLP and Knight Frank LLP
Initial Units	:	The Units held by Private Trust Investors on the Listing Date after the subdivision and redemption of a number of the Private Trust Units
Instruments	:	Offers, agreements or options that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units
Interested Party	:	Has the meaning ascribed to it in the Property Funds Appendix
Interested Party Transaction	:	Has the meaning ascribed to it in the Property Funds Appendix
Interested Person	:	Has the meaning ascribed to it in the Listing Manual
Interested Person Transactions	:	Has the meaning ascribed to it in the Listing Manual
Internal Asset Management Agreement	:	The internal documentation entered into between the Manager and the subsidiary of Elite Commercial REIT whereby the Manager will receive payment of Management Fee from such subsidiary
Investible Savings	:	The balance in a CPF Ordinary Account plus the net amounts (if any) withdrawn for education and investment
IPO	:	Initial public offering
IPO Portfolio	:	The initial portfolio of Properties held by Elite Commercial REIT as at the Listing Date
IRAS	:	Inland Revenue Authority of Singapore
Jobcentre Plus	:	Jobcentre Plus, which is part of the DWP, is a government-funded employment agency and social security office whose aim is to help people of working age find employment in the UK
Jobseekers' Allowance	:	An unemployment benefit in the form of payment for those who are unemployed but are able and looking for work
Joint Issue Managers	:	Oversea-Chinese Banking Corporation Limited and UBS AG, Singapore Branch

Joint Bookrunners and Underwriters or Joint Bookrunners	:	Oversea-Chinese Banking Corporation Limited, UBS AG, Singapore Branch, CGS-CIMB Securities (Singapore) Pte. Ltd. and China International Capital Corporation (Singapore) Pte. Limited
km	:	Kilometre
Knight Frank	:	Knight Frank LLP
Latest Practicable Date	:	10 January 2020, being the latest practicable date prior to the lodgement of this Prospectus with the MAS
Lease Management Agreement	:	The lease management agreement dated 17 January 2020 entered into between the Manager and the Trustee
Lease Management Fee	:	The lease management fee payable to the Manager for leasing services as described in “Overview – Certain Fees and Charges
Lease Commissions	:	The commission payable to the Manager for leasing services as described in “Overview – Certain Fees and Charges”
Listing Date	:	The date of admission of Elite Commercial REIT to the Official List of the SGX-ST
Listing Manual	:	The Listing Manual of the SGX-ST
Loan Facilities	:	Elite Commercial REIT’s debt facilities aggregating £135.0 million
Lock-up Period	:	The First Lock-Up Period and the Second Lock-Up Period
Lock-up Units	:	The Units which are held by Ho Lee Group Trust, Sunway, Tan Hai Peng Micheal, Tan Dah Ching, Kan Phui Lin and the Other Private Trust Investors which are subject to the lock-up arrangement
LBTT	:	Land and Buildings Transaction Tax
LTT	:	Land Transaction Tax
m	:	Metre
Management Fee or Manager’s Management Fee	:	Base Fee and Performance Fee
Manager	:	Elite Commercial REIT Management Pte. Ltd., in its capacity as manager of Elite Commercial REIT
Mandatory Training	:	Mandatory training with the Singapore Institute of Directors in the roles and responsibilities of a director of a listed issuer as prescribed by the SGX-ST
Market Day	:	A day on which the SGX-ST is open for trading in securities

MiFID II	:	Markets in Financial Instruments Directive 2014/65/EU of the European Parliament and of the European Council
MoF	:	Ministry of Finance
NAV	:	Net asset value
Net Property Income or NPI	:	Revenue less property operating expenses
NIA	:	Net internal area
Nominating and Remuneration Committee	:	The nominating and remuneration committee of the Board
Offering	:	The offering of 114,686,200 Units by the Manager for subscription at the Offering Price under the Placement Tranche and the Singapore Public Offer
Offering Price	:	The subscription price of each Unit under the Offering, which is £0.68 per Unit
Offering Units	:	The 114,686,200 Units to be issued pursuant to the Offering
Ordinary Resolution	:	A resolution proposed and passed as such by a majority being greater than 50.0% of the total number of votes cast for and against such resolution at a meeting of Unitholders duly convened and held in accordance with the provisions of the Trust Deed
Other Private Trust Investors	:	The Private Trust Investors (other than Ho Lee Group Trust, Sunway, Tan Hai Peng Micheal, Tan Dah Ching and Kan Phui Lin)
Over-Allotment Option	:	An option granted by the Unit Lender to the Joint Bookrunners to purchase from the Unit Lender up to an aggregate of 6,617,300 Units at the Offering Price, solely to cover the over-allotment of Units (if any)
p.a.	:	Per annum
Participating Banks	:	Oversea-Chinese Banking Corporation Limited, DBS Bank Ltd. and United Overseas Bank Limited
PDPA	:	Personal Data Protection Act 2012, Singapore Act No. 26 of 2012
Performance Fee	:	25.0% of the difference in DPU in a financial year with the DPU in the preceding financial year (calculated before accounting for the Performance Fee but after accounting for the Base Fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year
Pierfront	:	Pierfront Capital Mezzanine Fund Pte. Ltd.

Pierfront Loan	:	The loan facility of US\$33.0 million entered into by ECHL with Pierfront
Placement Tranche	:	The international placement of Units to investors other than the Cornerstone Units
Private Trust Investors	:	The existing investors in the private trust known as Elite UK Commercial Fund, which is currently known as Elite Commercial REIT
Private Trust Units	:	Units held by the Private Trust Investors
Profit Forecast	:	The forecast results for Forecast Year 2020
Profit Projection	:	The projected results for Projection Year 2021
Projection Year 2021	:	1 January 2021 to 31 December 2021
Properties	:	The properties which are held by Elite Commercial REIT, and “ Property ” means any one of them
Property Funds Appendix	:	Appendix 6 of the CIS Code issued by the MAS in relation to REITs
Property Management Agreement	:	The property management agreement entered into between the Property Manager and Elite Gemstones Properties Limited on 16 November 2018
Property Holding Company	:	London Wall Outsourcing Investments Limited (now known as Elite Gemstones Properties Limited)
Property Management Fee	:	The property management fee payable to the Property Manager under the terms of the Property Management Agreement
Property Manager	:	Jones Lang LaSalle Limited
Purchase Consideration	:	The (i) the aggregate of the market capitalisation of Elite Commercial REIT and the notional loan amount at IPO (ii) less IPO-related transaction expenses and working capital
QEB	:	Quoted Eurobonds
RCHMC	:	Management Committee of Ren Ci Hospital and Medical Centre
Redemption	:	The redemption of a number of the Private Trust Units at the Offer Price after completion of the Sub-division
Recognised Stock Exchange	:	Any stock exchange of repute in any part of the world
Regulation S	:	Regulation S under the Securities Act
REIT	:	Real estate investment trust

Related Party	:	Refers to an Interested Person and/or, as the case may be, an Interested Party
Related Party Transactions	:	“Interested person transactions” in the Listing Manual and “interested party transactions” in the Property Funds Appendix
Rental Income	:	Comprises principally rental income received from rental of Properties
Reporting Auditors	:	KPMG LLP
RET	:	Real Estate Tax
Revenue	:	Consists of Gross Rental Income and service charge income from tenants
RM	:	Ringgit Malaysia, the lawful currency of Malaysia
ROFR	:	Right of first refusal
RSIL	:	Regal Sheen Investments Limited
S\$ or Singapore dollars and cents	:	Singapore dollars and cents, the lawful currency of the Republic of Singapore
Singapore Public Offer	:	The offering to the public in Singapore of 5,734,300 Units
SAF	:	Singapore Armed Forces
SDLT	:	Stamp Duty Land Tax
SDPB	:	Sime Darby Property Berhad
Schedule 5AAA	:	Schedule 5AAA of Taxation of Chargeable Gains Act 1992
Second Lock-up Period	:	The period immediately following the First Lock-up Period until the date falling 12 months after the Listing Date
Securities Account	:	Securities account or sub-account maintained by a Depositor (as defined in Section 130A of the Companies Act) with CDP
Securities Act	:	U.S. Securities Act of 1933, as amended
Securities and Futures Act or SFA	:	Securities and Futures Act, Chapter 289 of Singapore
Settlement Date	:	The date and time on which the Units are issued as settlement under the Offering
SGX-ST	:	Singapore Exchange Securities Trading Limited
Sponsors	:	Elite Partners Holdings Pte. Ltd., Ho Lee Group Pte. Ltd. and Sunway RE Capital Pte. Ltd.
Sponsors’ Group	:	The Sponsors and their subsidiaries

SPVs	:	Special purpose vehicles
sq ft	:	Square feet
sq m	:	Square metres
Stabilising Manager	:	UBS AG, Singapore Branch
Sub-division	:	The sub-division of the existing Units held by the Private Trust Investors as soon as practicable after registration of this Prospectus
Substantial Unitholder	:	Any Unitholder with an interest in one or more Units constituting not less than 5.0% of all Units in issue
Sunway	:	Sunway RE Capital Pte. Ltd.
Sunway ROFR	:	Right of first refusal provided by Sunway to Elite Commercial REIT
Sunway REIT	:	Sunway Real Estate Investment Trust
Take-over Code	:	Singapore Code on Take-overs and Mergers
Tax Exemption	:	The tax exemption under section 13(12) of the Income Tax Act in respect of foreign dividend and interest income that RSIL and Elite Commercial REIT will receive from ECHL
Tax Exempt Income	:	The foreign dividend and interest income that RSIL and Elite Commercial REIT will receive from ECHL
Total Project Costs	:	the sum of the following: • construction cost based on the project final account prepared by the project quantity surveyor or issued by the appointed contractor; • principal consultants' fees, including payments to the project's architect, civil and structural engineer, mechanical and electrical engineer, quantity surveyor and project manager; • the cost of obtaining all approvals for the project; • site staff costs; • interest costs on actual borrowings used to finance project cash flows (excluding equity capital) that are capitalised to the project in line with the International Financial Reporting Standards; and

- any other costs including contingency expenses which meet the definition of Total Project Costs and can be capitalised to the project in accordance with the International Financial Reporting Standards,

but for the avoidance of doubt, shall not include land costs (including but not limited to the acquisition price or underlying value of such land).

Trust Companies Act	:	Trust Companies Act, Chapter 336 of Singapore
Trust Deed	:	The trust deed dated 7 June 2018 entered into between the Manager and the Trustee constituting Elite Commercial REIT, and as may be amended, varied or supplemented from time to time
Trustee	:	Perpetual (Asia) Limited, in its capacity as trustee of Elite Commercial REIT
UAE	:	United Arab Emirates
UAE-PIRS	:	The UAE-SCA Board of Directors' Chairman Decision No. (3/R.M.) of 2017 on The Regulation of Promotion and Introduction
UAE-SCA	:	The Securities and Commodities Authority of UAE
UAE Mutual Funds Regulations	:	The UAE-SCA Board of Directors' Chairman Decision No. (9/R.M) of 2016 Concerning the Regulations as to Mutual Funds (as amended)
UK	:	United Kingdom
UK NRCGT	:	UK Non-Resident Capital Gains Tax
Unaudited Pro Forma Consolidated Financial Information	:	The period from 7 June 2018 (being the date of constitution) to 31 December 2018 and the eight months ended 31 August 2019 and pro forma balance sheet as at 31 December 2018 and 31 August 2019
Underwriting Agreement	:	The underwriting agreement dated 28 January 2020 entered into between the Manager, the Sponsors, the Unit Lender and the Joint Bookrunners
Underwriting, Selling and Management Commission	:	The underwriting, selling and management commission payable to the Joint Bookrunners for their services in connection with the Offering
Unit(s)	:	An undivided interest in Elite Commercial REIT as provided for in the Trust Deed
Unit Issue Mandate	:	The general mandate for the Manager to issue Units within certain limits until (i) the conclusion of the first annual general meeting of Elite Commercial REIT or (ii) the date by which first annual general meeting of Elite Commercial REIT is required by applicable regulations to be held, whichever is earlier

Unit Lenders	:	Ho Lee Group Trust, Sunway, Kim Seng Holdings Pte Ltd, Tan Hai Peng Micheal, Kan Phui Lin and Tan Dah Ching
Unit Lending Agreement	:	The unit lending agreement entered into between the Stabilising Manager (or any of its affiliates or other persons acting on behalf of the Stabilising Manager) and the Unit Lenders dated 28 January 2020 in connection with the Over-Allotment Option
Unitholder(s)	:	The registered holder for the time being of a Unit including persons so registered as joint holders, except that where the registered holder is CDP, the term “Unitholder” shall, in relation to Units registered in the name of CDP, mean, where the context requires, the depositor whose Securities Account with CDP is credited with Units
Unitholding	:	The holding of Units by a Unitholder
Unit Registrar	:	Boardroom Corporate & Advisory Services Pte. Ltd.
United States or U.S.	:	United States of America
VAT	:	Value-added tax
VIT	:	Viva Industrial Trust
WALE	:	Weighted average lease expiry
WAULT	:	Weighted average unexpired lease term
WHT	:	Withholding tax

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Prospectus to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any reference to a time of day in this Prospectus is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables, graphs and charts between the listed amounts and totals thereof are due to rounding.

Information contained in the Manager’s website does not constitute part of this Prospectus.

REPORTING AUDITORS' REPORT ON THE PROFIT FORECAST AND PROFIT PROJECTION

The Board of Directors
Elite Commercial REIT Management Pte. Ltd.
(as the Manager of Elite Commercial REIT)
9 Temasek Boulevard
#17-01 Suntec Tower Two
Singapore 038989

Perpetual (Asia) Limited
(in its capacity as Trustee of Elite Commercial REIT)
8 Marina Boulevard
#05-02 Marina Bay Financial Centre
Singapore 018981

28 January 2020

Dear Sirs

Letter from the reporting accountants on the profit forecast for the year ending 31 December 2020 and the profit projection for the year ending 31 December 2021

This letter has been prepared for inclusion in the prospectus (the "Prospectus") to be issued in connection with the offering of 192,514,100 units in Elite Commercial REIT (the "Trust") and its subsidiaries (the "Group") at the offering price of £0.68 per Unit (the "Offering").

The directors of Elite Commercial REIT Management Pte. Ltd. (the "Directors") are responsible for the preparation and presentation of the forecast statements of comprehensive income and distribution for the year ending 31 December 2020 (the "Profit Forecast") and the year ending 31 December 2021 (the "Profit Projection") as set out on page 119 of the Prospectus, which have been prepared on the basis of the assumptions set out on pages 120 to 123 of the Prospectus.

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The firm applies Singapore Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have examined the Profit Forecast of the Group for the year ending 31 December 2020 and the Profit Projection for the year ending 31 December 2021 as set out on page 119 of the Prospectus in accordance with Singapore Standard on Assurance Engagements ("SSAE") 3400 *The Examination of Prospective Financial Information*. The Directors are solely responsible for the Profit Forecast and Profit Projection including the assumptions set out on pages 120 to 123 of the Prospectus on which they are based.

Profit Forecast

Based on our examination of the evidence supporting the relevant assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Forecast. Further, in our opinion the Profit Forecast, so far as the accounting policies and calculations are concerned, is properly prepared on the basis of the assumptions, is consistent with the accounting policies set out on pages C-18 to C-30 of the Prospectus, and is presented in accordance with the applicable presentation principles of International Financial Reporting Standards (but not all the required disclosures) issued by the International Accounting Standards Board ("IASB"), which is the framework adopted by the Group in the preparation of its financial statements.

Profit Projection

The Profit Projection is intended to show a possible outcome based on the stated assumptions. As the length of the period covered by the Profit Projection extends beyond the period covered by the Profit Forecast, the assumptions used in the Profit Projection (which include hypothetical assumptions about future events which may not necessarily occur) are more subjective than would be appropriate for a profit forecast. The Profit Projection does not therefore constitute a profit forecast.

Based on our examination of the evidence supporting the relevant assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Projection. Further, in our opinion the Profit Projection, so far as the accounting policies and calculations are concerned, is properly prepared on the basis of the assumptions, is consistent with the accounting policies set out on pages C-18 to C-30 of the Prospectus, and is presented in accordance with the applicable presentation principles of International Financial Reporting Standards (but not all the required disclosures) issued by the IASB, which is the framework adopted by the Group in the preparation of its financial statements.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the hypothetical assumptions occur, actual results are still likely to be different from the Profit Projection since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those projected. For the reasons set out above, we do not express any opinion as to the possibility of achievement of the Profit Forecast and Profit Projection.

Attention is drawn, in particular, to the risk factors set out on pages 67 to 95 of the Prospectus which describe the principal risks associated with the Offering, to which the Profit Forecast and Profit Projection relate and the sensitivity analysis of the Profit Forecast and Profit Projection set out on pages 123 and 124 of the Prospectus.

Yours faithfully

KPMG LLP

*Public Accountants and
Chartered Accountants
Singapore*

(Partner-in-charge: Lo Mun Wai)

REPORTING AUDITORS' REPORT ON THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Elite Commercial REIT Management Pte. Ltd.
(in its capacity as Manager of Elite Commercial REIT)
9 Temasek Boulevard
#17-01 Suntec Tower Two
Singapore 038989

Perpetual (Asia) Limited
(in its capacity as Trustee of Elite Commercial REIT)
8 Marina Boulevard
#05-02 Marina Bay Financial Centre
Singapore 018981

28 January 2020

We have completed our assurance engagement to report on the compilation of pro forma financial information of Elite Commercial REIT (the “**Trust**”) by Elite Commercial REIT Management Pte. Ltd. (the “**Manager**”). The pro forma consolidated financial information of the Trust and its subsidiaries (the “**Group**”) consists of the pro forma consolidated statements of financial position as at 31 December 2018 and 31 August 2019, the pro forma consolidated statements of comprehensive income for the periods from 7 June 2018 (date of constitution) to 31 December 2018 and the eight months ended 31 August 2019, the pro forma statements of cash flows for the period from 7 June 2018 (date of constitution) to 31 December 2018 and the eight months ended 31 August 2019, and related notes (the “**Unaudited Pro Forma Consolidated Financial Information**”) as set out in Appendix C of the prospectus (the “**Prospectus**”) to be issued in connection with the offering of units in the Trust (the “**Offering**”). The unaudited pro forma consolidated financial information of the Group has been prepared for illustrative purposes only and are based on certain assumptions, after making certain adjustments. The applicable criteria (the “**Criteria**”) on the basis of which the Manager has compiled the pro forma financial information are described in Section B of Appendix C of the Prospectus.

The pro forma consolidated financial information has been compiled by the Manager to illustrate:

- (a) the impact on the Group’s financial position as at 31 December 2018 as if (i) the Group had completed the proposed issuance of new units in the Trust and the Trust was converted to a public trust; and (ii) the credit facilities as set out in note 6 of Section D of Appendix C of the Prospectus were in place to fund the redemption of certain units in the Trust and repayment of certain existing borrowings, as described in Section B of Appendix C of the Prospectus, on 31 December 2018. The transactions described above are hereinafter collectively referred to as the “**Transactions**”;
- (b) the impact on the Group’s financial position as at 31 August 2019 as if (i) the Group had completed the Transactions and (ii) the Trust had declared distributions to its unitholders prior to it being converted to a public trust, on 31 August 2019;
- (c) the impact on the Group’s comprehensive income for the period from 7 June 2018 (date of constitution) to 31 December 2018 and the eight months ended 31 August 2019 as if (i) the Group had completed the Transactions; and (ii) the fee arrangements as set out in Section E of Appendix C (the “**Fee Arrangement**”) were in place, on 16 November 2018 (being the date the Trust had acquired its subsidiary which owns the underlying properties in the Group);

- (d) the impact on the Group's cash flows for the period from 7 June 2018 (date of constitution) to 31 December 2018 as if (i) the Group had completed the Transactions; and (ii) the Fee Arrangements were in place, on 16 November 2018; and
- (e) the impact on the Group's cash flows for the eight months ended 31 August 2019 as if (i) the Group had completed the Transactions on 16 November 2018, (ii) the Fee Arrangements were in place on 16 November 2018; and (iii) the Trust had declared distributions to its unitholders during the eight months ended 31 August 2019.

The dates on which the transactions described above are assumed to have been undertaken, are hereinafter collectively referred to as the "**Relevant Dates**".

As part of this process, information about the Group's financial position, comprehensive income and cash flows has been extracted by the Manager from the financial statements of the Group for the period from 7 June 2018 (date of constitution) to 31 December 2018 and the eight months ended 31 August 2019, on which audit reports have not been published.

The Manager's responsibility for the pro forma financial information

The Manager is responsible for compiling the pro forma financial information on the basis of the Criteria.

Reporting auditors' independence and quality control

We have complied with the independence and other ethical requirement of the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Singapore Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting auditors' responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the Manager on the basis of the Criteria.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (SSAE) 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Institute of Singapore Chartered Accountants (the ISCA). This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Manager has compiled, in all material respects, the pro forma financial information on the basis of the Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at the Relevant Dates would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the Criteria involves performing procedures to assess whether the Criteria used by the Manager in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those Criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to his understanding of the nature of the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the pro forma financial information has been compiled:
 - (i) in a manner consistent with the accounting policies to be adopted by the Group; and
 - (ii) on the basis of the Criteria stated in Section B of Appendix C of the Prospectus; and
- (b) each material adjustment made to the information used in the preparation of the Unaudited Pro Forma Financial Information is appropriate for the purpose of preparing such unaudited financial information.

This report has been prepared for inclusion in the Prospectus of the Trust to be issued in connection with the initial public offering of the units in the Trust.

KPMG LLP

*Public Accountants and
Chartered Accountants*
Singapore

(Partner-in-charge: Lo Mun Wai)

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UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

A INTRODUCTION

The Unaudited Pro Forma Consolidated Financial Information has been prepared for inclusion in the prospectus (the “Prospectus”) to be issued in connection with the proposed offering of units representing the undivided interests in Elite Commercial REIT as described below.

Elite Commercial REIT was constituted on 7 June 2018. Elite Commercial REIT is established with the investment strategy of principally investing, directly or indirectly, in commercial assets and real estate-related assets in United Kingdom (“UK”). Its objectives are to provide unitholders of Elite Commercial REIT (“Unitholders”) with regular and stable distributions and to achieve long-term growth in distribution per unit (“DPU”) and net asset value per unit, while maintaining an appropriate capital structure. Elite Commercial REIT Management Pte. Ltd. is the manager of Elite Commercial REIT (the “Manager”) and Perpetual (Asia) Limited is the trustee of Elite Commercial REIT (the “Trustee”).

The Manager of Elite Commercial REIT is making an offering 114,686,200 units (the “Offering”) in Elite Commercial REIT (the “Units”) at an issue price of £0.68 per Unit (the “Offering Price”). The Offering consists of (i) an international placement of 108,951,900 Units to investors, outside of United States of America, and (ii) an offering of 5,734,300 Units to the public in Singapore. As soon as practicable after the registration of this Prospectus, the 95,000,000 of the existing Units held by the Private Trust Investors will be sub-divided (the “Sub-division”) so that the total number of Units held by the Private Trust Investors is 167,521,580 Units (“Private Trust Units”). After completion of the Sub-division, a number of the Private Trust Units will be redeemed at the Offering Price so that the total number of Units in issue and held by the Private Trust Investors prior to the Offering is 139,705,895. In addition, concurrently with, but separate from the Offering, cornerstone investors have entered into a separate subscription agreement to subscribe for an aggregate of 77,827,900 Units at the Offering Price.

The initial portfolio of Elite Commercial REIT as at the Offering Date comprises 97 commercial buildings located across the UK as set out below. Of the 97 properties, 96 properties are freehold properties and one property is on a long leasehold tenure expiring on 19 May 2255.

London and South East

1. Nutwood House, Canterbury	2. Broadlands House, Newport (IOW)
3. Beaufort House, Harlow	4. Crown House, Chatham
5. High Road, Ilford	6. Crown House, Worthing
7. The Forum, Stevenage	8. Palting House, Folkestone
9. Crown Buildings, Colchester	10. Crown Building, Banbury
11. St Andrew’s House, Bury St Edmunds	12. Wyvern House, Bedford
13. Gloucester House, Bognor Regis	14. Rishton House, Lowestoft
15. South Western House, Aldershot	16. East Street, Epsom

South West

17. Spring Gardens House, Swindon	18. Brendon House, Taunton
19. Lodge House, Bristol	20. St Paul's House, Chippenham
21. Cotswold House, Torquay	22. Regent House, Weston Super Mare
23. Summerlock House, Salisbury	24. Monks Park Avenue, Bristol
25. Kent Street, Bristol	

Midlands

26. Holborn House, Derby	27. Lothersdale House, Wellingborough
28. Upper Huntbach Street, Stoke On Trent	29. Crown House, Grantham
30. Beecroft Road, Cannock	31. Crown Buildings, Ilkeston
32. Tannery House, Alfreton	33. Acacia Walk, Nottingham
34. Crown House, Burton On Trent	

Yorkshire & Humber

35. Elder House, Northallerton	36. Low Hall, Pontefract
37. Crown Buildings, Mexborough	38. Mulberry House, Goole

North East

39. St Andrew's House, Hexham	40. Ward Jackson House, Hartlepool
41. Hadrian House, Eston	42. Broadway House, Houghton Le Spring
43. John Street, Sunderland	44. Reiverdale House, Ashington
45. Hatfield House, Peterlee	46. St John's Square, Seaham
47. Norham House, Berwick Upon Tweed	

North West

48. Peel Park, Blackpool	49. Hilden House, Warrington
50. Blackburn Road, Burnley	51. Mitre House, Lancaster
52. Heron House, Stockport	53. Duchy House, Preston
54. Palatine House, Preston	55. St Martin's House, Bootle
56. Wilmslow Road, Manchester	57. Beech House, Hyde
58. Lee-Moran House, Burnley	59. Roydale House, Leigh
60. Hougoumount House, Liverpool	61. Springfield House, Liverpool
62. Silver Street, Bury	63. Roskell House, Fleetwood

Scotland

64. Glasgow Benefits Centre, Glasgow	65. Parklands, Falkirk
66. Atlas Road, Glasgow	67. Coustonholm Road, Glasgow
68. Bowling Green Street, Bellshill	69. Wallacetoun House, Ayr
70. Claverhouse Industrial Park, Dundee	71. Crown Building, Kilmarnock
72. Flemington House, Motherwell	73. Whitburn Road, Bathgate
74. Heron House, Falkirk	75. Pollokshaws Road, Glasgow
76. Trinity Road, Elgin	77. Discovery House, Stornoway
78. St John Street, Stranraer	79. Hall Street, Campbeltown
80. Castlestead House, Montrose	81. High Street, Dingwall
82. Bayfield Road, Portree	83. Waggon Road, Leven

Wales

84. Parc Menai, Bangor	85. Crown Buildings, Bridgend
86. High Street, Swansea	87. Crown Buildings, Caerphilly
88. Cleddau Bridge Business Park, Pembroke Dock	89. Crown Buildings, Aberdare
90. Oldway House, Swansea	91. Thistle House, Tonypany
92. Bridge Street, Llangefni	93. Quay Street, Haverfordwest
94. Hannah Street, Porth	95. Crown Buildings, Abertillery
96. Dock Street, Porthcawl	97. Maengwyn Street, Machynlleth

Each property is referred to as a “Property”, and collectively referred to as the “Properties”. Jones Lang LaSalle Limited has been appointed as the property manager for the Properties (the “Property Manager”).

Details on the Manager’s management fees, the Trustee’s fee, the Property Manager’s management fees, lease management fee and lease commissions paid to the Manager are set out in Section E.

B BASIS OF PREPARATION OF UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The unaudited pro forma financial information set out in this report has been prepared for illustrative purposes only and based on certain assumptions, after making certain adjustments, and shows the Unaudited Pro Forma Consolidated Statements of Financial Position of Elite Commercial REIT and its subsidiaries (the “Group”) as at the 31 December 2018 and 31 August 2019, the Unaudited Pro Forma Consolidated Statements of Comprehensive Income of the Group for the period from 7 June 2018 to 31 December 2018 and the eight months ended 31 August 2019 and the Unaudited Pro Forma Consolidated Statements of Cash Flows of the Group for the period from 7 June 2018 to 31 December 2018 and the eight months ended 31 August 2019.

Elite Commercial REIT was constituted on 7 June 2018. It acquired the subsidiaries which own the underlying Properties only on 16 November 2018 (“Acquisition Date”). Accordingly, the Unaudited Pro Forma Consolidated Statement of Comprehensive Income and Unaudited Pro Forma Consolidated Statement of Cash Flows of the Group for the period from 7 June 2018 to 31 December 2018 only reflect the results and cash flows of the Properties for the period from the Acquisition Date to 31 December 2018. The pro forma financial information prior to the Acquisition Date has not been presented as:

- i. Elite Commercial REIT completed the acquisition of all the Properties on 16 November 2018

Elite Commercial REIT completed the acquisition of all the Properties on 16 November 2018 from an unrelated third-party vendor. While Elite Commercial REIT acquired the property holding company, London Wall Outsourcing Investments Limited (the “Property Holding Company”), the vendor which sold the Properties to Elite Commercial REIT did not warrant the accuracy of the underlying historical financials and operating data prior to the date of acquisition of the Properties.

- ii. the Property Holding Company underwent restructuring by the then vendor before the completion of the acquisition

Prior to the acquisition of the Property Holding Company, the Property Holding Company held 71 other properties. The Property Holding Company was restructured by the vendor to transfer such other properties out of the Property Holding Company. Accordingly, the financial information of the Property Holding Company is comingled with the financial information of such other properties which have been transferred out of the Property Holding Company.

- iii. the existing fund investors of Elite UK Commercial Fund (the “Private Trust Investors”) are not willing to provide representations and warranties

Elite Commercial REIT was constituted on 7 June 2018 as a private trust known as Elite UK Commercial Fund. The Private Trust Investors are not willing and commercially not agreeable to warrant the accuracy of historical financial information on the Properties prior to the acquisition by Elite UK Commercial Fund.

The Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 December 2018 reflect the financial position of the Group, assuming (i) the Group had completed the proposed issuance of new units in the Trust and the Trust was converted to a public trust; and (ii) the credit facilities as set out in note 6 of Section D were in place to fund the redemption of certain units in the Trust and repayment of certain existing borrowings, on 31 December 2018. The transactions described above are hereinafter collectively referred to as the “Transactions”.

The Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 August 2019 reflect the financial position of the Group, assuming (i) the Group had completed the Transactions; and (ii) the Trust had declared distributions to its unitholders prior to it being converted to a public trust, on 31 August 2019.

The Unaudited Pro Forma Consolidated Statements of Comprehensive Income for period from 7 June 2018 to 31 December 2018 and the eight months ended 31 August 2019 reflect the financial performance of the Group, assuming (i) the Group had completed the Transactions; and (ii) the fee arrangements as set out in Section E (the “Fee Arrangement”) were in place, on 16 November 2018 (being the date the Trust had acquired its subsidiary which owns the underlying properties in the Group).

The Unaudited Pro Forma Consolidated Statement of Cash Flows for the period from 7 June 2018 to 31 December 2018 reflect the cash flows of the Group, assuming (i) the Group had completed the Transactions; and (ii) the Fee Arrangements were in place, on 16 November 2018.

The Unaudited Pro Forma Consolidated Statement of Cash Flows for the eight months ended 31 August 2019 reflect the cash flows of the Group, assuming (i) the Group had completed the Transactions on 16 November 2018, (ii) the Fee Arrangements were in place on 16 November 2018; and (iii) the Trust had declared distributions to its unitholders during the eight months ended 31 August 2019.

The Unaudited Pro Forma Consolidated Statements of Financial Position, Unaudited Pro Forma Consolidated Statements of Comprehensive Income and Unaudited Pro Forma Consolidated Statements of Cash Flows (collectively, the “Unaudited Pro Forma Financial Information”) have been prepared on the basis of the accounting policies set out in Section D and is to be read in conjunction with Section E.

The objective of the Unaudited Pro Forma Financial Information is to show what the financial position, financial performance and cash flows might have been, had the Group undertaken the transactions as described above at an earlier date. However, the Unaudited Pro Forma Financial Information is not necessarily indicative of the financial position, financial performance and cash flows that would have been attained had the Group actually undertaken the transactions described above, earlier.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its nature, may not give a true picture of the Group’s actual financial position, financial performance or cash flows.

In preparing the Unaudited Pro Forma Financial Information of the Group for the period from 7 June 2018 to 31 December 2018 and the eight months ended 31 August 2019, certain assumptions have been applied on the audited financial statements of the Group for the period from 7 June 2018 to 31 December 2018 and the eight months ended 31 August 2019 (together, the “Audited Financial Statements”). The Audited Financial Statements were prepared in accordance with International Financial Reporting Standards and were audited by KPMG Singapore in accordance with auditing standards generally accepted in Singapore. The auditors’ reports on the Audited Financial Statements, which were not published, were not subject to any qualifications, modifications or disclaimers.

The Unaudited Pro Forma Financial Information has been compiled from the Audited Financial Statements disclosed above and is prepared on the basis of the accounting policies set out in Section D and is to be read in conjunction with Section E.

Unaudited Pro Forma Consolidated Statements of Financial Position

The Unaudited Pro Forma Consolidated Statements of Financial Position of the Group as at 31 December 2018 and 31 August 2019 are prepared for illustrative purposes only, after making certain assumptions, to reflect the financial position of the Group as if the Group had completed the Offering and became a public trust, redeemed part of the existing Units in Elite Commercial REIT and refinanced its existing borrowings, on 31 December 2018 and 31 August 2019 respectively, under the same terms set out in the Prospectus.

In arriving at the Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 December 2018, the following key assumptions were made:

1. Adjustments to reflect (i) the drawdown of new borrowings of £181,000,000 by the Group and the related transaction costs incurred of £1,639,000, prior to the Listing Date; (ii) the repayment of existing borrowings (including interest payable) of £205,427,000; (iii) the write off of the remaining unamortised transaction costs and interest accretion relating to the existing borrowings; (iv) the derecognition of the embedded derivative relating to the Group's existing borrowings; and (v) the termination of interest rate swaps entered into prior to the Listing Date; and
2. Adjustments to reflect (i) the issuance of 192,514,100 Units at the Offering Price amounting to £130,910,000 and the related issuance costs of £8,305,000; (ii) the partial repayment of the new borrowings in 1(i) above (including interest payable) amounting to £78,255,000; (iii) the payment for commitment fees of £126,000; (iv) the write off of the remaining unamortised transaction costs relating to the repayment of borrowings; and (v) the redemption of 27,815,685 Units held by the Private Trust Investors at £0.68 per Unit, amounting to £18,915,000, and cancellation of the Units redeemed.

In arriving at the Unaudited Pro Forma Consolidated Statement of Financial Position as at 31 August 2019, the following key assumptions were made:

1. Adjustments to reflect (i) the drawdown of new borrowings of £181,000,000 by the Group and the related transaction costs incurred of £1,639,000, prior to the Listing Date; (ii) the repayment of existing borrowings (including interest payable) of £208,278,000; (iii) the write off of the remaining unamortised transaction costs and interest accretion relating to the existing borrowings; (iv) the derecognition of the embedded derivative relating to the Group's existing borrowings; and (v) the termination of interest rate swaps entered into prior to the Listing Date;
2. Adjustment to reflect the distribution of £4,695,000 to the Private Trust Investors prior to the Listing Date; and
3. Adjustments to reflect (i) the issuance of 192,514,100 Units at the Offering Price amounting to £130,910,000 and the related issuance costs of £8,305,000; (ii) the partial repayment of the new borrowings in 1(i) above (including interest payable) amounting to £78,253,000; (iii) the payment for commitment fees of £126,000; (iv) the write off of the remaining unamortised transaction costs relating to the repayment of borrowings; and (v) the redemption of 27,815,685 Units held by the Private Trust Investors at 0.68 per Unit, amounting to £18,915,000, and cancellation of the Units redeemed.

In addition to the assumptions set out above, the following key assumptions were made:

- The exchange rates are assumed to be as follows:

	31 December 2018	31 August 2019
Pound Sterling (£) and Singapore Dollars (S\$)	£1: S\$1.73	£1: S\$1.69

Unaudited Pro Forma Consolidated Statements of Comprehensive Income

The Unaudited Pro Forma Consolidated Statements of Comprehensive Income have been prepared to reflect the financial performance of the Group, assuming the Group had completed the Offering and became a public trust, redeemed part of the existing Units in Elite Commercial REIT and refinanced its existing borrowings on 7 June 2018, pursuant to the terms set out in the Prospectus.

In arriving at the Unaudited Pro Forma Consolidated Statement of Comprehensive Income for the period from 7 June 2018 (date of constitution) to 31 December 2018, the following key assumptions and adjustments were made:

1. Adjustments to (i) reverse the Manager's management fees and the Trustee's fee that existed prior to the Offering; (ii) reflect the Manager's management fee, lease management fee and the Trustee's fee based on the formulae as set out in Section E; (iii) reflect the trust expenses arising from Elite Commercial REIT being converted to a public trust; and (iv) reflect the related tax effects on the adjustments as described above;
2. Adjustments to (i) reverse the finance costs (including amortisation of debt upfront costs) relating to the borrowings that existed prior to the Offering of £1,638,000; and (ii) reflect the finance costs (including commitment fees and amortisation of debt related transaction costs) relating to the new borrowings to be drawn down by the Group at the Listing Date of £462,000; and
3. Adjustment to reflect the portion of issuance costs, amounting to £1,853,000, charged to profit or loss.

In arriving at the Unaudited Pro Forma Consolidated Statement of Comprehensive Income for the eight months ended 31 August 2019, the following key assumptions and adjustments were made:

1. Adjustments to (i) reverse the Manager's management fees and the Trustee's fee that existed prior to the Offering; (ii) reflect the Manager's management fee, lease management fee and the Trustee's fee based on the formulae as set out in Section E; (iii) reflect the trust expenses arising from Elite Commercial REIT being converted to a public trust; and (iv) reflect the related tax effects on the adjustments as described above; and
2. Adjustments to (i) reverse the finance costs (including amortisation of debt upfront costs) relating to the borrowings that existed prior to the Offering of £9,851,000; and (ii) reflect the finance costs (including amortisation of debt related transaction costs) relating to the new borrowings to be drawn down by the Group at the Listing Date of £1,788,000.

In addition to the assumptions set out above, the following key assumptions were made:

- The Manager's management fees are payable in units.
- No performance fee and lease commissions are payable for the periods presented.
- The borrowings drawn down by the Group bore interest at an effective interest rate of 2.61% and 2.60%, including debt-related upfront fee and transaction costs, for the period ended 31 December 2018 and 31 August 2019, respectively.
- The exchange rates are assumed to be as follows:

	Period from 7 June 2018 (date of constitution) to 31 December 2018	Period from 1 January 2019 to 31 August 2019
£ and S\$	£1: S\$1.73	£1: S\$1.69

Unaudited Pro Forma Consolidated Statements of Cash Flows

The Unaudited Pro Forma Consolidated Statements of Cash Flows have been prepared to reflect the cash flows of the Group, assuming the Group had completed the Offering and became a public trust, redeemed part of the existing Units in Elite Commercial REIT and refinanced its existing borrowings on the Acquisition Date, pursuant to the terms set out in the Prospectus.

In arriving at the Unaudited Pro Forma Consolidated Statements of Cash Flows for the period from 7 June 2018 (date of constitution) to 31 December 2018, the following key assumptions were made:

1. Adjustments to reflect (i) the drawdown of new borrowings of £181,000,000 by the Group and the related transaction costs incurred of £1,639,000; (ii) the repayment of existing borrowings of £203,425,000; and (iii) the release of restricted cash balance of £5,261,000, following the repayment of the borrowings as described above and inclusion of the restricted cash balance of £1,184,000 arising from the new borrowings drawn down;
2. Adjustments to reflect (i) the proceeds arising from the issuance of 192,514,100 new Units at the Offering Price amounting to £130,910,000 and the related issuance costs (inclusive of goods and service taxes) of £8,305,000; (ii) the redemption and cancellation of 27,815,685 Units held by the Private Trust Investors at £18,915,000; (iii) the repayment of new borrowings amounting to £77,800,000; and (iv) the payment for commitment fees of £126,000; and
3. Adjustments to (i) reverse the Manager's management fee and the Trustee's fee that existed prior to the Offering; (ii) reflect the Manager's management fee, lease management fee and the Trustee's fee based on the new formulae set out in Section E; (iii) reflect the trust expenses arising from Elite Commercial REIT being converted to a public trust; (iv) reverse the finance costs (including amortisation of debt upfront costs) relating to the borrowings that existed prior to the Offering of £1,638,000; (v) reflect the finance costs (including commitment fees and amortisation of debt related transaction costs) on the new borrowings drawn down by the Group of £462,000; and (vi) reflect the portion of issuance costs, amounting to £1,853,000, charged to profit or loss.

In arriving at the Unaudited Pro Forma Consolidated Statements of Cash Flows for the eight months ended 31 August 2019, the following key assumptions were made:

1. Adjustments to reflect the cash balance brought forward from 31 December 2018 of £5,740,000;
2. Adjustments to reflect (i) the settlement of interest payable on the Group's new borrowings; (ii) the release of restricted cash balance of £11,335,000; and (iii) the distribution of £4,695,000 to the Private Trust Investors; and
3. Adjustments to (i) reverse the Manager's management fee and the Trustee's fee that existed prior to the Offering; (ii) reflect the Manager's management fee, lease management fee and the Trustee's fee based on the new formulae set out in Section E; (iii) reflect the trust expenses arising from Elite Commercial REIT being converted to a public trust; (iv) reverse the finance costs (including amortisation of debt upfront costs) relating to the borrowings that existed prior to the Offering of £9,851,000; and (v) reflect the finance costs (including amortisation of debt related transaction costs) on the new borrowings drawn down by the Group of £1,788,000.

In addition to the assumptions described above, the following key assumptions were made:

- The Manager's management fee and lease management fee are payable in units.
- No performance fee and lease commissions are payable for the periods presented.
- The borrowings drawn down by the Group bore interest at an effective interest rate of 2.61% and 2.60%, including debt-related upfront fee and transaction costs, for the period ended 31 December 2018 and 31 August 2019, respectively.
- The exchange rates are assumed to be as follows:

	Period from 7 June 2018 (date of constitution) to 31 December 2018	Period from 1 January 2019 to 31 August 2019
£ and S\$	£1: S\$1.73	£1: S\$1.69

C UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

Unaudited Pro Forma Consolidated Statements of Financial Position

The Unaudited Pro Forma Consolidated Statements of Financial Position as at 31 December 2018 and 31 August 2019 have been prepared for inclusion in the Prospectus and are presented below.

As at 31 December 2018

		Audited Statement of Financial Position £'000	Pro Forma Adjustments Note (1) £'000	Note (2) £'000	Unaudited Pro Forma Statement of Financial Position £'000
	Note				
Non-current assets					
Investment properties	3	289,463	–	–	289,463
		289,463	–	–	289,463
Current assets					
Trade and other receivables	4	1,995	–	430	2,425
Cash and cash equivalents	5	8,638	(26,253)	25,309	7,694
		10,633	(26,253)	25,739	10,119
Total assets		300,096	(26,253)	25,739	299,582
Non-current liabilities					
Loans and borrowings	6	199,500	(20,139)	(77,773)	101,588
Financial derivatives		2,005	(2,005)	–	–
Deferred tax liabilities	7	1,263	–	–	1,263
		202,768	(22,144)	(77,773)	102,851
Current liabilities					
Trade and other payables	8	2,988	(751)	–	2,237
Current tax liabilities		2,301	–	–	2,301
		5,289	(751)	–	4,538
Total liabilities (excluding net assets attributable to unitholders)		208,057	(22,895)	(77,773)	107,389
		92,039	(3,358)	103,512	192,193
Net assets attributable to unitholders/ Unitholders' funds	9	92,039	(3,358)	103,512	192,193

Notes to pro forma adjustments:

- Adjustments to reflect (i) the drawdown of new borrowings by the Group and the related transaction costs incurred prior to the Listing Date; (ii) the repayment of existing borrowings (including interest payable); (iii) the write off of the remaining unamortised transaction costs and interest accretion relating to the existing borrowings; (iv) the derecognition of the embedded derivative relating to the Group's existing borrowings; and (v) the termination of interest rate swaps entered into prior to the Listing Date; and
- Adjustments to reflect (i) the issuance of 192,514,100 Units at the Offering Price amounting to £130,910,000 and the related issuance costs of £8,305,000; (ii) the partial repayment of the new borrowings (including interest payable); (iii) the payment for commitment fee; (iv) the write off of the remaining unamortised transaction costs relating to the repayment of borrowings; and (v) the redemption of 27,815,685 Units held by the Private Trust Investors at £0.68 per Unit, and cancellation of the Units redeemed.

As at 31 August 2019

	Note	Audited Statement of Financial Position £'000	Pro Forma Adjustments			Unaudited Pro Forma Statement of Financial Position £'000
			Note (1) £'000	Note (2) £'000	Note (3) £'000	
Non-current assets						
Investment properties	3	295,968	–	–	–	295,968
		295,968	–	–	–	295,968
Current assets						
Trade and other receivables	4	381	–	–	430	811
Cash and cash equivalents	5	19,748	(30,097)	(4,695)	25,311	10,267
		20,129	(30,097)	(4,695)	25,741	11,078
Total assets		316,097	(30,097)	(4,695)	25,741	307,046
Non-current liabilities						
Loans and borrowings	6	202,811	(23,450)	–	(77,773)	101,588
Financial derivatives		4,018	(4,018)	–	–	–
Deferred tax liabilities	7	2,462	–	–	–	2,462
		209,291	(27,468)	–	(77,773)	104,050
Current liabilities						
Trade and other payables	8	8,355	(2,474)	–	–	5,881
Current tax liabilities		914	–	–	–	914
		9,269	(2,474)	–	–	6,795
Total liabilities (excluding net assets attributable to unitholders)		218,560	(29,942)	–	(77,773)	110,845
		97,537	(155)	(4,695)	103,514	196,201
Net assets attributable to unitholders/ Unitholders' funds	9	97,537	(155)	(4,695)	103,514	196,201

Notes to pro forma adjustments:

- Adjustments to reflect (i) the drawdown of new borrowings by the Group and the related transaction costs incurred prior to the Listing Date; (ii) the repayment of existing borrowings (including interest payable); (iii) the write off of the remaining unamortised transaction costs and interest accretion relating to the existing borrowings; (iv) derecognition of the embedded derivative relating to the Group's existing borrowings; and (v) the termination of interest rate swaps entered into prior to the Listing Date;
- Adjustments to reflect the distribution of £4,695,000 to the Private Trust Investors prior to the Listing Date; and
- Adjustments to reflect (i) the issuance of 192,514,100 Units at the Offering Price amounting to £130,910,000 and the related issuance costs of £8,305,000; (ii) the partial repayment of the new borrowings (including interest payable); (iii) the payment for the commitment fee; (iv) the write off of the remaining unamortised transaction costs relating to the repayment of borrowings; and (v) the redemption of 27,815,685 Units held by the Private Trust Investors at £0.68 per Unit, and cancellation of the Units redeemed.

Unaudited Pro Forma Consolidated Statements of Comprehensive Income

The Unaudited Pro Forma Consolidated Statements of Comprehensive Income of the Group for the period from 7 June 2018 (date of constitution) to 31 December 2018 and the eight months ended 31 August 2019 have been prepared for inclusion in the Prospectus and are presented below.

Period from 7 June 2018 (date of constitution) to 31 December 2018

	Note	Audited Statement of Comprehensive Income*	Pro Forma Adjustments			Unaudited Pro Forma Statement of Comprehensive Income
			Note (1)	Note (2)	Note (3)	
		£'000	£'000	£'000	£'000	£'000
Revenue	11	2,862	–	–	–	2,862
Property operating expenses		(51)	(29)	–	–	(80)
Net property income		2,811	(29)	–	–	2,782
Manager's management fees		(481)	324	–	–	(157)
Trustee's fees		(24)	(36)	–	–	(60)
Other operating expenses		(367)	(209)	–	(1,853)	(2,429)
Finance income	12	8	–	–	–	8
Finance costs	12	(1,638)	–	1,176	–	(462)
Net finance costs		(1,630)	–	1,176	–	(454)
Net income/(loss)		309	50	1,176	(1,853)	(318)
Net change in fair value of investment properties		(1,462)	–	–	–	(1,462)
Loss before tax	13	(1,153)	50	1,176	(1,853)	(1,780)
Tax expense	14	(1,552)	40	–	–	(1,512)
Loss after tax		(2,705)	90	1,176	(1,853)	(3,292)

* The Trust was constituted on 7 June 2018 and remained inactive with minimal expenses incurred prior to its acquisition of the Properties on 16 November 2018 (the "Acquisition Date"). Accordingly, the results presented mainly reflect the results of the Group from the Acquisition Date to 31 December 2018.

Notes to pro forma adjustments:

- Adjustments to (i) reverse the Manager's management fees and the Trustee's fee that existed prior to the Offering; (ii) reflect the Manager's management fee, lease management fee and the Trustee's fee based on the formulae as set out in Section E; (iii) reflect the trust expenses arising from Elite Commercial REIT being converted to a public trust; and (iv) reflect the related tax effects on the adjustments as described above;
- Adjustments to (i) reverse the finance costs (including amortisation of debt upfront costs) relating to the borrowings that existed prior to the Offering; and (ii) reflect the finance costs (including commitment fees and amortisation of debt related transaction costs) relating to the new borrowings to be drawn down by the Group at the Listing Date; and
- Adjustment to reflect the portion of issuance costs charged to profit or loss.

Eight months ended 31 August 2019

		Audited Statement of Comprehensive Income £'000	Pro Forma Adjustments		Unaudited Pro Forma Statement of Comprehensive Income £'000
	Note		Note (1) £'000	Note (2) £'000	
Revenue	11	15,278	–	–	15,278
Property operating expenses		(293)	(153)	–	(446)
Net property income		14,985	(153)	–	14,832
Manager's management fees		(2,801)	1,706	–	(1,095)
Trustee's fees		(25)	(46)	–	(71)
Other operating expenses		(532)	(324)	–	(856)
Finance income	12	4	–	–	4
Finance costs	12	(9,851)	–	8,063	(1,788)
Net finance costs		(9,847)	–	8,063	(1,784)
Net income		1,780	1,183	8,063	11,026
Net change in fair value of investment properties		6,505	–	–	6,505
Profit before tax	13	8,285	1,183	8,063	17,531
Tax expense	14	(2,787)	(27)	–	(2,814)
Profit after tax		5,498	1,156	8,063	14,717

Notes to pro forma adjustments:

- Adjustments to (i) reverse the Manager's management fees and the Trustee's fee that existed prior to the Offering; (ii) reflect the Manager's management fee, lease management fee and the Trustee's fee based on the formulae as set out in Section E; (iii) reflect the trust expenses arising from Elite Commercial REIT being converted to a public trust; and (iv) reflect the related tax effects on the adjustments as described above; and
- Adjustments to (i) reverse the finance costs (including amortisation of debt upfront costs) relating to the borrowings that existed prior to the Offering; and (ii) reflect the finance costs (including amortisation of debt related transaction costs) relating to the new borrowings to be drawn down by the Group at the Listing Date.

Unaudited Pro Forma Consolidated Statements of Cash Flows

The Unaudited Pro Forma Consolidated Statements of Cash Flows for the period from 7 June 2018 (date of constitution) to 31 December 2018 and the eight months ended 31 August 2019 have been prepared for inclusion in the Prospectus and are presented below.

Period from 7 June 2018 (date of constitution) to 31 December 2018

	Audited Statement of Cash Flows*	Pro Forma Adjustments			Unaudited Pro Forma Statement of Cash Flows
	£'000	Note (1) £'000	Note (2) £'000	Note (3) £'000	£'000
Cash flows from operating activities					
Net income before tax	(1,153)	–	–	(627)	(1,780)
Adjustments for:					
Net finance costs	1,630	–	–	(1,176)	454
Fair value change in investment properties	1,462	–	–	–	1,462
Lease management fees payable in units	–	–	–	29	29
REIT Manager's management fees payable in units	–	–	–	157	157
Unit issuance costs	–	–	–	1,853	1,853
Operating income before working capital changes	1,939	–	–	236	2,175
Changes in working capital:					
Trade and other receivables	(1,932)	–	–	(2)	(1,934)
Trade and other payables	(262)	–	–	(271)	(533)
Net cash used in operating activities	(255)	–	–	(37)	(292)
Cash flows from investing activities					
Acquisition of subsidiaries	(286,477)	–	–	–	(286,477)
Interest received	8	–	–	–	8
Net cash used in investing activities	(286,469)	–	–	–	(286,469)

Period from 7 June 2018 (date of constitution) to 31 December 2018

	Audited Statement of Cash Flows* £'000	Pro Forma Adjustments			Unaudited Pro Forma Statement of Cash Flows £'000
		Note (1) £'000	Note (2) £'000	Note (3) £'000	
Cash flows from financing activities					
Proceeds from issue of units	95,000	–	130,910	–	225,910
Redemption of units	–	–	(18,915)	–	(18,915)
Payment of transaction costs related to the issue of units	(256)	–	(8,305)	–	(8,561)
Proceeds from borrowings	177,421	181,000	–	–	358,421
Proceeds from convertible loan	25,360	–	–	–	25,360
Repayment of borrowings	–	(203,425)	(77,800)	–	(281,225)
Payment of transaction costs related to borrowings	(2,163)	(1,639)	(126)	–	(3,928)
Movement in restricted cash	(5,261)	4,077	–	–	(1,184)
Net cash from financing activities	290,101	(19,987)	25,764	–	295,878
Net increase in cash and cash equivalents	3,377	(19,987)	25,764	(37)	9,117
Cash and cash equivalents at beginning of the period	–	–	–	–	–
Cash and cash equivalents at end of the period	3,377	(19,987)	25,764	(37)	9,117

* The Trust was constituted on 7 June 2018 and remained inactive with minimal expenses incurred prior to the Acquisition Date. Accordingly, the cash flows presented mainly reflect the cash flows of the Group from the Acquisition Date to 31 December 2018.

Notes to pro forma adjustments:

- Adjustments to reflect (i) the drawdown of new borrowings by the Group and the related transaction costs incurred; (ii) the repayment of existing borrowings; and (iii) the release of restricted cash balance, following the repayment of the borrowings as described above and inclusion of the restricted cash balance arising from the new borrowings drawn down;
- Adjustments to reflect (i) the proceeds arising from the issuance of 192,514,100 new Units at the Offering Price and the related issuance costs (inclusive of goods and service taxes) of £8,305,000; (ii) the redemption and cancellation of 27,815,685 Units held by the Private Trust Investors; (iii) the repayment of new borrowings; and (iv) the payment for commitment fees; and
- Adjustments to (i) reverse the Manager's management fee and the Trustee's fee that existed prior to the Offering; (ii) reflect the Manager's management fee, lease management fee and the Trustee's fee based on the new formulae set out in Section E; (iii) reflect the trust expenses arising from Elite Commercial REIT being converted to a public trust; (iv) reverse the finance costs (including amortisation of debt upfront costs) relating to the borrowings that existed prior to the Offering; (v) reflect the finance costs (including commitment fees and amortisation of debt related transaction costs) on the new borrowings drawn down by the Group; and (vi) reflect the portion of issuance costs charged to profit or loss.

Eight months ended 31 August 2019

	Audited Statement of Cash Flows £'000	Pro Forma Adjustments			Unaudited Pro Forma Statement of Cash Flows £'000
		Note (1) £'000	Note (2) £'000	Note (3) £'000	
Cash flows from operating activities					
Net income before tax	8,285	–	–	9,246	17,531
Adjustments for:					
Net finance costs	9,847	–		(8,063)	1,784
Fair value change in investment properties	(6,505)	–	–	–	(6,505)
Lease management fee payable in units	–	–	–	153	153
REIT Manager's management fees payable in units	–	–	–	1,095	1,095
Operating income before working capital changes	11,627	–	–	2,431	14,058
Changes in working capital:					
Trade and other receivables	1,614	–	–	116	1,730
Trade and other payables	3,644	–	–	(2,460)	1,184
Income tax paid	(2,975)	–	–	–	(2,975)
Net cash generated from operating activities	13,910	–	–	87	13,997
Cash flows from investing activities					
Interest received	4	–	–	–	4
Net cash from investing activities	4	–	–	–	4
Cash flows from financing activities					
Interest paid	(2,804)	–	1,328	–	(1,476)
Distribution to unitholders	–	–	(4,695)	–	(4,695)
Movement in restricted cash	(11,335)	–	11,335	–	–
Net cash (used in)/from financing activities	(14,139)	–	7,968	–	(6,171)
Net (decrease)/increase in cash and cash equivalents	(225)	–	7,968	87	7,830
Cash and cash equivalents at beginning of the period	3,377	5,740	–	–	9,117
Cash and cash equivalents at end of the period	3,152	5,740	7,968	87	16,947

Notes to pro forma adjustments:

1. Adjustments to reflect the cash balance brought forward from 31 December 2018;
2. Adjustments to reflect (i) the settlement of interest payable on the Group's new borrowings; (ii) the release of restricted cash balance; and (iii) the distribution of £4,695,000 to the Private Trust Investors; and
3. Adjustments to (i) reverse the Manager's management fee and the Trustee's fee that existed prior to the Offering; (ii) reflect the Manager's management fee, lease management fee and the Trustee's fee based on the new formulae set put out in Section E; (iii) reflect the trust expenses arising from Elite Commercial REIT being converted to a public trust; (iv) reverse the finance costs (including amortisation of debt upfront costs) relating to the borrowings that existed prior to the Offering; and (v) reflect the finance costs (including amortisation of debt related transaction costs) on the new borrowings drawn down by the Group.

Significant non-cash transactions

During the period, there were the following significant non-cash transactions:

- 1,438,488 Units at £0.68 per Unit, amounting to approximately £978,000, were issued to the Manager as satisfaction of the management fee paid/payable to the Manager.
- 212,010 Units at £0.68 per Unit, amounting to approximately £144,000, were issued to the Manager as satisfaction of the lease management fee paid/payable to the Manager.

D NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

1. Basis of preparation

(a) Statement of compliance

The Unaudited Pro Forma Consolidated Financial Information is prepared in accordance with the basis set out in Section B, International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”), and the applicable requirements of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the Trust Deed.

The financial information of the Group comprises Elite Commercial REIT and its subsidiaries.

(b) Basis of measurement

The Unaudited Pro Forma Consolidated Financial Information is prepared on the historical cost basis except as disclosed in the accounting policies below.

(c) Functional and presentation currency

The financial information is presented in Pound Sterling (“£”) which is Elite Commercial REIT’s functional currency. All financial information has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial information requires the Manager to make 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.

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 critical judgements in applying accounting policies and assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the financial information are described in Note 3 – 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 during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 3 – Valuation of investment properties.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in this financial information and have been applied consistently by Group entities.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial information of subsidiaries are included in the financial information of the Group from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been aligned with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(ii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the financial statements.

(b) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the foreign exchange rates at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss.

(c) Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether the Manager's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Manager;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised interest-bearing borrowings, and trade and other payables.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances at banks. For the purpose of the statement of cash flows, restricted cash is excluded.

(vi) Derivative financial instruments

The Group holds derivative financial instruments to hedge its interest rate risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

(vii) Compound financial instruments

Compound financial instruments issued by the Group prior to the Listing Date comprises a convertible loan denominated in US Dollars that can be converted to units in the Trust at the option of the holder under certain circumstances, where the number of units to be issued will vary with changes in fair value. The convertible loan comprises a liability for the principal and interest and a derivative liability. The liability component of the convertible loan is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity conversion option is accounted for as a derivative and is recognised initially at the difference between the fair value of the convertible loan as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability component and the derivative component in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound instrument is measured at amortised cost using the effective interest method. The separated derivative component of a compound instrument is measured at FVTPL.

Interest related to liability component is recognised in profit or loss. On conversion at maturity, the liability is reclassified to unitholders' funds and no gain or loss is recognised.

(d) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

The cost of a purchased property comprises its purchase price and any directly attributable expenditure including transaction costs. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Investment properties are not depreciated. The properties are subject to continued maintenance and regularly revalued on the basis set out above. For taxation purposes, the Group may claim capital allowances on assets that qualify as plant and machinery under UK tax laws.

(e) Impairment

Non-derivative financial assets

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(f) Leases

The Group has applied IFRS 16 *Leases* on 1 January 2019 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in accumulated losses at 1 January 2019. Accordingly, the comparative information presented has not been restated and continues to be reported under IAS 17 *Leases* and IFRIC 4 *Determining whether an arrangement contains a lease*. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed below. Additionally, the disclosure requirements in IFRS 16 have not generally been applied to the comparative information.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4. The Group now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in IFRS 16.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

The adoption of IFRS 16 did not have a material impact on the Group's financial statements.

Policy before 1 January 2019

For contracts entered into before 1 January 2019, the Group determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and

- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
 - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

As a lessee

For the period ended 31 December 2018, as a lessee, the Group classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Group's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

As a lessor

When the Group acted as a lessor, it determined at lease inception whether each lease was a finance lease or an operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

Policy from 1 January 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

For the right-of-use asset associated with an underlying asset which meets the definition of an investment property, the Group subsequently measures the right-of-use asset at fair value.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 *Revenue from contracts with customers* to allocate the consideration in the contract.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16.

(g) Provisions

A provision for levies is recognised when the condition that triggers the payment of the levy as specified in the relevant legislation is met. If a levy legislation that is subject to a minimum activity threshold so that the obligating event is reaching a minimum activity, then a provision is recognised when that minimum activity threshold is met.

(h) Unitholders' funds

Unitholders' funds represent the residual interests in the Group's net assets upon termination and is classified as equity.

Expenses incurred in connection with the issuance of units in the Trust are deducted directly against unitholders' funds.

(i) Revenue recognition

Rental income receivable under operating leases is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental to be received.

(j) Finance income and finance costs

Finance income comprises interest income and the net fair value gain on derivative financial instruments.

Finance costs comprises interest expense on borrowings, amortisation of debt-related transaction costs and net fair value loss on derivative financial instruments.

Interest income or expense recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset, or the amortised cost of the financial liability.

(k) Taxation

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in Unitholders' fund.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are effect only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, that affects neither accounting nor taxable profit; and
- temporary differences relating to investments in subsidiaries to the extent that the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For investment property that is measured at fair value, the carrying amount of the investment property is presumed to be recovered through sale, and the Group has not rebutted this presumption. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(I) Segment information

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.

No operating segment has been presented as all the Properties are commercial properties and are located in the UK.

3. Investment properties

Investment properties comprise 96 freehold and 1 leasehold offices situated throughout England, Scotland, and Wales which are mainly let to the UK Government via The Secretary of State for Housing, Communities and Local Government (with the Department for Works and Pensions ("DWP") occupying each Property under a group sharing arrangement).

	Carrying amount	
	31/8/2019	31/12/2018
	£'000	£'000
Investment properties		
<u>London and South East</u>		
1. Nutwood House, Canterbury	8,680	7,867
2. Broadlands House, Newport (IOW)	7,490	7,195
3. Beaufort House, Harlow	5,860	5,930
4. Crown House, Chatham	5,877	5,595
5. High Road, Ilford	5,552	4,905
6. Crown House, Worthing	5,405	5,015
7. The Forum, Stevenage	4,690	3,897
8. Palting House, Folkestone	4,230	3,995
9. Crown Buildings, Colchester	3,465	3,340
10. Crown Building, Banbury	3,440	3,355
11. St Andrew's House, Bury St Edmunds	3,000	3,177
12. Wyvern House, Bedford	2,587	2,895
13. Gloucester House, Bognor Regis	2,950	2,760
14. Rishton House, Lowestoft	2,597	2,452
15. South Western House, Aldershot	2,260	2,105
16. East Street, Epsom	2,347	2,120
<u>South West</u>		
17. Spring Gardens House, Swindon	7,450	7,035
18. Brendon House, Taunton	4,968	4,755
19. Lodge House, Bristol	3,555	3,750
20. St Paul's House, Chippenham	3,190	3,130
21. Cotswold House, Torquay	2,930	3,052
22. Regent House, Weston Super Mare	2,553	2,377
23. Summerlock House, Salisbury	2,303	2,178
24. Monks Park Avenue, Bristol	1,873	1,850
25. Kent Street, Bristol	989	1,160
<u>Midlands</u>		
26. Holborn House, Derby	5,900	5,760
27. Lothersdale House, Wellingborough	3,432	3,217
28. Upper Huntbach Street, Stoke On Trent	2,542	2,257
Balance carried forward	112,115	107,124

	Carrying amount	
	31/8/2019 £'000	31/12/2018 £'000
Balance brought forward	112,115	107,124
<u>Midlands (cont'd)</u>		
29. Crown House, Grantham	2,192	2,060
30. Beecroft Road, Cannock	1,635	1,598
31. Crown Buildings, Ilkeston	1,212	1,225
32. Tannery House, Alfreton	1,030	1,070
33. Acacia Walk, Nottingham	727	703
34. Crown House, Burton On Trent	1,570	1,200
<u>Yorkshire & Humber</u>		
35. Elder House, Northallerton	968	1,100
36. Low Hall, Pontefract	760	870
37. Crown Buildings, Mexborough	613	728
38. Mulberry House, Goole	398	408
<u>North East</u>		
39. St Andrew's House, Hexham	2,512	2,597
40. Ward Jackson House, Hartlepool	2,140	2,005
41. Hadrian House, Easton	1,442	1,503
42. Broadway House, Houghton Le Spring	1,445	1,448
43. John Street, Sunderland	1,100	1,393
44. Reiverdale House, Ashington	1,167	1,143
45. Hatfield House, Peterlee	992	1,058
46. St John's Square, Seaham	560	670
47. Norham House, Berwick Upon Tweed	432	475
<u>North West</u>		
48. Peel Park, Blackpool	25,950	25,295
49. Hilden House, Warrington	6,767	6,460
50. Blackburn Road, Burnley	5,612	5,510
51. Mitre House, Lancaster	5,112	4,900
52. Heron House, Stockport	3,677	3,727
53. Duchy House, Preston	3,535	3,735
54. Palatine House, Preston	2,992	3,160
55. St Martin's House, Bootle	4,040	3,825
56. Wilmslow Road, Manchester	2,422	2,645
57. Beech House, Hyde	2,405	2,360
58. Lee-Moran House, Burnley	2,007	2,143
59. Roydale House, Leigh	1,267	1,450
60. Hougoumount House, Liverpool	1,237	1,380
Balance carried forward	202,033	196,968

	Carrying amount	
	31/8/2019	31/12/2018
	£'000	£'000
Balance brought forward	202,033	196,968
<u>North West (cont'd)</u>		
61. Springfield House, Liverpool	1,015	1,215
62. Silver Street, Bury	965	1,020
63. Roskell House, Fleetwood	457	515
<u>Scotland</u>		
64. Glasgow Benefits Centre, Glasgow	30,695	29,190
65. Parklands, Falkirk	7,678	7,797
66. Atlas Road, Glasgow	4,333	4,210
67. Coustonholm Road, Glasgow	3,408	3,635
68. Bowling Green Street, Bellshill	2,950	2,962
69. Wallacetoun House, Ayr	2,795	3,015
70. Claverhouse Industrial Park, Dundee	2,990	3,115
71. Crown Building, Kilmarnock	3,055	3,165
72. Flemington House, Motherwell	2,563	2,842
73. Whitburn Road, Bathgate	2,655	2,592
74. Heron House, Falkirk	2,648	2,502
75. Pollokshaws Road, Glasgow	1,708	1,945
76. Trinity Road, Elgin	1,483	1,430
77. Discovery House, Stornoway	983	983
78. St John Street, Stranraer	630	703
79. Hall Street, Campbeltown	543	603
80. Castlestead House, Montrose	408	480
81. High Street, Dingwall	305	318
82. Bayfield Road, Portree	278	270
83. Waggon Road, Leven	285	295
<u>Wales</u>		
84. Parc Menai, Bangor	4,125	4,175
85. Crown Buildings, Bridgend	4,033	3,530
86. High Street, Swansea	1,993	1,773
87. Crown Buildings, Caerphilly	1,330	1,255
88. Cleddau Bridge Business Park, Pembroke Dock	1,310	1,195
89. Crown Buildings, Aberdare	1,145	1,050
90. Oldway House, Swansea	1,085	960
91. Thistle House, Tonypandy	1,100	905
92. Bridge Street, Llangefni	690	695
93. Quay Street, Haverfordwest	783	760
Balance carried forward	294,457	288,068

	Carrying amount	
	31/8/2019 £'000	31/12/2018 £'000
Balance brought forward	294,457	288,068
<u>Wales (cont'd)</u>		
94. Hannah Street, Porth	635	580
95. Crown Buildings, Abertillery	400	395
96. Dock Street, Porthcawl	313	270
97. Maengwyn Street, Machynlleth	163	150
	<u>295,968</u>	<u>289,463</u>

Fair value

The fair values of the investment properties are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction wherein the parties had each acted knowledgeably and without compulsion.

As at 31 December 2018, the valuations of the investment properties are based on the average of the valuations performed by the independent professionally qualified external valuers, namely Colliers International Valuation UK LLP and Cushman & Wakefield LLP. As at 31 August 2019, the valuations of the investment properties are based on the average of the valuations performed by the independent professionally qualified external valuers, namely Colliers International Valuation UK LLP and Knight Frank LLP.

The valuers use the capitalisation approach in arriving at the open market value as at the reporting date. The capitalisation approach assesses the value of a property by capitalising the current passing rental income and estimates reversionary rental income of the property at the estimated yield rate. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation method and estimates used are reflective of the current market conditions.

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.

Level 3 fair values

The following table shows the significant unobservable inputs used in the valuation model:

Valuation methods	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Capitalisation approach	Yield rate: – 31/8/2019: 5.55% to 12.98% – 31/12/2018: 5.75% to 20.00%	The estimated fair value would increase (decrease) if: the yield rate is lower (higher).

Security

The investment properties are pledged as security to secure credit facilities (Note 6).

4. Trade and other receivables

	31/8/2019 £'000	31/12/2018 £'000
Trade receivables	9	543
Other receivables	698	1,657
	707	2,200
Prepayments	104	225
	811	2,425

Other receivables of the Group relate mainly to goods and services tax receivable.

5. Cash and cash equivalents

	31/8/2019 £'000	31/12/2018 £'000
Cash at banks	10,267	7,694

Included in the cash at banks balance is restricted cash of £1.2 million (31/12/2018: £1.2 million) relating to reserve funds set aside as required under the terms of the credit facilities.

6. Loans and borrowings

	31/8/2019 £'000	31/12/2018 £'000
Secured bank loans	103,200	103,200
Less: Unamortised transaction costs	(1,612)	(1,612)
	101,588	101,588

On the Listing Date, the Group has in place the following credit facilities:

- £120 million bank loan facility; and
- £15 million uncommitted bridge facility.

The bank loans are secured on the Group's investment properties (Note 3), bear interest at an effective interest rate of 2.60% (31/12/2018: 2.61%) (including the amortisation of debt upfront fees and transaction costs) and are fully repayable five years from the date of drawdown.

7. Deferred tax liabilities

Deferred tax liabilities relate to temporary differences recognised on the Group's investment properties.

Under IAS 12 *Income taxes*, deferred tax is not recognised for temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting or taxable profit or loss. In 2018, the Group's acquisition of a subsidiary was accounted for as an acquisition of assets and not a business combination, and neither affected accounting or taxable profit at the point of acquisition. Accordingly, the initial recognition exemption in IAS 12 applies. As at 31 August 2019, the Group has not recognised deferred tax liabilities of £15.9 million (31 December 2018: £15.9 million) relating to temporary differences on the initial recognition of assets and liabilities of the subsidiary acquired in 2018.

8. Trade and other payables

	31/8/2019	31/12/2018
	£'000	£'000
Trade payables	3,644	933
Accrued operating expenses	496	1,304
	4,140	2,237
Advance rentals received from tenants	1,741	–
	5,881	2,237

9. Unitholders' funds

	Note	31/8/2019	31/12/2018
		£'000	£'000
Units in issue	10	206,995	206,995
Unit issue costs		(6,278)	(6,278)
Accumulated losses		(4,516)	(8,524)
		196,201	192,193

Unit issue costs have been deducted directly against the proceeds from the issuance of the units as transaction costs.

10. Units in issue

	31/8/2019		31/12/2018	
	Number of Units '000	£'000	Number of Units '000	£'000
At 1 January 2019/7 June 2018 (date of constitution)	95,000	95,000	–	–
Issue of units:				
– prior to the Listing Date	–	–	95,000	95,000
– sub-division of units	72,522	–	72,522	–
– arising from the Offering	192,514	130,910	192,514	130,910
Redemption and cancellation of units	(27,816)	(18,915)	(27,816)	(18,915)
At end of the period	332,220	206,995	332,220	206,995

Each unit in the Trust represents an undivided interest in the Trust. The rights and interests of unitholders are contained in the Trust Deed and include the right to:

- one vote per unit;
- receive income and other distributions attributable to the units held;
- participate in the termination of the Trust by receiving a share of all net cash proceeds derived from the realisation of the assets of the Trust less any liabilities, in accordance with their proportionate interests in the Trust. However, a unitholder has no equitable or proprietary interest in the underlying assets of the Trust and is not entitled to the transfer of any assets (or part thereof) or any estate or interest in any asset (or part thereof) of the Trust; and
- attend all unitholders' meetings. The Trustee or the Manager may (and the Manager shall at the request in writing of one or more unitholders) at any time convene a meeting of unitholders in accordance with the provisions of the Trust Deed.

The restrictions of a unitholder include the following:

- a unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed; and
- a unitholder has no right to request the Manager to redeem his units.

A unitholder's liability is limited to the amount paid or payable for any unit in the Trust. The provisions of the Trust Deed provide that no unitholder will be personally liable to indemnify the Trustee or any creditor of the Trustee in the event that the liabilities of the Trust exceed its assets.

11. Gross revenue

	Period from 1/1/2019 to 31/8/2019 £'000	Period from 7/6/2018 (date of constitution) to 31/12/2018 £'000
Rental income	15,278	2,862

Over 99% of the contracted rental income under the current leases is derived from the UK Government via The Secretary of State for Housing, Communities and Local Government with DWP occupying each Property under a group sharing arrangement.

12. Finance income and finance costs

	Period from 1/1/2019 to 31/8/2019 £'000	Period from 7/6/2018 (date of constitution) to 31/12/2018 £'000
Finance income		
Interest income	4	8
Finance costs		
Interest expense on loans and borrowings	(1,573)	(296)
Amortisation of transaction costs relating to loans and borrowings	(215)	(40)
Loan commitment fees	–	(126)
	(1,788)	(462)
Net finance costs recognised in profit or loss	(1,784)	(454)

13. Profit before tax

Profit before tax is arrived at after including the following:

	Period from 1/1/2019 to 31/8/2019 £'000	Period from 7/6/2018 (date of constitution) to 31/12/2018 £'000
Lease management fee payable to the REIT Manager	153	29

14. Tax expense

	Period from 1/1/2019 to 31/8/2019 £'000	Period from 7/6/2018 (date of constitution) to 31/12/2018 £'000
<i>Current taxation</i>		
Current period	1,615	249
<i>Deferred taxation</i>		
Origination of temporary differences	1,199	1,263
Income tax expense	2,814	1,512
<i>Reconciliation of effective tax rate</i>		
Profit/(loss) for the period before tax	17,531	(1,780)
Tax calculated using Singapore tax rate of 17%	2,980	(303)
Adjustments:		
Effect of tax rates in foreign jurisdictions	227	9
Effect of change in tax rate on deferred tax	–	(149)
Income not subject to tax	(527)	(22)
Expenses not deductible for tax purposes	–	1,933
Tax losses not allowed to be carried forward	134	38
Others	–	6
	2,814	1,512

Change in UK tax rate

The above tax expense has been calculated taking into consideration the previously announced reduction in the UK corporation tax rate from 19% to 17% with effect from 1 April 2020 (being the enacted tax rate at the respective reporting dates). It should be noted that during the campaign for the 2019 UK election, the Conservative Party (which won the election in December 2019) had mentioned that it intended to maintain the UK corporate tax rate of 19.0% and did not intend to proceed with the planned reduction to 17.0% in April 2020. Such change, if any, is likely to be announced in the UK Budget which is due to take place in March 2020.

15. Related party transactions

In the normal course of the operations of the Trust, the Manager's management fees 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 no other significant related party transactions during the periods.

16. Financial risk management

Capital management

The Board of the Manager reviews the Group's capital and debt management and financing policy regularly so as to optimise the Group's funding structure. Capital consists of unitholders' funds of the Group. The Board also monitors the Group's exposure to various risk elements and externally imposed requirements by closely adhering to clearly established management policies and procedures.

Financial risk management

Overview

The Group's returns are primarily from net operating income and capital appreciation of its assets. However, these returns are exposed to financial risks including credit, liquidity and interest rate risk.

Financial risk management is integral to the whole business of the Group. The Group adopts an integrated approach to manage the financial risks arising in the normal course of the Group's business to ensure that an appropriate balance between risk and control is achieved. Risk management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

The carrying amounts of financial assets represent the Group's maximum exposure to credit risk, before taking into account any collateral held. The Group does not require any collateral in respect of their financial assets.

Trade receivables

Exposure to credit risk

While it is necessary to assume a certain level of tenant credit risk to remain competitive in the UK, the Group has established credit limits for tenants and monitors their balances on an ongoing basis. Appropriate risk mitigating actions are in place to manage trade receivables.

Over 99% of the Group's revenue is derived from the leases to the UK Government via The Secretary of State for Housing, Communities and Local Government with DWP occupying each property under a group sharing arrangement. Except as disclosed, there is no significant concentration of credit risk.

Expected credit loss assessment as at 31 December 2018 and 31 August 2019

At the reporting date, the Group's trade receivables are not past due.

The Group establishes allowances for impairment that represent its estimates of the ECL and specific loss component in respect of its trade receivables. ECL is estimated taking into consideration past due status of the trade receivables, adjusted as appropriate to reflect current condition and estimates of future economic conditions. Based on the assessment, the impairment allowance on trade receivables is negligible.

Other receivables

The Group assesses on a forward-looking basis the expected credit loss associated with financial assets at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group considers the amount of the allowance on these financial assets to be negligible.

Derivatives

Derivatives are entered into with banks with sound credit ratings.

Cash and cash equivalents

Cash is placed with financial institutions which are regulated.

The Group held cash and cash equivalents of £7.7 million and £10.3 million at 31 December 2018 and 31 August 2019 respectively. The cash and cash equivalents are held with banks and financial institution counterparties with sound credit ratings.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposure. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligations.

The following are the contractual maturities of non-derivative financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount £'000	Contractual cash flows £'000	Within 1 year £'000	After 1 year but within 5 years £'000
31 August 2019				
Non-derivative financial liabilities				
Loans and borrowings	101,588	(114,995)	(2,359)	(112,636)
Trade and other payables*	4,140	(4,140)	(4,140)	–
	105,728	(119,135)	(6,499)	(112,636)
31 December 2018				
Non-derivative financial liabilities				
Loans and borrowings	101,588	(115,042)	(2,368)	(112,674)
Trade and other payables	2,237	(2,237)	(2,237)	–
	103,825	(117,279)	(4,605)	(112,674)

* Excluding advance rental received from tenants

Interest rate risk

The Manager adopts a proactive interest rate management policy to manage the risk associated with changes in interest rates on the Group's loan facilities while also seeking to ensure that the ongoing cost of debt remains competitive.

The Group's exposure to interest rate risks arises primarily from their debt obligations. The interest charge for debt obligations are made up of a mixture of fixed and floating rates. The floating rate loans are contractually repriced at intervals of one to twelve months, or when notified by banks. The Group does not use derivative financial instruments to hedge interest rate risk.

Effects of a 100 basis point ("bp")* movement in interest rate at the reporting date would increase/(decrease) profit or loss (before any tax effect) by the amounts shown below. This analysis assumes that all other variables remain constant.

* 100 basis point is equivalent to 1 percentage point

	Profit or loss	
	100 bp increase £'000	100 bp decrease £'000
31 August 2019/31 December 2018		
Variable rate instruments		
Loans and borrowings	(516)	516

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.

	Carrying amount				Fair value			
	Loan and receivables £'000	At FVTPL £'000	Other financial liabilities £'000	Total carrying amount £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
31 August 2019								
Financial assets not measured at fair value								
Trade and other receivables*	707	–	–	707	–	–	–	–
Cash and cash equivalents	10,267	–	–	10,267	–	–	–	–
	10,974	–	–	10,974				
Financial liabilities not measured at fair value								
Trade and other payables#	–	–	(4,140)	(4,140)	–	–	–	–
Loans and borrowings	–	–	(101,588)	(101,588)	–	(103,794)	–	–
	–	–	(105,728)	(105,728)				

* Excluding prepayments

Excluding advance rental received from tenants

	Carrying amount				Fair value			
	Financial assets at amortised cost £'000	At FVTPL £'000	Other financial liabilities £'000	Total carrying amount £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Group								
31 December 2018								
Financial assets not measured at fair value								
Trade and other receivables*	2,200	–	–	2,200	–	–	–	–
Cash and cash equivalents	7,694	–	–	7,694	–	–	–	–
	9,894	–	–	9,894				
Financial liabilities not measured at fair value								
Trade and other payables	–	–	(2,237)	(2,237)	–	–	–	–
Loans and borrowings	–	–	(101,588)	(101,588)	–	(102,160)	–	–
	–	–	(103,825)	(103,825)				

* Excluding prepayments

17. Commitments

The Group leases out its investment properties. Operating lease rentals are receivable as follows:

	31/8/2019 £'000
Operating leases under IFRS 16:	
– Less than one year	23,220
– One to two years	22,997
– Two to three years	22,673
– Three to four years	15,830
– Four to five years	6,361
– More than five years	22,730
	113,811
	31/12/2018 £'000
Operating leases under IAS 17:	
– within one year	23,220
– after one year but within five years	79,084
– after five years	26,965
	129,269

E MANAGER'S MANAGEMENT FEES AND TRUSTEE'S FEES

Unless defined in this report, capitalised terms below shall have the meanings set out in the Glossary to the Prospectus.

(i) Manager's management fees

The Manager is entitled under the Trust Deed to management fees comprising the base fee and performance fee as follows:

- (a) A base fee of 10% per annum of the Annual Distributable Income (as defined in the Trust Deed) of Elite Commercial REIT and calculated before accounting for the base fee and performance fee; and
- (b) A performance fee of 25% per annum of the increase in the DPU (as defined in the Trust Deed) in a financial year over the DPU in the preceding year (calculated before accounting for the performance fee but after accounting for the base fee in each financial year) multiplied by the weighted average number of Units in issue for such financial year. The performance fee is only payable if the DPU in any financial year exceeds the DPS in the preceding financial year, notwithstanding that the DPU in the financial year where the performance fee is payable may be less than the DPU in any preceding year; and

(ii) Trustee's fees

The Trustee is entitled under the Trust Deed to a fee charged on a scaled basis of up to 0.015% per annum of the value of Elite Commercial REIT's Deposited Property (as defined in the Trust Deed), subject to a minimum of S\$15,000 per month.

(iii) Property management fees

Under the property management agreement in respect of each property, the property manager ("Property Manager") will provide, amongst others, tenant liaison, rental and insurance collections, accounts monitoring and reporting services.

The Property Manager shall be entitled to receive out of the Deposited Assets (as defined in the Trust Deed) a fee for its services to be paid either directly (by the Trustee) or indirectly (by the entity which is held by the Trust).

The Property Manager is entitled to a fixed annual fee, amounting to £235,600, to be paid quarterly in advance.

(iv) Lease management fee and lease commissions

The Manager is entitled to, on each property of Elite Commercial REIT under its management, a lease management fee of 1.0% per annum of Revenue (as defined herein) of each property.

In addition, in relation to securing a new lease or renewal of an existing tenancy, the Manager is entitled to the following lease commissions:

- one month's gross rent, for securing a tenancy of three years or more;
- 0.5 month's gross rent, for securing a tenancy of fewer than three years; and
- 0.25 month's gross rent, for securing a tenancy of any number of years, if there is a third party agent involved. For the avoidance of doubt, any fees payable to third party agent(s) will be paid on a cost recovery basis.

The Manager may elect to receive the lease management fee and lease commissions in cash or Units or a combination of cash and Units (as the Manager may in its sole discretion determine).

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INDEPENDENT TAXATION REPORT

The Board of Directors
Elite Commercial REIT Management Pte. Ltd.
as Manager of Elite Commercial REIT
9 Temasek Boulevard
#17-01 Suntec Tower 2
Singapore 038989

Perpetual (Asia) Limited
as Trustee of Elite Commercial REIT
8 Marina Boulevard
#05-02 Marina Bay Financial Centre
Singapore 018981

28 January 2020

Dear Sirs:

Independent Taxation Report

This letter has been prepared at the request of Elite Commercial REIT Management Pte. Ltd. (the “**Manager**”) in its capacity as the manager of Elite Commercial REIT for inclusion in the Prospectus to be issued in relation to the initial public offering of the units in Elite Commercial REIT (the “**Units**”) on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The purpose of this letter is to provide prospective purchasers of the Units with an overview of the Singapore tax consequences of the purchase, ownership and disposition of the Units on the basis of the transaction structure for the IPO Portfolio. This letter principally addresses investors who hold the Units as investment assets. Investors who hold or acquire the Units for dealing purposes should consult their own tax advisers concerning the tax consequences of their particular situations.

This letter also provides an overview of certain Singapore, British Virgin Islands (“**BVI**”) and United Kingdom (“**UK**”) tax consequences that may be applicable to Elite Commercial REIT from investing in the IPO Portfolio.

This letter is not a tax advice and does not attempt to describe comprehensively all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Units. Other than an overview on UK Non-Resident Capital Gains Tax (“**NRCGT**”), it also does not provide an overview of the taxation of Unitholders, and any subsequent purchaser or acquirer of the Units from any person, in any country outside Singapore.

Prospective investors of the Units should consult their own tax advisers to take into account the tax law applicable to their particular situations and their own tax treatment under the UK NRCGT rule. In particular, prospective investors who are not Singapore tax residents are advised to consult their own tax advisers to take into account the tax laws of their respective countries of residence and the existence of any double taxation agreement which their countries of residence may have with Singapore and UK, as the case may be.

This letter is based on the tax laws in the applicable jurisdictions and the relevant interpretations thereof current as at the date of this letter, all of which are subject to change, possibly with retroactive effect.

Words and expressions in this letter have the same meaning as defined in the Prospectus. In addition, unless the context requires otherwise, words in the singular include the plural and the other way around and words of one gender include any gender.

A. SINGAPORE TAXATION

I. INCOME TAX

Taxation of real estate investment trusts in general

Under current Singapore income tax law, the taxable income of a trust comprises:

- (a) income accruing in or derived from Singapore; and
- (b) unless otherwise exempt, income derived from outside Singapore (i.e., foreign-sourced income) which is received in Singapore or deemed to have been received in Singapore by the operation of law.

The taxable income of a trust is ascertained in accordance with the provisions of the Singapore income tax law, after deduction of all allowable expenses and any other allowances permitted under the law.

The taxable income of a trust, or part thereof, is subject to tax, currently at the rate of 17.0% and the tax is assessed on the trustee in the following circumstances:

- (a) where the income is derived from any trade or business carried on by the trustee, in its capacity as the trustee of the trust;
- (b) where the beneficiaries of the trust are not resident in Singapore; or
- (c) where the beneficiaries are not entitled to the income of the trust.

Any distribution made out of such income which has been assessed to tax on the trustee is capital in nature and therefore will not be subject to any further tax in the hands of the beneficiaries. The tax paid by the trustee on such income is not imputed as a credit to the beneficiaries for Singapore income tax purposes.

Where the taxable income of a trust is income other than that derived from any trade or business carried on by the trustee, such income may be assessed to tax directly on the beneficiaries of the trust where the beneficiaries are resident in Singapore and are entitled to the income of the trust.

For a real estate investment trust, which is defined in the Income Tax Act, Chapter 134 of Singapore (the “**Income Tax Act**”) to mean “a trust that is constituted as a collective investment scheme authorised under section 286 of the Securities and Futures Act (Cap. 289) and listed on the Singapore Exchange, and that invests or proposes to invest in immovable property and immovable property-related assets” (referred hereinafter as a “**REIT**”), the trustee may be charged at a lower rate or not charged with any tax, as the Comptroller of Income Tax (“**Comptroller**”) shall determine and subject to the satisfaction of the Comptroller. This treatment (known as “**tax transparency treatment**”), if granted, will apply to only certain income of a REIT, including rental income or income from the management or holding of immovable property but not including gains from the disposal of immovable property (“**tax-transparent income**”). Beneficiaries of the REIT

are instead assessed to tax on the share of such tax-transparent income to which each of them is beneficially entitled. The tax may be assessed directly on the beneficiaries or deducted by the trustee from the amount of distribution made to the beneficiaries, depending on their own particular circumstances.

The income of a REIT that is taxable in the hands of its beneficiaries does not include income from any trade or business carried on by the trustee that is not tax-transparent income. Tax on such non tax-transparent income would have been assessed on the trustee of the REIT. Beneficiaries of the REIT are not subject to further tax on distributions made out of such non tax-transparent income. The tax paid by the trustee on such non tax-transparent income is not imputed as a credit to the beneficiaries for Singapore income tax purposes.

Where the REIT derives tax-exempt income, such income is exempt from tax in the hands of the trustee. Beneficiaries of the REIT will also be exempt from tax on the share of such tax-exempt income to which each of them is beneficially entitled.

There is no capital gains tax in Singapore. However, gains from the sale of investments are generally chargeable to tax if such gains arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. Such gains, even if they do not arise from an activity in the ordinary course of trade or business or from an ordinary incident of some other business activity, may also be considered gains or profits of an income nature if the investments were acquired with the intent or purpose of making a profit from their subsequent sale and not for long-term investment purposes.

The distributions made by a REIT out of non-income cash flows, such as amounts received in the form of a repayment of shareholder's loan from its subsidiary, will be treated as a return of capital for Singapore income tax purposes and the amount of such distributions will be applied to reduce the cost of the units in the REIT. For unitholders who hold the units as trading or business assets and are liable to Singapore income tax on gains arising from disposal of the units, the reduced cost of the units will be used to calculate the amount of taxable gains when the units are subsequently disposed of. If the amount of return of capital exceeds the cost or reduced cost of the units, the excess will be subject to tax as trading income of such unitholders.

Taxation of Elite Commercial REIT

Elite Commercial REIT is liable to Singapore income tax, currently at the rate of 17.0%, on:

- (a) income accruing in or derived from Singapore; and
- (b) unless otherwise exempt, income derived from outside Singapore which is received in Singapore or deemed to have been received in Singapore by the operation of law.

Elite Commercial REIT's income or receipts may include:

- (a) interest income on bonds issued by Elite UK Commercial Holdings Limited ("**ECHL**") to Elite Commercial REIT (the "**Bonds**");
- (b) dividend income from Regal Sheen Investment Limited ("**RSIL**"); and
- (c) proceeds from redemption of the Bonds.

Interest income on the Bonds from ECHL

Elite Commercial REIT has obtained confirmation from the Ministry of Finance (“**MoF**”) that tax exemption under Section 13(12) of the Income Tax Act will apply to the interest income on the Bonds that it will receive from ECHL. This tax exemption is subject to certain conditions, including but not limited to the condition that the Trustee is a tax resident of Singapore.

Dividend income from RSIL

Provided that RSIL is a tax resident of Singapore, dividends from RSIL will be exempt from Singapore income tax in the hands of the Trustee under Section 13(1)(za) of the Income Tax Act.

A company is resident in Singapore if the control and management of its business is exercised in Singapore.

Proceeds from redemption of the Bonds

Any proceeds received by Elite Commercial REIT from the redemption of the principal amount of the Bonds are capital receipts and hence not taxable on the Trustee.

Taxation of RSIL

The Manager has represented that the control and management of RSIL is exercised in Singapore and hence RSIL is a resident of Singapore for Singapore income tax purposes.

Singapore tax resident companies are subject to Singapore income tax on income accruing in or derived from Singapore and on income derived from outside Singapore which is received in Singapore or deemed to have been received in Singapore by the operation of law unless such income is otherwise exempt from tax.

The corporate income tax rate in Singapore is currently 17.0%, with the following partial exemption granted for the first S\$200,000 of normal chargeable income with effect from the year of assessment 2020:

- (a) 75.0% of up to the first S\$10,000 of chargeable income; and
- (b) 50.0% of up to the next S\$190,000 of chargeable income.

The income of RSIL is expected to comprise foreign dividends from ECHL.

Dividends from ECHL

RSIL has obtained confirmation from the MoF that tax exemption under Section 13(12) of the Income Tax Act will apply to the dividend income it will receive from ECHL in respect of the Properties. This tax exemption is subject to certain conditions, including but not limited to the condition that RSIL is a tax resident of Singapore.

Taxation of gains from disposal of investments

Singapore does not impose tax on capital gains. The determination of whether gains from disposal of investments are income or capital in nature is based on a consideration of the facts and circumstances of each case.

In the event of any disposal of investments (shares, units or properties), gains arising from such disposal will not be liable to Singapore income tax unless the gains are considered income of a trade or business carried on in Singapore by the seller. Such gains may also be liable to Singapore income tax if the investments were acquired with the intent or purpose of making a profit from sale and not intended for long-term investment purposes.

Taxation of Unitholders

Distributions from Elite Commercial REIT

Distributions made by Elite Commercial REIT in respect of the Properties may comprise all, or a combination, of the following types of distribution:

- (a) tax-exempt income distribution;
- (b) after-tax income distribution; and
- (c) capital distribution.

Tax-exempt income distribution

Unitholders will be exempt from Singapore income tax on distribution made by Elite Commercial REIT out of its tax-exempt income such as interest from ECHL and dividends from RSIL. No tax will be deducted at source or withheld on such distribution.

After-tax income distribution

Distributions made out of income that has been assessed to tax at the Trustee level are treated as capital in nature and will not be subject to Singapore income tax in the hands of Unitholders. Unitholders are not entitled to tax credits for any taxes paid or payable by the Trustee on income subject to tax on the Trustee.

Capital distribution

Capital distributions (e.g. distribution made out of non-revenue cash flows such as amounts received in the form of a redemption of the Bonds) will be regarded as a return of capital in the hands of Unitholders. The amount of such distribution will be applied to reduce the cost base of Units held by Unitholders. For Unitholders who are liable to Singapore income tax on gains arising from the disposal of Units, the reduced cost base of Units will be used to calculate the amount of taxable gains when the Units are subsequently disposed of. If the amount of return of capital exceeds the cost base or reduced cost base of Units, the excess will be subject to tax as trading income of such Unitholders.

Gain on disposal of Units

Singapore currently does not impose tax on capital gains. Therefore, gains on disposal of the Units that are capital in nature will not be subject to Singapore income tax. However, such gains may be considered income in nature and subject to Singapore income tax if they arise from or are otherwise connected with the activities of a trade or business carried on in Singapore. Such gains may also be considered income in nature, even if they do not arise from an activity in the ordinary course of trade or business or an ordinary incident of some other business activity, if the intention of the Unitholder was not to hold the Units as long-term investments.

As the precise tax status of one Unitholder will vary from another, Unitholders are advised to consult their own professional advisers on the Singapore tax consequences that may apply to their individual circumstances.

Unitholders who have adopted or are required to adopt Singapore Financial Reporting Standard 109 – Financial Instruments (“**FRS 109**”), Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement (“**FRS 39**”) or their equivalents under the Singapore Financial Reporting Standard (International) (“**SFRS(I)**”) for financial reporting purposes may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Units, irrespective of disposal. Unitholders should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Units arising from the adoption of FRS 39, FRS 109 or their equivalents under SFRS(I).

II. GOODS AND SERVICES TAX (“GST”)

GST is a broad-based consumption tax levied on the import of goods, as well as nearly all supplies of goods and services made in Singapore. The prevailing rate of GST in Singapore is 7.0%. As announced in the 2018 Singapore Budget, the Singapore Government plans to raise the standard rate of GST from 7.0% to 9.0%, sometime in the period from 2021 to 2025. GST on imported services has also been implemented with effect from 1 January 2020 via a reverse charge mechanism for business to business imported services.

Elite Commercial REIT and RSIL

Recovery of GST incurred

Pursuant to a GST remission granted by the MoF, Elite Commercial REIT (as a Singapore-listed REIT) is allowed to claim:

- (a) GST on its business expenses, irrespective of whether it holds underlying non-residential properties directly or indirectly through its SPVs (including RSIL); and
- (b) the GST incurred on the setting up of the SPVs or the GST incurred by its SPVs (including RSIL) on the acquisition and holding of the non-residential properties.

The above GST claims are allowable even if Elite Commercial REIT is not GST-registered or not eligible for GST registration. However, the GST claims are subject to conditions governing the GST remission and the general input tax claims conditions prescribed under the GST legislation. These conditions include, among others, the following:

- (a) Elite Commercial REIT is listed or to be listed on the SGX-ST;
- (b) Elite Commercial REIT has veto rights over key operational issues of its SPVs holding the underlying non-residential properties located outside Singapore; and
- (c) the underlying non-residential properties located outside Singapore of Elite Commercial REIT make taxable supplies or out-of-scope supplies which would have been taxable supplies if made in Singapore (e.g. lease of non-residential properties located outside Singapore).

The aforementioned GST remission is currently applicable for expenses incurred up to and including 31 December 2025. If this remission is not subsequently extended beyond 31 December 2025, Elite Commercial REIT and RSIL will not be able to claim the GST incurred on their expenses after 31 December 2025 if they continue not to be eligible for GST registration.

Unitholders

Purchase and sale of Units

The sale of the Units by a GST-registered investor belonging in Singapore through an SGX-ST member or to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST (e.g. GST on brokerage) incurred by the GST-registered investor in making such an exempt supply is generally not recoverable from the Singapore Comptroller of GST unless the investor satisfies certain conditions prescribed under the GST legislation or certain GST concessions.

Where the Units are supplied by a GST-registered investor to a person who belongs outside Singapore (and who is outside Singapore at the time of supply), the sale should generally, subject to the satisfaction of certain conditions, qualify as a zero-rated supply (i.e. GST at 0%). Any input GST incurred by a GST-registered investor in making such a zero-rated supply may, subject to the provisions of the GST legislation, be recoverable from the Singapore Comptroller of GST.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and disposition of the Units.

Services such as arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership in the Units rendered by a GST-registered person to an investor belonging in Singapore for GST purposes will be subject to GST at the prevailing standard rate, currently 7.0%. Similar services contractually supplied to an investor who belongs outside Singapore (and who is outside Singapore at the time of supply) should generally, subject to satisfaction of certain conditions, qualify as a zero-rated supply (i.e. GST at 0%).

III. STAMP DUTY

Stamp duty should not be payable on the transfers of the Units through The Central Depository without any written instrument or agreement of transfer. In the event of a change of trustee for Elite Commercial REIT, stamp duty should not be payable on any document effecting the appointment of a new trustee and the transfer of the Deposited Property from the incumbent trustee to the new trustee, if there is no beneficial interest in the Deposited Property transferred to the new trustee.

B. BVI TAX OVERVIEW

There is no BVI income tax and withholding tax applicable to RSIL. Accordingly, no BVI withholding tax should apply on dividend payments made by RSIL to Elite Commercial REIT.

C. UK TAX OVERVIEW

I. CORPORATION TAX

The UK Companies will be subject to UK corporation tax on their worldwide income at the prevailing rate, currently 19.0% and to be reduced to 17.0% from April 2020. Dividends received by the UK Companies from its UK tax resident subsidiary should be exempt from UK corporation tax provided the UK dividend exemption rules apply.

Interest received by the UK Companies on shareholder loan will be subject to UK corporation tax at the prevailing rate, currently 19.0% and to be reduced to 17.0% from April 2020.

It should be noted that during the campaign for the 2019 UK election, the Conservative Party (which won the election in December 2019) had mentioned that it intended to maintain the UK corporation tax rate at 19.0% and did not intend to proceed with the planned reduction to 17.0% in April 2020. Such change, if any, is likely to be announced in the UK Budget which is due to take place in March 2020.

II. WITHHOLDING TAX (“WHT”)

Dividends paid by the UK Companies are not subject to UK WHT under UK domestic tax laws. Interest paid between the UK Companies is not subject to UK WHT provided the UK Company receiving the interest is a tax resident of the UK. Interest paid by the UK Companies to a non-resident of UK is in principle subject to UK WHT at the prevailing rate of 20.0%. This rate may be reduced under the Double Taxation Agreement (“**DTA**”) in force between the UK and the country of residence of the non-UK tax resident recipient, subject to the terms and conditions of the relevant DTA.

III. NRCGT

The UK NRCGT rules were introduced with effect from 5 April 2019, where UK corporation tax is chargeable on capital gains made by non-residents where there is a direct disposal of UK real estate interests or where there is an indirect disposal of UK interests in land. A rebasing will be available to ensure that the new tax regime subjects only the gain accruing post 6 April 2019 to tax.

The definition of “non-residents”, in relation to a corporate entity, is broadly any corporate entity that is both not incorporated in the UK and does not have its central management and control in the UK. For individuals, it refers to any individual who is neither tax resident nor domiciled in the UK.

Gains arising on indirect disposals are expected to be subject to UK corporation tax where the disposal is of interest in an entity which derives 75.0% or more of its value from UK land (a so-called “property rich” entity, based on gross assets value) except in certain circumstances. For example, gains arising on indirect disposals may not be subject to UK corporation tax where the disposal is by a non-resident person who holds or has held less than 25.0% interest in the ‘property rich’ entity at all times falling within that person’s qualifying ownership period (which is broadly within two years prior to the disposal event). The 25.0% substantial indirect interests should be calculated by aggregating holdings by related entities or connected parties. The 25.0% de-minimis exemption will not apply where the disposal has an ‘appropriate connection’ to a Collective Investment Vehicle (“**CIV**”) (whether onshore or offshore). As a result, even a minority non-UK resident investor will be within the scope of UK tax on gains on direct and indirect disposals of investments in a CIV which is UK property rich.

The applicable UK corporation tax rate for companies is 19.0% and this will reduce to 17.0% from April 2020. As mentioned under “Corporation Tax”, the UK corporation tax rate may be maintained at 19.0%. For individuals, the UK NRCGT regime applies at a rate of either 28.0% or 20.0%, depending on the nature of the asset disposed of (residential property at a rate of 28.0% and non-residential property at a rate of 20.0%). Based on the facts and circumstances, Elite Commercial REIT should be classified as a CIV, and therefore the 25.0% de-minimis exemption threshold does not apply to a disposal of units in Elite Commercial REIT.

The entities within the Group should be classified as “property rich” entities for UK taxation purposes and a disposal of interests in these entities should fall within the scope of the UK NRCGT rules.

All persons fall within the scope of the UK NRCGT rules, including that of Elite Commercial REIT which should be treated as a CIV by virtue that it is a “unit trust scheme”. Accordingly, gains on the disposal of interests in the Units (regardless of the percentage of holding), where Elite Commercial REIT is a UK property rich entity, are subject to UK corporation tax under the UK NRCGT rules, unless the person making the disposal benefits from a specific exemption, or relevant DTA relief. The capital gains tax charge falls due in the hands of the Unitholders and the UK tax filings and obligations fall on the Unitholders accordingly.

Certain DTAs that the UK has entered into, including the DTA with Singapore, provide an exemption from UK tax on gains arising from disposal of shares traded or quoted on a recognised or approved stock exchange even if such shares are considered shares of “property rich” entities (i.e. “listed shares” exemption). HMRC clearance has been obtained in this regard and the HMRC clearance confirmed that Article 3 of the DTA between the UK and Singapore requires one to look at the UK domestic legislation for the definition of “shares” where this is not specifically defined in the DTA. In accordance with the UK domestic legislation (i.e. section 3(b) of Schedule 5AAA of Taxation of Chargeable Gains Act 1992), a CIV should be treated as a company with shares for the purpose of Schedule 5AAA. Elite Commercial REIT should qualify as a CIV, following the qualification as a Unit Trust Scheme according to a UK legal opinion obtained for Elite Commercial REIT.

It follows that, should any UK DTA not include a “shares” definition, and Article 3 of that DTA (General Definitions) requires one to look to UK domestic legislation for that definition, Unitholders may be exempt from UK NRCGT under the “listed shares” exemption included in the relevant UK DTA (provided those Unitholders have DTA access).

As part of the HMRC clearance process, HMRC has granted clearance on a number of specific UK DTAs (which were identified by the Manager) which do not include a definition of “shares”, that Units are considered to be “shares” for the purposes of interpreting these respective DTAs, under section 3(b) of Schedule 5AAA. These DTAs are as follows:

- Bahrain;
- Hong Kong;
- Japan;
- Malaysia;
- The Netherlands;
- Qatar;
- Singapore;
- South Korea;
- The Republic of China (Taiwan); and
- United Arab Emirates.

Accordingly, upon the listing of Elite Commercial REIT, Unitholders which are tax resident in the aforesaid jurisdictions may be exempt from UK NRCGT, provided they have DTA access. All prospective investors (including investors who are resident in a jurisdiction other than those listed above) should seek their own tax advice in order to determine their own tax treatment under the UK NRCGT rules and in their jurisdiction of residence, including any double taxation relief available.

IV. VALUE ADDED TAX (“VAT”)

VAT, currently at a standard rate of 20.0%, is due on any supply of goods or services made in the UK where a taxable supply is made by a taxable person in the course or furtherance of a business carried on by the said person, including the grant or variation of leases. Separate rates of 5.0%, 0% and exempt supply are also applicable on certain goods or services.

V. STAMP DUTY LAND TAX (“SDLT”)

The applicable rate of SDLT on the acquisition of a property located in England & Wales is determined based on whether the property is commercial, residential or have a residential use for SDLT purpose.

SDLT is imposed on acquisition of a non-residential property located in England & Wales where a maximum rate of up to 5.0% (or up to 15.0% in certain circumstances) of the VAT inclusive price paid applies. However, this price may be replaced by market value in certain circumstances. SDLT is not applicable for properties located in Scotland from 1 April 2015 and, from 1 April 2018, for properties located in Wales.

VI. LAND AND BUILDING TRANSACTION TAX (“LBTT”)

LBTT is imposed on acquisitions of Scottish interests in land and buildings and certain partnership transactions where tax at rates of up to 4.5% or 15.0% (for non-residential and residential properties, respectively) is charged on the VAT inclusive consideration. However, this price may be replaced by market value in certain circumstances.

VII. LAND TRANSACTION TAX (“LTT”)

LTT is imposed on acquisitions of Welsh interests in land and buildings and certain partnership transactions where tax at rates of up to 6.0% or 15.0% (for non-residential and residential properties, respectively) is charged on the VAT inclusive consideration. However, this price may be replaced by market value in certain circumstances.

Yours faithfully

Lim Gek Khim
Partner
for and on behalf of
Ernst & Young Solutions LLP

INDEPENDENT PROPERTY VALUATION SUMMARY REPORTS



REPORT AND VALUATION

ELITE COMMERCIAL REIT PORTFOLIO

DATE OF VALUATION:
31 AUGUST 2019

DATE OF REPORT:
30 SEPTEMBER 2019

PREPARED FOR
PERPETUAL (ASIA)
LIMITED (IN ITS CAPACITY
AS TRUSTEE OF ELITE
COMMERCIAL REIT) and
ELITE COMMERCIAL REIT
MANAGEMENT PTE.
LTD. (AS MANAGER
OF ELITE COMMERCIAL
REIT)

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION UK LLP

OUR REF: Elite/Aug19IPO

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EMAIL harry.flood@colliers.com



30 September 2019

Perpetual (Asia) Limited
(in its capacity as Trustee of Elite Commercial REIT)
8 Marina Boulevard
#05-02, Marina Bay Financial Centre
Singapore 018981

Elite Commercial REIT Management Pte. Limited
(as manager of Elite Commercial REIT)
9 Temasek Boulevard
#17-01 Suntec Tower 2
Singapore 038989

For attention of: Jonathan Edmunds

Dear Sirs

THE PORTFOLIO:	ELITE COMMERCIAL REIT PORTFOLIO
THE ADDRESSEES:	PERPETUAL (ASIA) LIMITED (IN ITS CAPACITY AS TRUSTEE OF ELITE COMMERCIAL REIT) AND ELITE COMMERCIAL REIT MANAGEMENT PTE. LTD. (AS MANAGER OF ELITE COMMERCIAL REIT), TOGETHER "THE ADDRESSEES"
DATE OF VALUATION:	31 AUGUST 2019
VALUATION CURRENCY	POUND STERLING (GBP)

INTRODUCTION AND TERMS OF ENGAGEMENT

In accordance with your instructions dated 25 June 2019, we present our Summary Letter and Valuation Certificates (the individual property reports) for inclusion in the prospectus of Elite Commercial Real Estate Investment Trust (the "REIT") to be issued in connection with its proposed initial public offering ("IPO") and listing of units of the REIT on the Main Board of Singapore Exchange Securities Trading Limited (the "Prospectus").

This Summary Letter has been prepared for inclusion in the Prospectus. It forms part of a suite of documents that collectively comprise our Report and Valuation and must be read in conjunction with each other. This Summary Letter does not contain all the data and information provided in our Report and Valuation. For further information, reference should be made to the additional documents, which are the Portfolio Report, Individual Property Reports and General Assumptions and Definitions.





Our Report and Valuation is vested with the [issuer or REIT or Trust Manager] appointed for the portfolio. This Report and Valuation will be made openly available for inspection by all potential investors in the REIT. In that document, we have disclosed all matters to our knowledge that we anticipate would be required by the Addressees in order to meet the requirements of the Securities and Futures Act, the Monetary Authority of Singapore and the SGX-ST.

Our terms of engagement were agreed with Elite Partners Capital Pte Ltd, subject to the condition that the Report and Valuation could be addressed to the Addressees identified above following a novation agreement on which the properties were transferred to the Elite Commercial Real Estate Investment Trust (the "REIT"). We understand that Elite Commercial REIT Management Pte Ltd, is acting as manager of the REIT (the "Manager"). Our Report and Valuation has been produced following extensive engagement with the Manager and associated professional team.

This report has been prepared in accordance with the 'RICS Valuation – Global Standards 2017 (Incorporating the IVSC International Valuation Standards)' prepared by the Royal Institution of Chartered Surveyors (the "Red Book"). Our files may be subject to monitoring by the RICS.

This report has been prepared in accordance with the formal requirements and listing rules for an Initial Public Offering ("IPO") and listing on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). We have also had regard to the guidance in the SISV Practice Guide for Valuation Reporting for REITS, although Colliers International Valuation UK LLP is not a member of that organisation.

PURPOSE OF VALUATION

The valuation has been prepared for the purpose of providing you with the Market Value of each of 97 properties (the "properties", and each a "property") located in England, Scotland and Wales that will be held by the REIT. The valuations will be included in the prospectus for an IPO of the units in the Elite Commercial Real Estate Investment Trust (the "REIT") (the "Prospectus") to be listed on the SGX-ST.

STATUS OF VALUER AND CONFLICTS OF INTEREST

The subject properties have been valued by R Francis MRICS and H Flood MRICS both of whom are valuers registered in accordance with the RICS Valuer Registration Scheme (VRS).

We confirm that the valuation has been prepared in accordance with PS 2 of the Red Book, concerning the requirements of competency and objectivity under PS 2, and we have undertaken the valuations acting as external valuers. We confirm that we have sufficient current knowledge of the relevant markets, and the skills and understanding to undertake the valuations competently.

We confirm that we have had previous involvement with the subject properties. Colliers International undertook initial desktop valuations for Elite Partners Capital Pte Ltd prior to the acquisition of the properties earlier in 2018, however, we did not undertake a formal valuation or provide formal advice at that time and no fee was received. We have also undertaken an internal accounts valuation of the properties, on behalf of Elite Gemstones Properties Ltd, with a valuation date of 31st December 2018, with report dated 19th July 2019.





In addition, we refer to Paragraph 8 (Valuation of the Property Fund's Real Estate Investments) within Appendix 6 – Investment: Property Funds to the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore, and confirm the following:

- Colliers is not a related corporation of or has a relationship with the manager, adviser or any other party whom the property fund is contracting with which, in the opinion of Perpetual (Asia) Limited, in its capacity as trustee of the Trust (the "REIT Trustee"), would interfere with Colliers' ability to give an independent and professional valuation of the property;
- Colliers has disclosed to the REIT Trustee any pending business transactions, contracts under negotiation, other arrangements with the manager, adviser or another or any other party whom the Trust is contracting with and other factors that would interfere with Colliers' ability to give an independent and professional valuation of the property. The REIT Trustee should then take such disclosure into account when deciding whether the person concerned is sufficiently independent to act as the valuer for the property fund;
- Colliers is authorised under any law of the state or country where the valuation takes place to practice as a valuer;
- Colliers has the necessary expertise and experience in valuing properties of the type in question and in the relevant area; and
- Colliers has not valued the same property for more than two consecutive financial years.

BASIS OF VALUE

The values stated in this report represent our objective opinion of **Market Value** in accordance with the definition set out below as at the date of valuation. Each valuation assumes that the Property has been properly marketed and that exchange of contracts took place on the valuation date.

Market Value is defined as follows:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'

No allowance has been made for either the costs of realisation or for taxation which might arise on a disposal. Our values are, however, net of standard purchaser's costs appropriate to each specific entity.

INSPECTIONS

All of the Properties were inspected internally and externally during July and August 2019. Any significant limitations of inspections are identified in the individual property reports. We have been advised by the Manager that there have been no material changes to the Properties or their immediate surroundings since the date of our inspection.



EXTENT OF INVESTIGATIONS & SOURCES OF INFORMATION

We have made an assumption that the information supplied to us in respect of the Properties by the Manager, its professional advisers, third party and public sources have is complete, accurate and up to date, so far as they are aware. It follows that we have made an assumption that details of all matters likely to affect value within their collective knowledge have been made available to us and can be verified.

We have relied upon this information in preparing our Report and Valuation, and do not accept responsibility or liability for any errors or omissions in that information or documentation provided to us, nor for any consequences arising. Whilst we have endeavoured to ensure the accuracy of the information, we have not independently verified all information provided. Should any of the information provided be found to be inaccurate or incomplete there could be a variation in value.

THE PROPERTIES

The properties comprise a portfolio of 97 offices situated throughout England, Scotland and Wales let to the Secretary of State for Communities and Local Government (the UK Government).

The portfolio comprises a net internal floor area of circa 2.56 million sq ft and a total site area of circa 95 acres.

As instructed, we have relied upon the floor areas provided to us by the Manager. We have assumed that these were assessed in accordance with the current edition of the RICS Property Code of Measurement. Should this not be the case, it may affect our opinion of value.

TENURE AND TENANCIES

The properties comprise 96 Freehold interests and one Long Leasehold (Virtual Freehold) interest.

We have been provided with and relied upon numerous final Legal Due Diligence reports/Reports on Title for the various Properties contained within the Portfolio, including:

- Real Estate Report, as prepared by Messrs Eversheds Sutherland (International) LLP, dated 16th November 2018.
- Individual property Reports on Title, as prepared by Messrs Eversheds Sutherland (International) LLP, July 2019.

If there are any material risks associated related to the individual properties, we comment on these findings in the individual property reports. Unless otherwise stated, we do not consider that there are any issues contained within the Reports that would materially impact our opinion of Market Value. The interpretation of the legal documents/disputes is a matter for lawyers and as such we accept no responsibility or liability for the true interpretations of the legal position.

The current portfolio aggregate passing rent is £23,289,104 per annum.

The leases are held on effective full repairing and insuring terms with 5 yearly rent reviews, linked to CPI with a cap and collar of 1% and 5%.



Approximately 99% of the portfolio (by current income) is secured under 10 year leases to the Secretary of State for Communities and Local Government (the British Government). The tenant is in occupation in whole or part of each property with all the leases on the same terms, save for tenant break options.

A number of the leases incorporate tenant break options, effective 1 April 2021, and 2023 subject to 12 months' prior written notice. We calculate that approximately 2.59% of the income is subject to break option, in 2021 and 70.23% in 2023. The Weighted Average Unexpired Lease Term of the portfolio is 4.89 years the term certain, and 8.58 years to lease expiry.

We understand from the Manager's discussions with the tenant that they believe that 80/90% of the tenant break clauses will not be exercised.

The Secretary of State is perceived by investors to offer undoubted covenant strength.

CONDITION

We are not construction specialists and provide no warranties regarding the information adopted. We have not carried out building surveys or any testing of the services. Where we have noticed items of disrepair we have highlighted these in the individual property reports and reflected them to the extent that they would be reflected by potential purchasers.

As the leases are drawn on full repairing and insuring basis, we have expressly assumed that the tenant is responsible for any capital expenditure. We have not been made aware of any schedules of condition attached to the leases and assume that the Tenant will be fully responsible for full dilapidations if they exercise their break provisions or do not renew leases at expiry.

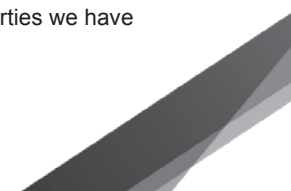
We have been provided with Technical Due Diligence reports as prepared by Messrs Jones Hargreaves (UK) Limited, dated July 2019. They have identified several properties to be of an age and construction nature where HAC (and / or Chlorides) may potentially affect the structural frame. They have requested testing reports from the Property Manager (where possible) and have requested that such enquiries are also lodged formally via solicitors. In the absence of any firm conclusions, we have assumed that there is no impact on value. This assumption should be reviewed once the responses are received.

The Technical Due Diligence reports also identify the potential for Asbestos within the buildings. Where it has been identified, we have expressly assumed that the ongoing operation will be possible without any disturbance to the asbestos, and that any rectification of the asbestos is the liability of the tenant. The reports do not allow for any capital expenditure liability for the landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value. We have assumed any asbestos is being managed in accordance with the Control of Asbestos Regulations (CAR) 2012).

While we are not qualified to comment on whether the properties and the procedures comply with current building regulations or fire safety legislation, we have expressly assumed that there are no material breaches that would be likely to have an adverse impact upon value. We draw your attention to the review of construction standards in the UK as a result of the Grenfell incident, and the potential for building regulations to evolve as a result.

ENVIRONMENTAL MATTERS

We are not chartered environmental surveyors and provide no warranties regarding the information adopted. Where we have been provided with environmental reports for the subject properties we have





reflected the observations on environmental matters in our valuations. However, a purchaser may cause such further investigations to be made and if these were unexpectedly to reveal material issues then this might reduce the values now being reported

We have been provided with Groundsure Siteguard Reports, dated August and September 2017. Where issues have been raised within these reports Phase 1 Environmental reports have been undertaken. Unless otherwise stated we have assumed that the properties are free from contamination or any other adverse ground conditions, flood risk, or energy efficiency standards that may affect value. Should this assumption prove incorrect, we reserve the right to review our opinion of value.

STATUTORY ENQUIRIES

We have made online enquiries of the relevant planning authority in whose area each Property lies as to the possibility of highway proposals, comprehensive development schemes and other ancillary planning matters that could affect property values. We have assumed that the buildings have been constructed in full compliance with valid planning and building regulations approvals, that no adverse conditions or restrictions apply and they have the benefit of current fire certificates. We have also assumed that the Properties are not subject to any outstanding statutory notices as to their construction, use or occupation.

We have reviewed the individual property Reports on Title, which confirm that properties generally have direct access from a public highway. Where this is not the case, we note that the relevant indemnity insurance is in place in this regard to mitigate any future liabilities.

We have relied upon the information supplied by government agency websites to assess the rateable value of the properties.

VALUATION APPROACH

We have adopted the Market and the Investment approaches in forming our opinion of value.

We have approached our valuation on the basis of assessing the value of each property individually, having regard to what we believe each property would achieve should it be brought to the market in isolation at the date of valuation. We have reflected the characteristics of the asset as well as the security of the income when formulating our opinion of Market Value.

That said, in arriving at our opinions we have reflected the fact that the portfolio of properties would be attractive to a number of purchasers as it enables a relatively large amount of money to be invested in Government serviced income and at a relatively attractive initial yield.

While we have valued the individual assets and reflected the existence of tenant break options in accordance with market practice, we have reflected our opinion that an investor would conclude that the Tenant will not break all the leases at the intervals provided and in this regard the Manager has advised us that from their discussions with the tenant they believe that 80/90% of the tenant break clause will not be exercised. However, for the purpose of this valuation we have assumed that 50% of the lease break options would be exercised by the tenant as we consider this to be a reasonable level that would be assumed by a purchaser of a portfolio of this nature.





Where we have assumed that the break options would be exercised (50% of the leases with 3 years and 7 months to expiry), we have made an allowance for an income void of around two years, and capitalised this income stream at an initial yield of around 9.00%. This is broadly equal to the aggregate yield of all the individual properties with 3 years and 7 months.

Where we are assuming the tenant will not exercise their break option, we have assumed that a well advised tenant would seek to renegotiate their lease where the property is over rented, and therefore for the penultimate five years of the lease, we have assumed that the income will revert to Market Rent. We have then capitalised this income at an initial yield of around 7.0%. This reflects a discount of around 125 bps to the aggregate yield of the units that currently have 8 years and 7 months to expiry. This discount, reflects the fact that the passing rent will be reduced at review in March 2023, and the quality of the locations, which would generally be considered slightly more favourable across the properties with a longer term certain.

In the current market, a portfolio of this nature would provide an attractive proposition to a range of purchasers, most notably private equity. The opportunity to purchase a particular group of properties is likely to produce a premium particularly with the asset management potential of this portfolio. We consider that the aggregate of the above provides a realistic scenario relating to the tenant break options and the value reflects a premium above the aggregate of the Market Value of the individual assets.

This 'portfolio premium' reflects an additional 9.6% of value spread over the portfolio, which is broadly in line with market sentiment (around 10%) for this type of portfolio in the current market. We have then distributed the portfolio premium across the individual properties with 3 years and 7 months based on quantum, and the initial yields adopted therefore also reflect the premium.

Our valuation makes no allowance for any effect on value should all the individual properties be offered to the market at the same time, or as smaller portfolio lots, and where this could effectively flood the market, leading to reduction in values.

In accordance with your instructions we have prepared an opinion of Market Value on the basis that each property is held in a Special Purpose Vehicle (SPV) that is structured in such a way that it would not be subject to stamp duty land tax (SDLT) payments in the event of a transfer of the asset between market participants. This additionally assumes that any hypothetical vendor or purchaser would be domiciled and incorporated in a way that they could fully benefit from the SPV and that there are no onerous liabilities or obligations which would have a detrimental impact on the property valuations. We draw your attention to the possibility that the tax treatment of SPV structures that exist today could be subject to future policy changes in the future.

In arriving at our opinions of value we have disregarded the value of all process related plant, machinery, fixtures and fittings and those items which are in the nature of tenants' trade fittings and equipment. We have had regard to landlords' fixtures such as lifts, escalators, central heating and air conditioning forming an integral part of the buildings.



SWOT ANALYSIS

Strengths	• Geographically diverse portfolio. • 99% of the rental income secured under leases to the Secretary of State for Housing, Communities and Local Government. • The Secretary of State is a central department of the British Government and is perceived to offer undoubted covenant strength. • WAULT – 6.78 years (to earlier of tenant break option or lease expiry). • Based upon the Managers discussions with the Tenant that 80/90% of the breaks will not be operated • Value underpinned in some cases by potential for conversion to residential under current Permitted Development Rights (PDR) rules on a subject to planning basis. • Currently reasonable demand for large multi-asset portfolios of a similar lot size.
Weaknesses	• The majority of properties are in second and some are in third tier office locations. • Approximately 2.59% of the income is subject to break option, in 2021 and 70.23% in 2023. • Market Value likely to fall as unexpired lease terms decrease. • A number of the buildings are older stock that may require capex to enhance their letting prospects should they become vacant.
Opportunities	• Explore viability of conversion to residential use. Implement where viable and vacant possession is obtained. • Remove Tenant break provisions and or extend term certain • Explore other redevelopment options • Potential for rental uplift should assets be converted upon expiry
Threats	• Ongoing economic uncertainty as a result of Brexit negotiations • Tenant operates more break provisions than the Manager envisages

MARKET VALUE

We are of the opinion that the aggregate Market Value, as at 31 August 2019, of the 97 properties is:

£319,055,000 (Three Hundred and Nineteen Million and Fifty-Five Thousand Pounds)

The figure represents the aggregate of the individual values of the properties and should not be regarded as a valuation of the portfolio as a whole in the context of the sale as a single lot, although reflects our comments earlier with regards to potential purchases approach to portfolios of this nature and the fact the portfolio is held within an SPV.

A summary of our individual valuations for the Market Value forms an Appendix.

RELIANCE AND LIMITATIONS OF LIABILITY

This Summary Letter and other documents forming the Report and Valuation are issued solely for the use of the Addressees as agreed within the terms of engagement, for the specific purpose to which it



refers. We do not accept any responsibility or liability in respect of any third parties for the whole or any part of its contents.

We agree that the REIT and the Addressees of this Report, as trustee of the REIT, shall have the benefit of and be able to rely upon our valuations and any reports prepared by us within the scope of our Terms of Engagement (as amended) and shall be subject to the same terms and conditions set out in this Report including but not limited to the limitation of our liability, which shall apply collectively to the REIT and the Addressees of this Report, as trustee of the REIT in aggregate.

To the extent permitted by applicable law, our liability arising out of, or in connection with each property valued by us in under the Terms of Engagement, whether arising from negligence, breach of contract, or any other cause whatsoever, shall in no event exceed €20,000,000 or 20% of the lowest Market Value we report in respect of that property, whichever is the lower.

To the extent permitted by applicable law, the aggregate liability arising out of, or in connection with the Terms of Engagement, whether arising from negligence, breach of contract, or any other cause whatsoever, shall in no event exceed €20,000,000 or 20% of the lowest total Market Value we report in respect of the Properties, whichever is the lower.

This clause shall not exclude or limit our liability for actual fraud, and shall not limit our liability for death or personal injury caused by our negligence.

The aforementioned liability caps are subject to the extent permitted by the Securities and Futures Act, Chapter 289 of Singapore.

For the avoidance of doubt, this Report and Valuation is provided by Colliers International Valuation UK LLP and no partner, member or employee assumes any personal responsibility for it nor shall owe a duty of care in respect of it.

CONFIDENTIALITY AND DISCLOSURE

We agree to the inclusion of all or any part of this Portfolio Report, or any data or other information contained in this Report, and the Colliers name can be quoted, reproduced and relied upon (i) in the preliminary Prospectus, (ii) in the final Prospectus in connection with the IPO or any other offer materials prepared by or on behalf of the REIT, including any supplementary documents (if any), in connection with the IPO, (iii) in any materials produced by or on behalf of the REIT in connection with presentations or other materials prepared in connection with the IPO, and (iv) in any public announcements of the REIT (which will contain the following disclaimer *"To the fullest extent permitted by law, Colliers excludes all liability arising from the use of or reliance on its valuations by any person other than the Addressee of the valuations for any purposes whatsoever."*).

Save as provided above, if it is intended to make a reference to this Valuation Summary Letter in any published document, our prior approval to the publication is required so that we can approve the reference in context. In breach of this condition, no responsibility can be accepted to third parties for the comments or advice contained in this Valuation Summary Letter. Disclosure of the Portfolio Report by the addressee of the Portfolio Report or by the Manager is not prohibited if required (i) in connection with any actual or threatened legal, judicial or regulatory proceedings (for avoidance of doubt, this shall include disclosure by the addressee or the Manager in connection with any form of due diligence



defence) or for the purpose of resolving any actual or threatened dispute or (ii) in communications to insurers in connection with an actual or threatened dispute or claim, or (iii) in connection with the addressee's due diligence enquiries of the contents of the Prospectus.

To the extent permitted by applicable law, Colliers International expressly disclaims liability to any person in the event of any omissions from, or false or misleading statements included in, the Prospectus, other than in respect of this valuation and the information provided in the Report and Valuation. We do not make any warranty or representations to the accuracy of the information in any part of the Prospectus other than as expressly made or given in our Report. The Valuer has no pecuniary interest that would conflict with the proper valuation of the Properties.

Yours faithfully,

A stylized, handwritten signature in black ink, consisting of several overlapping loops and a long, sweeping horizontal stroke at the end.

R Francis MRICS
Head of Valuations & Advisory Services
RICS Registered Valuer
Colliers International Valuation UK LLP

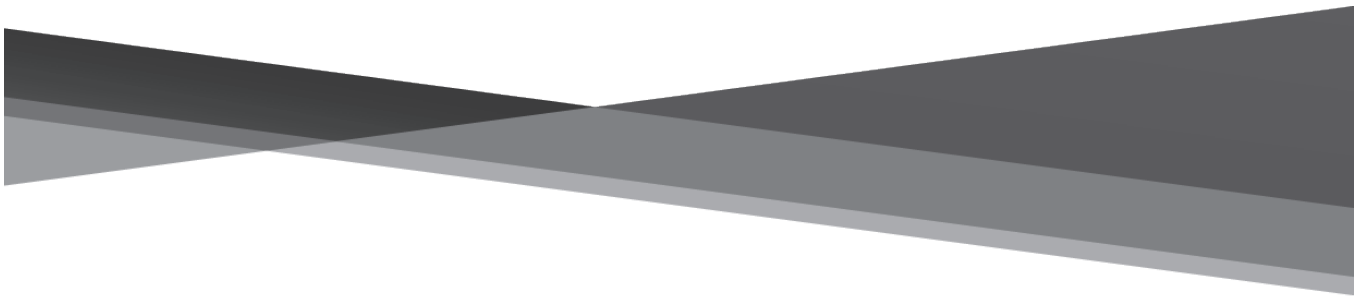
A handwritten signature in black ink, featuring a series of vertical strokes followed by a long, horizontal, slightly wavy line.

H Flood MRICS
Director
RICS Registered Valuer
Colliers International Valuation UK LLP





APPENDIX: INSTRUCTION LETTER



Our Ref

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25 June 2019

Perpetual (Asia) Limited
(in its capacity as Trustee of Elite UK Commercial Fund)
8 Marina Boulevard
#05-02, Marina Bay Financial Centre
Singapore 018981

Elite Commercial REIT Management Pte. Limited
(as manager of Elite Commercial REIT)
9 Temasek Boulevard
#17-01 Suntec Tower 2
Singapore 038989

FAO Jonathan Edmunds

Dear Jonathan

**THE ELITE COMMERCIAL REIT PORTFOLIO – PROVISION OF VALUATION ADVICE IN
RELATION TO AN INITIAL PUBLIC OFFERING ON THE SINGAPORE STOCK EXCHANGE
AS AT 31 AUGUST 2019**

Further to our recent discussion I have pleasure in setting out below the terms of our agreement for the provision of a formal RICS Red Book report and valuation. Our Terms of Engagement are as follows:

Client	Perpetual (Asia) Limited (in its capacity as Trustee of Elite UK Commercial Fund) and Elite Commercial REIT Management Pte. Limited (as manager of Elite Commercial REIT) (also referred to as the “Addressee”). We understand that Elite UK Commercial Fund will be renamed as Elite Commercial REIT post listing.
	Notwithstanding any contrary provision in this letter, it is hereby agreed and acknowledged by the parties that Perpetual (Asia) Limited (“PAL”) is entering into this letter only in its capacity as trustee of Elite UK Commercial Fund (“EC Fund”) and not in its personal capacity. As such, notwithstanding any contrary provisions in this letter, PAL has assumed all obligations under this letter only in its capacity as trustee of EC Fund and not in its personal capacity and any liability of or indemnity given or to be given by the Trustee and any power and right conferred on any receiver, attorney, agent and/or delegate by the Trustee shall be limited to the assets of EC Fund over which PAL, in its capacity as trustee of EC Fund, has recourse and shall not extend to any personal assets of PAL or any assets held by PAL in its capacity as trustee of any other trust. This paragraph shall survive the



	termination or rescission of this letter. The provisions of this paragraph shall apply, mutatis mutandis, to any notice, certificate or other document which the Trustee issues under or pursuant to this letter, as if expressly set out in such notice, certificate or document.
Valuer	Colliers International Valuation UK LLP
Purpose of Valuation	The valuation has been prepared for the purpose of providing you with the Market Value of each of 97 properties (the "properties", and each "property") located in three countries that will be held by the REIT. The valuations and valuation certificates will be included in the prospectus for an Initial Public Offering ("IPO") of the units in the Elite Commercial Real Estate Investment Trust (the "REIT") (the "Prospectus"). The REIT will be listed on the Main Board of Singapore Exchange Securities Trading Limited (the "SGX-ST"). This Report will not be included in the Prospectus but will be made openly available for inspection by all potential investors in the REIT. In this report and its appendices, we have disclosed all matters to our knowledge that we anticipate would be required by the Addressee in order to meet the requirements of the Securities and Futures Act, the Monetary Authority of Singapore and the SGX-ST. Our report will provide an opinion of value and is not to be interpreted as investment advice or a recommendation to invest.
Interest to be Valued	The properties held by the company which are owned and held within the Elite Commercial REIT Portfolio.
Type of Asset	Investment properties.
Valuation Standards	The valuations will be prepared in accordance with the RICS Valuation – Global Standards 2017 (Incorporating the IVSC International Valuation Standards) prepared by the Royal Institution of Chartered Surveyors (the "Red Book"). The properties will be valued by suitably qualified Registered Valuers who fall within the requirements as to competence and independence as set out in PS 2.3 of the Red Book. The report will also be prepared in accordance with the formal requirements and listing rules for an IPO and listing on the SGX-ST.



Basis of Valuation	The valuations will be arrived at on the basis of Market Value in accordance with the RICS Valuation – Professional Standards. This is defined as – ‘The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion’.
Valuation Date	31 August 2019.
Disclosure (any previous involvement)	As you are aware, we undertook an informal desktop review of the Portfolio in 2018 prior to its purchase however, we did not undertake a formal valuation or provide formal advice at that time and no fee was received. We have also undertaken an internal accounts valuation of the properties, on behalf of Elite Gemstones Properties Ltd, with a valuation date of 31st December 2018, with report dated 19th July 2019. We have fully disclosed our involvement to you, and confirm that we are not aware of any previous material involvement with the properties in the Portfolio and do not consider that there is any conflict of interest.
Status of Valuer	You have instructed us to act as an Independent External Valuer in accordance with in the Monetary Authority of Singapore Code on Collective Investment Schemes, and the current version of the RICS Valuation – Global Standards.
Identity of Valuer	R N Francis MRICS and H R B Flood MRICS who are competent to undertake the valuations and who are in a position to provide an objective and unbiased valuations, having no material connection or involvement with the subject of the assignment or the party commissioning the assignment.
Reporting Currency	GB Pounds
General Assumptions	The general assumptions to which our valuations will be subject are attached within our General Assumptions and Definitions.



Special Assumptions	You have confirmed that the properties are each held in a Special Purpose Vehicle (SPV) that is structured in such a way that it would not be subject to stamp duty land tax (SDLT) payments in the event of a transfer of the asset between market participants. Therefore, you instruct us prepare the valuation on the following assumptions: • Each property is held within an SPV and no stamp duty is payable. • Any hypothetical vendor or purchaser would be domiciled and incorporated in a way that they could fully benefit from the SPV. We will not reflect any alternative or local taxation rules that could be applicable. • The SPV contains no onerous liabilities or obligations which would have a detrimental impact on the property valuations. We draw your attention to the possibility that the tax treatment of SPV structures that exist today could be subject to future policy changes in the future. In the event that market participants could not benefit from the SPV structure then full SDLT may be payable at the prevailing rate. This would be reflected in the Market Value. Likewise, should a property transfer take place outside of the SPV 'wrapper' then the purchaser would be liable to pay SDLT. Should any other Special Assumption be required, it must be agreed and confirmed in writing between the parties.
The extent of the Valuer's investigations	We will inspect all of the properties subject to the valuation. Any limitations or restrictions on the inspection, inquiry or analysis for the purposes of the valuation assignment shall be set out in our Report but otherwise we will, where possible, undertake an internal and external inspection of the properties. Inspections will neither include areas which are locked or inaccessible for whatever reason, nor areas or features which are covered or unexposed. External inspections will be from ground level only and will again be limited to those areas which can be reasonably accessed without recourse to ladders or other aids. We will not be required to prepare the following: 1. A Building Survey 2. Any environmental audits or investigations (although we will reflect any reports provided to us) 3. Any planning Searches (although we will undertake informal planning enquiries, if felt appropriate). 4. An EPC Assessment (although we will have regard to existing EPC ratings if available). 5. An Asbestos survey or register (if available). 6. An assessment under the Equality Act 2010 (if available). 7. A formal Reinstatement Valuation



	8. A Measurement Survey. We will rely upon areas provided by yourselves. We will however review what evidence information is available.
Nature and source of the information to be relied on by the Valuer and Information and Documentation to be supplied by the Client	You are obliged to assist us in carrying out the agreed contract as required, especially by supplying the required information and documentation on time. This also applies to documentation and information, which only becomes available or into existence during the course of our instruction. Should you not adhere to any of these obligations to support us, we reserve the right to extend the contracted timeline. You have agreed that we are to rely upon all information which will be supplied to us by yourself. This includes reports provided by third parties who are advising you on relevant areas. We will rely on the information supplied and, unless otherwise agreed, we will assume that such information provided to us will be accurate and can, if necessary, be verified. We have assumed that we will be provided with all information necessary for us to accurately complete the valuations. We would recommend that before any financial transaction is entered into based on the valuations, you obtain verification of any third-party information provided. We also recommend that you check the validity of the assumptions we have adopted in our Report (where we have been unable to verify the facts through our own observations or experience). We do not accept responsibility for information provided to us by you or any other 3rd party advisor. Where it is appropriate to do so, we will liaise directly with your legal advisers. However, they will be directly responsible to you for all legal work carried out by them. We will have no responsibility for their work. In particular, we will not be liable for anything contained in the legal documentation prepared by your legal advisers.
Scope of Works	To provide our opinion of Market Rent and Market Value for each property in the Portfolio. To liaise with yourselves to obtain up to date: • Property Report (from Messrs JLL); • Landlord Capex Report; • Asset Management initiatives (from Messrs JLL); • Planning position. • Any title reports provided To provide a report compliant with the listing regulations for the Singapore Stock Exchange with a valuation date of 31 August 2019. The report to include brief 1 page individual property reports. This exercise is to be completed by the end of September 2019.

Restricted Information	In accordance with the Red Book we are required to make clear when confirming instructions the nature of any restrictions and resulting assumptions that might apply.
Fees and Disbursements	Our fee for this instruction is £225,000 + VAT The fee is inclusive of reasonable disbursements. While we accept that a portfolio of this size will include a number of assets where additional revisions may be required over and above the scope set out, where this would require wholesale changes to the Portfolio or material multiple revisions, we reserve the right to charge additional fees to compensate for the additional workload involved. Furthermore, if for any reason the IPO was to fail or be delayed in such a way as to in effect require a "revaluation" (either through updated property or other due diligence, or changes in market conditions), then we would also require an additional fee to compensate for any further work to be carried out in order to complete the IPO process at any further attempt. Abortive fees for the IPO Valuation • Prior to undertaking formal inspection £0 • 50% of formal inspections undertaken £50,000 + VAT • 100% of formal inspections undertaken £100,000 + VAT • Draft valuations completed £150,000 + VAT • Draft reports completed £170,000 + VAT • All documents submitted but IPO aborts £195,000 + VAT
Changes to Contract	All changes and extensions to this contract must be concluded in writing. Should we perform additional services not specified in this Instruction Letter but required by the Client, and should both parties not be able to agree to an appropriate remuneration for these services, our fees will be increased according to our additional time-costs. The contract is not subject to any verbal side agreements.
Payment Conditions	The agreed remuneration will be payable immediately upon issue of invoice without any deductions. In the event of our appointment being aborted or terminated prior to the delivery of the final Valuation Report, we reserve the right to charge a fee proportionate to the work carried out to that date.
Professional Indemnity Insurance	We confirm that Colliers hold sufficient Professional Indemnity Insurance in respect of this valuation report. A copy of our PII Certificate is attached hereto.
Limitation of Liability	To the fullest extent permitted by law and regulation relating to listing on the Singapore Stock Exchange, Colliers excludes all liability arising from the use of or reliance on its valuations by any person other than the Addressee of the valuation for any purpose whatsoever.

	Subject to the below paragraphs and to the extent permitted by applicable law, our liability arising out of, or in connection with each property valued by us, whether arising from negligence, breach of contract, or any other cause whatsoever, shall in no event exceed €20,000,000 or 20% of the lowest Market Value we report in respect of that property, whichever is the lower. To the extent permitted by applicable law, the aggregate liability arising out of, or in connection with the instruction, whether arising from negligence, breach of contract, or any other cause whatsoever, shall in no event exceed €20,000,000 or 20% of the lowest total Market Value we report in respect of the Properties, whichever is the lower. The aforementioned liability caps are subject to the extent permitted by the Securities and Futures Act, Chapter 289 of Singapore. This clause shall not exclude or limit our liability for actual fraud, and shall not limit our liability for death or personal injury caused by our negligence. This clause shall replace clause 13.5 of our Standard Terms of Business.
No personal liability	For the avoidance of doubt, any report produced under this agreement is provided by us as a corporate entity and accordingly no partner, member or employee assumes any responsibility for it nor shall owe a duty of care in respect of it.
No liability to third parties	Any report that we provide to you under this agreement is issued for your own use for the specific purpose to which it refers. We do not accept responsibility to any third party for the whole or any part of its contents.
Extension of Reliance to Third Parties, on agreement	Reliance will be provided to UBS and OCBC in their capacity as issue managers, subject to these named parties signing our letter of reliance. For the avoidance of doubt, the Limitation of Liability above shall apply collectively and in aggregate to all parties to whom we provide reliance. Should we be asked to extend the reliance on our valuations to another party or parties, we will give consideration to doing so to named parties (but shall have no obligation to do so), and subject to the agreement of our additional fees, where relevant. Any extension of reliance will be subject to written agreement in a form provided by us.
The requirement of consent to publication	Our prior consent in writing will be required for any reproduction or public reference to the valuations or report.
Standard Terms of Business	Our enclosed Standard Terms of Business shall apply
Complaints procedure	We are required to notify you that we have a firm's complaints procedure, with a copy available on request.



RICS Monitoring Regulations	We are required to draw to your attention to the fact that the Royal Institution of Chartered Surveyors may review all documentation relating to our valuations to ensure compliance with their standards.
Alternative Investment Funds	Please note that, in the event that our appointment relates to an entity to which the European Parliament and Council Directive 2011/61/EU ('the AIFMD'), applies, our instructions are solely limited to providing recommendations on the value of particular property assets (subject to the assumptions set out in the Valuation Report) and we are therefore not determining the net asset value of either the Fund or the individual properties within the Fund. Accordingly, we are not acting as an 'external valuer' (as defined under the AIFMD) but are providing our service in the capacity of a 'valuation advisor' to the AIFM.

Naturally, we are happy to answer any questions that you may have regarding the aforementioned.

Yours faithfully

R N Francis BSc MRICS
Director, Head of Valuation & Advisory Services
RICS Registered Valuer
Colliers International Valuation UK LLP

Enc





If, after having read the aforementioned, you are in agreement with the terms stated herein please sign both copies of this letter, retaining a copy for your records and returning the other.

The Client confirms acceptance of the above and the attached Standard Terms of Business and hereby instructs Colliers International Valuation UK LLP to proceed with the assignment as proposed and to invoice for professional fees according to the terms of this agreement.

On behalf of

[The REIT Manager and REIT Trustee]

Name and position:

Signature:

Date:

Company Registration Number

Invoicing Confirmation Details

Name and position

Address (where the final invoice should be sent)

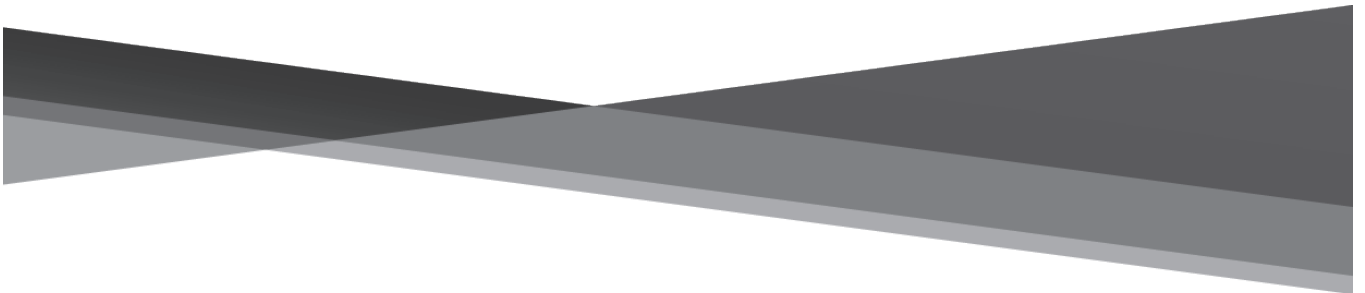
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Telephone:

Email address:



APPENDIX:
STANDARD TERMS OF
BUSINESS & GENERAL
ASSUMPTIONS AND
DEFINITIONS



STANDARD TERMS OF BUSINESS



These are the terms upon which Colliers International Property Advisers UK LLP (registered no OC385143) and/or Colliers International Capital Markets UK LLP (registered no OC392075) and/or Colliers International Central London UK LLP (registered no OC291630) and/or Colliers International Rating UK LLP (registered no OC291634) and/or Colliers International Retail UK LLP (registered no OC334835) and/or Colliers International Valuation UK LLP (registered no OC391629) and/or Colliers International Property Consultants Ltd (registered no 7996509), in each case trading as Colliers International, agree to act for you. The entity with which you have engaged will be noted on our letterheads, email footers and invoices that are sent to you. If you are at all unsure as to with which entity you have engaged, please contact us and we will confirm the same. Our agreement takes effect from the date we agree to accept your instructions but these terms will apply from the date we provide you with a copy of them.

1.0 DEFINITIONS AND INTERPRETATIONS

1.1 Terms means the terms of business set out in this document and include any other terms and conditions set out or referred to in our instruction Letter. These Terms apply to all services that you instruct us to provide and cannot be varied or amended except in writing and signed by you and us.

1.2 Client (referred to throughout as 'you') means the person, company, firm or other legal entity named in our instruction Letter. We will not accept instructions to act for any other legal entity nor will these Terms apply unless we have agreed in writing to act for that alternative entity. We reserve the right to refuse to act for such an alternative entity until (if at all) we have undertaken due diligence to fulfil our internal credit, money laundering and risk obligations. In the event that we are instructed to act for a single purpose corporate vehicle we reserve the right to require and be provided with a parent company or other guarantee for our fees before accepting instructions to act. In the case of the sale of a Property by a corporate client in which the shares in such client are the assets transferring we will require the shareholders of such corporate client to guarantee its obligations to us.

1.3 Colliers Entity means any entity owned or controlled by Colliers International Property Advisers UK LLP or by any of its members, or owned or controlled by any other Colliers Entity.

1.4 Colliers International (referred to throughout as "Colliers" "we" or "us") is the trading name of Colliers International Property Advisers UK LLP, Colliers International Capital Markets UK LLP, Colliers International Central London UK LLP, Colliers International Rating UK LLP, Colliers International Retail UK LLP, Colliers International Valuation UK LLP and Colliers International Property Consultants Ltd.

1.5 Confidential Information means information that is by its nature confidential and/or is designated by us to be confidential.

1.6 Instruction Letter means the letter of instruction, proposal or tender which is sent to you with these Terms. In the event that there is any conflict between the terms set out in this document and the terms set out in the instruction Letter the terms in the instruction Letter shall take precedence.

1.7 The Property means the assets (including shares in a company) which are the subject of our instructions and all other assets in which an interest is acquired by a purchaser including contents fixtures and fittings and any business carried on at the Property.

1.8 Purchaser includes a tenant or licensee.

1.9 Seller includes a landlord or licensor.

1.10 Services means the specific services set out in the instruction Letter and any other services which we agree in writing to provide.

1.11 Sole Selling Rights – (unless specified to the contrary in the instruction Letter by instructing us to dispose of and/or acquire (as applicable) the Property you grant us Sole Selling Rights which means that you will be liable to pay remuneration to us, in addition to any other costs or charges agreed, if:

(a) unconditional contracts for the sale and/or lease (as applicable) of the Property are exchanged in the period during which we have Sole Selling Rights even if the purchaser and/or seller (as applicable) was not found by us but by another agent or by any other person, including you; and

(b) if unconditional contracts for the sale and/or lease (as applicable) of the Property are exchanged after the expiry of the period during which we have Sole Selling Rights but to a purchaser and/or seller (as applicable) who was introduced to you during that period or with whom we had negotiations about the Property during that period.

2.0 FEES

2.1 Our fees are as stated in the instruction Letter.

2.2 Where we agree to act jointly with another professional then the fee payable to us will be an agreed proportion of the total fee due. In the absence of such an agreement we shall be paid in equal proportion to the other professional(s).

2.3 Abortive Fees

(a) Unless otherwise agreed in writing if you instruct us to act for you and thereafter the transaction or instruction becomes abortive because you withdraw or you terminate our instructions we shall be entitled to 50% of the fee we would otherwise have received had the matter proceeded to completion.

(b) Whether the transaction or instruction concludes or not the disbursements and expenses referred to in Clause 3.0 below will be payable by you in any event.

(c) In the case of consultancy services an abortive fee will be calculated and payable by you according to our hourly rate at the time for all work done.

2.4 Additional Work

Where we are required to undertake additional work outside the agreed scope of the Services additional charges will be agreed.

2.5 Estimates

Any estimates of fees and disbursements are provided on the basis of the information you provide to us. Such estimates are not therefore binding upon us if the information provided is in any way incomplete, misleading or wrong.

2.6 Retention of commissions

In addition to any fees which are payable by you, unless otherwise agreed we may retain any commissions that we may receive from third parties in the course of providing the services. We will disclose any such commission to you.

3.0 DISBURSEMENTS AND EXPENSES

3.1 We will provide you with an estimate of disbursements and expenses prior to incurring them. Such items include but are not limited to travel, advertising and marketing (including 'for sale' and 'to let' boards), in-house mailing, printing, maps, photography, photocopying, library and data services, research, bank references, planning applications and RICS and other regulatory fees.

3.2 Disbursements and expenses may be charged to you as soon as they are ascertained or incurred, whether or not our instruction proceeds to a conclusion.

3.3 You agree to indemnify us against any liability on our part in respect of such disbursements and expenses.

3.4 In all circumstances in which your instructions involve an amount of administration on our part, such as photocopying, faxing etc. we shall be entitled to add an administration charge to our bills to cover such expense.

4.0 CHARGES DUE

4.1 We will be entitled to issue an invoice and our fees will become due for payment free from any discount, deduction set-off or counter claim.

(i) On the date(s) specified in the instruction Letter.

(ii) When you withdraw your instructions (in which case Clause 2.3 applies).

4.2 In all other cases charges become due on the date that we issue an invoice for the services provided and/or the disbursements and expenses incurred.

4.3 All invoices are payable by you upon delivery to you.

4.4 In the event that we are required to issue proceedings to recover any fees or disbursements and we are successful in such proceedings you agree that you will pay our legal costs of such proceedings even if the amount claimed is less than the limit for small claims cases.

5.0 TAXES

5.1 The fees disbursements and expenses referred to in these Terms and in the instruction Letter are all subject to the addition of VAT where applicable (and any other taxes whether UK or overseas which may arise).

5.2 You will comply with the Criminal Finances Act 2017 and ensure that you and your associated persons do not commit or facilitate a tax evasion offence.

6.0 INTEREST

6.1 Unless otherwise agreed in writing, in default of payment by you within 21 days of delivery of an invoice, interest will be chargeable upon outstanding invoices at the rate of 6% above the Bank of England minimum lending rate from time to time from the date of our invoice until payment.

7.0 SCOPE OF SERVICES

7.1 We accept no liability for the content or interpretation of title, regulatory documents (such as Energy Performance Certificates) or tenancy documents and unless specifically instructed to report on them we do not warrant that properties on which we advise are in satisfactory structural order; that any land is free from contamination; or that any land or property is compliant with regulations, or that any land or premises has planning permission or is capable of being developed for the purposes for which it may be required.

7.2 We will perform the Services within a reasonable period of time after acceptance of your instructions on the basis that:

(a) Any estimates of the time for performance of the Services are not to be legally binding upon us; and

(b) We shall be entitled (but not obliged) to delegate performance of the Services (or any part of them) by instructing one or more other persons, firms or companies (whether as sub-agent or in any other capacity) upon such terms as we consider appropriate in our absolute discretion.

7.3 It may be necessary as part of our work to instruct specialist consultants on your behalf. We will not do so before obtaining your authority. Once you have authorised us to instruct such specialist consultants you will be responsible for payment of their fees and matters relating to their performance. In accepting your

instructions to instruct such specialist consultants we do not warrant their competence. If we are instructed by you to supervise the work of such specialist consultants we will be entitled to charge an additional fee calculated by reference to the time incurred in doing so; however we assume no liability for any advice given to you by such consultants.

7.4 Any market projections incorporated within our Services including but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and may prove to be inaccurate. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.

8.0 INFORMATION PROVIDED

8.1 Unless you inform us in writing to the contrary we shall not be required to check or approve the accuracy of information provided to us by you or others including Energy Performance Certificates. In the event we are instructed to act for you on the assignment of a lease and/or a letting (including a sub-letting), you warrant that the Property has the minimum Energy Performance Certificate rating or a valid registered exemption to comply with the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 and/or any other applicable law or regulations.

8.2 Unless you inform us in writing to the contrary you hereby warrant the accuracy of all information provided to us by you or on your behalf on the basis that you expect us to rely upon it.

8.3 You will check all marketing materials that we produce in respect of any Property that we have been instructed to dispose on your behalf and you will notify us immediately if you become aware that any such marketing materials are inaccurate, misleading or incomplete.

8.4 You undertake to indemnify us against all costs, claims, charges and expenses of whatever nature which may arise as a result of any such information proving to be inaccurate (whether wholly or in part), misleading or incomplete.

8.5 Subject only to Clause 12 below any information which we acquire from you in the course of performing instructions may be used by us for any other purpose unless you instruct us in writing at any time prior to such use by us.

9.0 OUR REPORTS

9.1 In relation to any written report or advice prepared by us you agree that neither the whole nor any part of our report or advice or Confidential Information may be included in any published document, circular or statement or published in any way without our written approval prior to publication.

9.2 Copyright in any reports, documents or other material provided to you by us shall remain our property at all times.

10.0 PAPERS

10.1 After completing our work, we are entitled to keep all and any of your papers and documents until our fees and charges are paid in full.

10.2 Unless you instruct us to the contrary, you hereby agree that we may destroy papers or documents relating to the Services six years after the date of the final invoice that we send you for the particular matter.

11.0 EMAIL

11.1 We shall treat receipt of an email from you as a request to us to communicate with you by email.

11.2 If you intend to communicate with us by email, by accepting these Terms you confirm that you understand the risks of doing so and you authorise us to act upon electronic instructions which have been transmitted (or appear to have been transmitted) by you.

12.0 DATA PROTECTION

12.1 Both parties will comply with all applicable requirements of the General Data Protection Regulation 2016/679. To the extent you provide us with any personal data, you will ensure that you have all the necessary appropriate consents and notices in place to enable lawful transfer of such personal data.

12.2 You agree that we may receive and retain documentary proof required by the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and can disclose it to any Government authority that is legally entitled to require it. You further agree and consent to identity checks being carried out electronically for anti-money laundering purposes. For the purposes of this clause only, you release us from our obligations under Clause 12.1 above.

12.3 We may occasionally use your contact details to inform you of property updates, client seminars, and the like. By accepting these terms you consent to our sending you such information. If you do not wish to receive such information, please advise us, by writing to the Data Protection Officer at our address.

13.0 LIMITATION OF LIABILITY

13.1 In relation to any Services provided by us to you the following limitations apply:

13.2 You agree not to bring any claim for any losses against any member, officer, director, employee or consultant of Colliers or any Colliers Entity (each a "Colliers Person"). You hereby agree that a Colliers Person does not have a personal duty of care to you and any claim for losses must be brought against Colliers. It is agreed that any Colliers Person may enforce this clause under the Contracts (Rights of Third Parties) Act 1999 but that those terms may be varied at any time without the need for them to consent.

13.3 We will not be liable in respect of any of the following:

(a) for any services outside the scope of the Services agreed to be performed by us;

(b) to any third party;

(c) in respect of any consequential losses or loss of profits;

(d) for any losses, costs, penalties or damages arising from the Energy Performance of Buildings Regulations 2011.

13.4 Where any loss is suffered by you for which we and any other person are jointly and severally liable to you the loss recoverable by you from us shall be limited so as to be in proportion to our relative contribution to the overall fault.

13.5 Our liability for loss and damage attributable to our negligence, breach of contract, misrepresentation or otherwise (but not in respect of fraud, fraudulent misrepresentation, death or personal injury) shall not exceed £1 million per single originating cause (or if higher, such minimum level of insurance cover as the Royal Institution of Chartered Surveyors requires us to maintain from time to time). This limit applies to each and every transaction and retainer and any subsequent work we undertake for you unless expressly overridden in a subsequent Instruction Letter signed by a director of Colliers.

13.6 The exclusions and limitations in this paragraph will not exclude or limit any liability for fraud or dishonesty or for liabilities which cannot lawfully be limited or excluded.

13.7 Where the Instruction Letter is addressed to more than one client, the above limit of liability applies to the aggregate of all claims by all such clients and not separately to each client.

13.8 No claims, actions or proceedings arising from or relating to the Services and/or this agreement shall be commenced against us after six years after the date of the completion of the Services or such earlier date as may be prescribed by law.

14.0 INDEMNITIES

14.1 You agree to indemnify us against all costs, claims, charges and expenses which we shall incur by reason of (but not limited to):

(a) Use of any of our work for purposes other than those agreed by us;

(b) Misrepresentation by you or with your authority to third parties of advice given by us;

(c) Misrepresentation to third parties of the extent of our involvement in any particular project;

(d) Any claims or proceedings concerning Energy Performance Certificates prepared by you or on your behalf.

14.2 You also agree to indemnify us against any and all damages or liability suffered by us, arising from the use by us of material provided by you to us the copyright of which is vested in a third party.

15.0 ASSIGNMENT

15.1 Neither this agreement nor any of its terms may be assigned by you to any third party unless agreed in writing.

16.0 TERMINATION OF INSTRUCTIONS

16.1 We may terminate any agreement governed by these Terms immediately by notice in writing:

(a) Where as a result of circumstances outside the control of both of us the Services become impossible or performance is;

(b) Where you have rendered the Services impossible or performance is;

(c) You have provided incorrect information to us contrary to Clause 8 above upon which we have relied on;

(d) If you have not made payment by the due date of any sum payable to us or;

(e) At any time in the event that you are in material breach of your obligations to us or;

(f) Without assigning any reason and on the basis that you are under no obligation to pay any fees in respect of the matter and that we are under no obligation to perform any further services.

16.2 You (and if clause 16.1 does not apply we) may terminate any agreement governed by these Terms by giving not less than 28 days' notice in writing. However, if the Instruction Letter states a minimum period for our instructions, notice to terminate may not be given so as to expire before the end of that period.

16.3 On termination of our instructions you will be liable to pay to us any outstanding disbursements and expenses and you will remain liable for any fees arising under Clauses 2, 3 and 5 of these Terms.

16.4 Notwithstanding termination of our agreement with you the provisions of Clauses 1 to 10, 12, 13, 14, 19, 20 and 21 shall remain in full force and effect.

17.0 MONEY LAUNDERING COMPLIANCE

We are required by law to operate procedures pursuant to the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, which may include requesting that you provide us with documentary proof of identity, proof of address and/or proof of funding in relation to a particular transaction or instruction. You agree to comply with any such requests promptly.

18.0 COMPLAINTS AND INSURANCE

18.1 We operate a procedure for complaints handling as required by the Royal Institution of Chartered Surveyors. A copy is available on request.

18.2 The details of our professional indemnity insurance as set out in the Provision of Services Regulations 2009 can be requested from a member of our staff who is dealing with the Services.

19.0 LAW AND JURISDICTION

19.1 These terms of business are subject to the laws of England and Wales.



19.2 Any dispute shall be subject to the exclusive jurisdiction of the English Courts.
19.3 If a court rules that any provision of these Terms is invalid or unenforceable this will not affect the validity of the rest of the Terms which will remain in force.

20.0 RIGHTS OF THIRD PARTIES

Except as set out in clause 13 none of the Terms shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a third party. No third party will be entitled to rely on any Report or advice except as agreed in writing by us.

21.0 NON-SOLICITATION

You will not on your own account or in partnership or association with any person, firm, company or organisation, or otherwise and whether directly or indirectly during, or for a period of 12 months from, the end of the term of this agreement, solicit or entice away or attempt to entice away or authorise the taking of such action by any other person any of our and/or any Colliers Emvly employees, directors, members or consultants who have worked on the Services. In the event of any breach of this clause, you shall be liable to pay damages of one year's gross remuneration of such employee, director, member or consultant and you agree that this is a reasonable pre-estimate of our loss arising from the breach of this clause.

22.0 CONFLICTS OF INTEREST

You will inform us immediately if you are or become aware of any potential conflict which affects the Services. We may decline to act for you and/or terminate the Services if we consider that there is a conflict of interest.

GENERAL ASSUMPTIONS AND DEFINITIONS

Unless otherwise instructed, our valuations are carried out in accordance with the following assumptions, conditions and definitions. These form an integral part of our appointment.

Our Report and Valuation is provided in accordance with the RICS Valuation – Global Standards 2017 (Incorporating the IVSC International Valuation Standards) prepared by the Royal Institution of Chartered Surveyors (the “Red Book”), and with any agreed instructions. Any opinions of value are valid only at the valuation date and may not be achievable in the event of a future disposal or default, when both market conditions and the sale circumstances may be different.

Within the Report and Valuation, we make assumptions in relation to facts, conditions or situations that form part of the valuation. We assume that all information provided by the addressee of the report, any borrower or third party (as appropriate) in respect of the property is complete and correct. We assume that details of all matters relevant to value, such as prospective lettings, rent reviews, legislation and planning decisions, have been made available to us, and that such information is up to date. In the event that any of these assumptions prove to be incorrect then we reserve the right to review our opinion(s) of value.

VALUATION DEFINITIONS:

Market Value is defined in IVS 104 paragraph 30.1 as:

‘The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion’.

The interpretative commentary on Market Value, within the International Valuation Standards (IVS), has been applied.

Valuations produced for capital gains tax, inheritance tax and Stamp Duty Land Tax / Land and Buildings Transaction Tax purposes will be based on the statutory definitions, which are written in similar terms and broadly define Market Value as:

‘The price which the property might reasonably be expected to fetch if sold in the open market at that time, but that price must not be assumed to be reduced on the grounds that the whole property is to be placed on the market at one and the same time.’

Market Rent is defined in IVS 104 paragraph 40.1 as:

‘The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.’

The appropriate lease terms will normally reflect current practice in the market in which the property is situated, although for certain purposes unusual terms may need to be stipulated. Unless stated otherwise within the report, our valuations have been based upon the assumption that the rent is to be assessed upon the premises as existing at the date of our inspection.

Investment Value or ‘Worth’, is defined in IVS 104 paragraph 60.1 as:

‘the value of an asset to a particular owner or prospective owner for individual investment or operational objectives.’

This is an entity-specific basis of value and reflects the circumstances and financial objectives of the entity for which the valuation is being produced. Investment value reflects the benefits received by an entity from holding the asset and does not necessarily involve a hypothetical exchange.

Fair Value is defined according to one of the definitions below, as applicable to the instructions.

Fair Value - International Accounting Standards Board (IASB) in IFRS 13.

'The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.'

Fair Value - UK Generally Accepted Accounting Principles (UK GAAP) adopts the FRS 102 definition:

"The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction."

Existing Use Value is defined in UKVS 1.3 of the Red Book:

'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the asset required by the business and disregarding potential alternative uses and any other characteristics of the asset that would cause its Market Value to differ from that needed to replace the remaining service potential at least cost.'

SPECIAL ASSUMPTIONS

Where we are instructed to undertake valuations subject to a Special Assumption, these usually require certain assumptions to be made about a potential alternative use or status of the property. This is a hypothetical scenario that we consider realistic, relevant and valid as at the valuation date, but which may not necessarily be deliverable at a future date.

REINSTATEMENT / REPLACEMENT COST ASSESSMENT AND INSURANCE

If we provide a reinstatement cost assessment, we do not undertake a detailed cost appraisal and the figure is provided for guidance purposes only. It is not a valuation in accordance with the Red Book and is provided without liability. It must not be relied upon as the basis from which to obtain building insurance.

In arriving at our valuation we assume that the building is capable of being insured by reputable insurers at reasonable market rates. If, for any reason, insurance would be difficult to obtain or would be subject to an abnormally high premium, it may have an effect on costs.

PURCHASE AND SALE COSTS, SDLT, LBTT AND TAXATION

No allowance is made for legal fees or any other costs or expenses which would be incurred on the sale of the property. However, where appropriate, and in accordance with market practice for the asset type, we make deductions to reflect purchasers' acquisition costs. Trade-related properties are usually valued without deducting the costs of purchase. Where appropriate, purchasers' costs are calculated based on professional fees inclusive of VAT, together with the appropriate level of Stamp Duty Land Tax (SDLT) / Land and Buildings Transaction Tax (LBTT) / Land Transaction Tax (LTT).

Whilst we have regard to the general effects of taxation on market value, we do not take into account any liability for tax that may arise on a disposal, whether actual or notional, neither do we make any deduction for Capital Gains Tax, VAT or any other tax. We make no allowance for receipt or repayment of any grants or other funding.

PLANS, FLOOR AREAS AND MEASUREMENTS

Where a site plan is provided, this is for indicative purposes only and should not be relied upon. Site areas are obtained from third party sources, including electronic databases, and we are unable to warrant their accuracy. Our assumptions as to site boundaries / demise should be verified by your legal advisers. If any questions of doubt arise the matter should be raised with us so that we may review our valuation.

We obtain floor areas in accordance with our instructions. This may comprise one or more of the following approaches (i) we measure the floor areas during the property inspection (ii) we calculate floor areas from plans provided to us, supported by check measurements on site where possible, (iii) we rely upon floor areas provided. Under approaches (ii) and (iii), we wholly rely upon the information provided, and assume that the areas have been calculated in accordance with market standards. We are unable to provide any warranties as to accuracy.

Measurement is in accordance with the current edition of RICS Property Measurement. If we are instructed not to adopt International Property Measurement Standards (IPMS), measurements are provided in accordance with the latest version of the Code of Measuring Practice. We adopt the appropriate floor area basis for our valuation analysis to reflect the analysis of floor areas in the comparable transactions. Where the basis of analysis of a comparable is uncertain, we adopt a default assumption for that asset type.

Although every reasonable care is taken to ensure the accuracy of the surveys there may be occasions when due to tenant's fittings, or due to restricted access, professional estimations are required. We recommend that where possible, we are provided with scaled floor plans in order to cross-reference the measurements. In the event that a specialist measuring exercise is undertaken for the property, we recommend that a copy is forwarded to us in order that we may comment on whether there may be an impact on the reported value.

Floor areas set out in our report are provided for the purpose described in the Report and Valuation and are not to be used or relied upon for any other purpose.

CONDITION, STRUCTURE AND SERVICES, HARMFUL / DELETERIOUS MATERIALS, HEALTH & SAFETY LEGISLATION AND EPCS

Our Report and Valuation takes account of the general condition of the property as observed from the valuation inspection, and is subject to access. Where we have noticed items of disrepair during the course of our inspections, they are reflected in our valuations, unless otherwise stated.

We do not undertake any form of technical, building or deleterious material survey and it is a condition of our appointment that we will in no way review, or give warranties as to, the condition of the structure, foundations, soil and services. Unless we are supplied with evidence to the contrary, we assume that the property is fully in compliance with building regulations and is fully insurable. We assume it is free from any rot, infestation, adverse toxic chemical treatments, and structural or design defects. We assume that none of the materials commonly considered deleterious or harmful are included within the property, such as, inter alia, asbestos, high alumina cement concrete, calcium chloride as a drying agent, wood wool slabs as permanent shuttering, aluminium composite cladding material, polystyrene and polyurethane cladding insulation.

In the event that asbestos is identified in a property, we do not carry out an asbestos inspection, nor are we able to pass comment on the adequacy of any asbestos registers or management plans. Where relevant, we assume that

the property is being managed in full compliance with the Control of Asbestos Regulations 2012 and relevant HSE regulations, and that there is no requirement for immediate expenditure, nor any risk to health.

We do not test any services, drainage or service installations. We assume that all services, including gas, water, electricity and sewerage, are provided and are functioning satisfactorily.

We assume that the property has an economic life span similar to comparable properties in the market, subject to regular maintenance and repairs in accordance with appropriate asset management strategies.

We comment on the findings of Energy Performance Certificates (EPCs) and Display Energy Certificates (DECs) if they are made available to us, but may be unable to quantify any impact on value. If we are not provided with an EPC, we assume that if one was available, its rating would not have had a detrimental impact upon our opinion value or marketability.

Our valuations do not take account of any rights, obligations or liabilities, whether prospective or accrued, under the Defective Premises Act, 1972. Unless advised to the contrary, we assume that the properties comply with, and will continue to comply with, the current Health & Safety and Disability legislation.

We do not test any alarms or installations and assume that the property complies with, and will continue to comply with, fire regulations and the Smoke and Carbon Monoxide Alarm (England) Regulations 2015 legislation.

Where a specialist condition or structural survey is provided to us, we reflect the contents of the report in our valuation to the extent that we are able to as valuation surveyors, and our assumptions should be verified by the originating consultant. Should any issues subsequently be identified, we reserve the right to review our opinion of value.

GROUND CONDITIONS, ENVIRONMENTAL MATTERS, CONSTRAINTS AND FLOODING

We are not chartered environmental surveyors and we will not provide a formal environmental assessment. Our investigations are therefore limited to observations of fact, obtained from third party sources, such as local authorities, the Environment Agency and professional reports that may be commissioned for the valuation.

We do not carry out any soil, geological or other tests or surveys in order to ascertain the site conditions or other environmental conditions of the property. Unless stated to the contrary within the report, our valuation assumes that there are no unusual features that may be harmful to people or property, or that would inhibit the actual or assumed use or development of the property. This includes, inter alia: ground conditions and load bearing qualities, subterranean structures or services, contamination, pollutants, mining activity, sink holes, archaeological remains, radon gas, electromagnetic fields and power lines, invasive plants and protected species.

We do not undertake any investigations into flooding, other than is available from public sources or professional reports provided to us. Our findings are outlined in the report for information only, without reliance or warranty. We assume in our valuation that appropriate insurance is in place and may be renewed to any owner of the property by reputable insurers at reasonable market rates. If, for any reason, insurance would be difficult to obtain or would be subject to an abnormally high premium, it may have an effect on value.

Should our enquiries or any reports indicate the existence of environmental issues or other matters as described above, we expect them to contain appropriate actions and costings to address the issue. We rely on this information and use it as an assumption in our valuation. If such information is not available, we may not be able to provide an opinion of value.

We assume that the information and opinions we are given in order to prepare our valuation are complete and correct and that further investigations would not reveal more information sufficient to affect value. However, a purchaser in the market may undertake further investigations, and if these were unexpectedly to reveal issues, then this might reduce the values reported. We recommend that appropriately qualified and experienced specialists are instructed to review our report and revert to us if our assumptions are incorrect.

PLANT AND MACHINERY, FIXTURES AND FITTINGS

We disregard the value of all process related plant, machinery, fixtures and fittings, and those items which are in the nature of occupiers' trade fittings and equipment. We have regard to landlords' fixtures such as lifts, escalators, central heating and air conditioning forming an integral part of the buildings.

Where properties are valued as an operational entity and includes the fixtures and fittings, it is assumed that these are not subject to any hire purchase or lease agreements or any other claim on title.

No equipment or fixtures and fittings are tested in respect of Electrical Equipment Regulations and Gas Safety Regulations and we assume that where appropriate all such equipment meets the necessary legislation. Unless otherwise specifically mentioned the valuation excludes any value attributable to plant and machinery.

OPERATIONAL ENTITIES

Where the properties are valued as an operational entity and reference is made to the trading history or trading potential of the property, we place reliance on information supplied to us. Should this information subsequently prove to be inaccurate or unreliable, the valuations reported could be adversely affected. Our valuations do not make any allowance for goodwill.

TITLE, TENURE, OCCUPATIONAL AGREEMENTS AND COVENANTS

Unless otherwise stated, we do not inspect the Land Registry records, title deeds, leases or related legal documents and, unless otherwise disclosed to us, we assume good and marketable title that is free from onerous or restrictive covenants, rights of way and easements, and any other encumbrances or outgoings that may affect value. We disregard any mortgages (including regulated mortgages), debentures or other charges to which the property may be subject.

We assume that any ground rents, service charges other contributions are fair and proportionate, and are not subject to onerous increases or reviews.

Where we have not been supplied with leases, unless we have been advised to the contrary, we assume that all the leases are on a full repairing and insuring basis and that all rents are reviewed in an upwards direction only, at the intervals notified to us, to market rent. We assume that no questions of doubt arise as to the interpretation of the provisions within the leases giving effect to the rent reviews. We assume that wherever rent reviews or lease renewals are pending, all notices have been served validly within the appropriate time limits, and they will be settled according to the assumptions we set out within the reports.

Unless informed otherwise, we assume that all rents and other payments payable by virtue of the leases have been paid to date and there are no arrears of rent, service charge or other breaches in the obligations of occupation.

In the case of property that is let, our opinion of value is based on our assessment of the investment market's perception of the covenant strength of the occupier(s). This is arrived at in our capacity as valuation surveyors on the basis of information that is publicly available. We are not accountants or credit experts and we do not

undertake a detailed investigation into the financial status of the tenants. Our valuations reflect the type of tenants actually in occupation or responsible for meeting lease commitments, or likely to be in occupation, and the market's general perception of their creditworthiness. We provide no warranties as to covenant strength and recommend that you make your own detailed enquiries if your conclusions differ from our own.

Where we are provided with a report on title and/or occupational agreement, we form our opinion of value reflecting our interpretation of that title. Your legal advisers should review our understanding of the title and confirm that this is correct.

PLANNING, LICENSING, RATING AND STATUTORY ENQUIRIES

We undertake online planning enquiries to the extent that we consider reasonable and appropriate to the valuation. We do not make formal verbal or written enquiries to local authorities. If a professional planning report is provided to us, we will take the findings into account in our valuation but will not be accountable for the advice provided within it, nor any errors of interpretation or fact within the third party report.

We assume that the property is constructed, used and occupied in full compliance with the relevant planning and building regulation approvals and that there are no outstanding notices, conditions, breaches, contraventions, non-compliance, appeals, challenges or judicial review. We assume that all consents, licenses and permissions are in place, that there are no outstanding works or conditions required by lessors or statutory, local or other competent authorities, and that no adverse planning conditions or restrictions apply. If we are instructed to value property on the Special Assumption of having the benefit of a defined planning permission or license, we assume that it will not be appealed or challenged at any point prior to, or following, implementation.

Our investigations are limited to identifying material planning applications on the property and observable constraints. We seek to identify any proposals in the immediate vicinity that may have an impact on the property, such as highway proposals, comprehensive development schemes and other planning matters.

We seek to obtain rateable values and council tax banding from the statutory databases, where available. The 2017 rating revaluation has resulted in some significant increases in rateable values. This may have an impact on the marketability and value of a property, and on vacancy rates or landlord non recoverable costs. However, unless there is evidence to the contrary, we will make the express assumption that any changes are affordable to occupiers, or will be subject to appropriate transitional relief. We do not reflect the impact of any rating appeals in our valuations unless they are formally concluded.

Given that statutory information is obtained from third party sources, we are unable to provide any warranty or reliance as to its accuracy. Your legal advisers should verify our assumptions and revert to us if required.

VALUATIONS ASSUMING DEVELOPMENT, REFURBISHMENT OR REPOSITIONING

Unless specifically instructed to the contrary, where we are provided with development costs and construction schedules by the addressee, a borrower or an independent quantity surveyor, we rely on this information as an assumption in arriving at our opinion of value. It forms an assumption within our valuation and we accept no liability if the actual costs or programme differ from those assumed at the valuation date.

We are not quantity surveyors and provide no reliance as to construction costs or timescale. Irrespective of the source of this information, a professional quantity surveyor should review our assumptions and revert to us if there are any issues of doubt, so that we may review our opinion of value.

We additionally assume that a hypothetical market purchaser will have the necessary resources, skills and experience to deliver the proposed development. It is not within our scope to assess the credentials of any



actual purchaser, owner or developer of the property that is subject to our valuation. We accept no liability for any circumstances where a development or refurbishment does not achieve our concluded values.

If a property is in the course of development, our valuation assumes that the interest will be readily assignable to a market purchaser with all contractor and professional team warranties in place. Where an opinion of the completed development value is required, we assume that all works are completed in accordance with appropriate statutory and industry standards, and are institutionally acceptable.

ALTERNATIVE INVESTMENT FUNDS

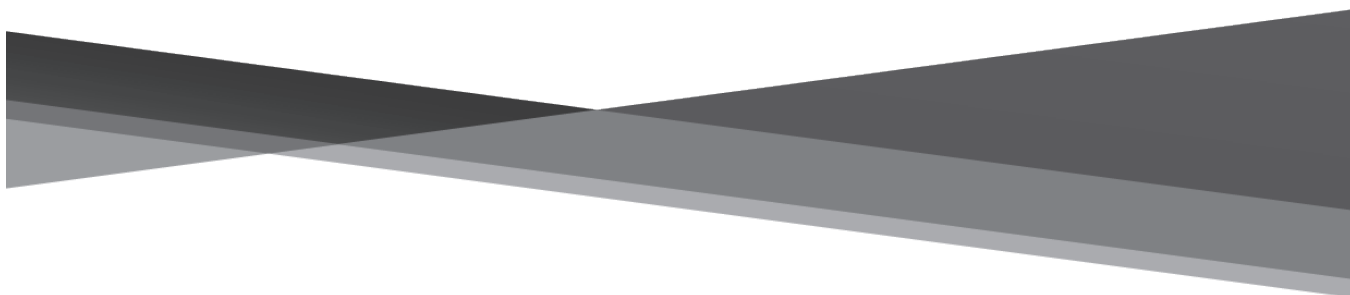
In the event that our appointment is from an entity to which the European Parliament and Council Directive 2011/61/EU ('the AIFMD'), which relates to Alternative Investment Fund Managers ('AIFM'), applies, our instructions are solely limited to providing recommendations on the value of particular property assets (subject to the assumptions set out in our valuation report) and we are therefore not determining the net asset value of either the Fund or the individual properties within the Fund. Accordingly, we are not acting as an 'external valuer' (as defined under the AIFMD) but are providing our service in the capacity of a 'valuation advisor' to the AIFM.

INTERPRETATION AND COMPREHENSION OF THE REPORT AND VALUATION

Real estate is a complex asset class that carries risk. Any addressee to whom we have permitted reliance on our Report and Valuation should have sufficient understanding to fully review and comprehend its contents and conclusions. We strongly recommend that any queries are raised with us within a reasonable period of receiving our Report and Valuation, so that we may satisfactorily address them.



APPENDIX:
PROFESSIONAL INDEMNITY
INSURANCE CERTIFICATE





30 November 2018

JLT Specialty Limited

The St Botolph Building,
138 Houndsditch,
London, EC3A 7AW

Tel 020 7528 4000
Direct 020 7558 3544
www.jltgroup.com

TO WHOM IT MAY CONCERN

We act as Insurance brokers to the below named Insured and confirm that we arrange coverage on their behalf on the following basis:

Insured: Colliers International Property Advisers UK LLP, Globestar Limited, Colliers International Property Consultants Limited, Colliers Capital Holdings Limited, Deanwater Estates (Bollinwater) Limited, Briant Champion Long Services Limited, Colliers International Retail UK LLP, Colliers International Business Space UK LLP, Colliers International Capital Markets UK LLP, Colliers International Central London UK LLP, Colliers International Rating UK LLP, Colliers International Valuation UK LLP, Colliers International Healthcare UK LLP, Colliers International Building Consultancy UK LLP, Colliers International Specialist and Consulting UK LLP, Colliers International Property Consultants Limited t/a Nile Management Services, FS (Spain) Limited (holdco), FS (Ireland) Limited, Colliers International UK plc, Colliers CRE plc, Colliers Capital UK Ltd., Colliers Godfrey Vaughan Ltd., CCH Advisers Limited, Locum Consulting Accurates, Nile Management Services, H2SO LLP, Chantry Lodge Limited, Melville Assets Limited, Nicosia Developments Limited, Seagrove Bay Limited, Hatton Residential Limited, Hatton Real Estate Limited, Bollingbrook Ltd, Vision Asset Management Co (Holdings) Limited, Former Ocean Assets Limited, Globestar Holdings Limited

Type: Professional Indemnity Insurance

Period of Insurance: 12 months effective 1 December 2018

Limit of Indemnity: £25,000,000 any one claim and in the aggregate plus unlimited round the clock reinstatements

Insurer(s): Aviva Insurance Limited, certain Underwriters at Lloyd's of London and various Insurance Companies

Primary Policy Number: LI1835107

These statements have been made in good faith and are a summary of the insurance cover in force as at the date of this letter (which insurance remains subject to the full terms and conditions of the subscribing insurers' policy), although the Limit of Indemnity may have been impaired by incurred claims and therefore may vary from the amount shown. We accept no responsibility whatsoever for any inadvertent or negligent act, error or omission on our part in preparing these statements or for any loss, damage or expenses thereby occasioned to any recipient of this letter.

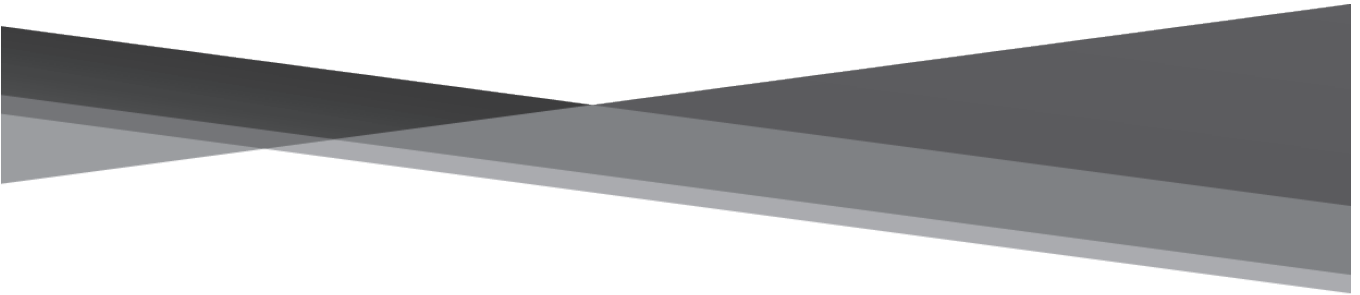
Should the insurance cover be cancelled, assigned or changed in any way during the period of insurance, neither we nor the subscribing insurer(s) accept any obligation to notify any recipient of this letter.

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

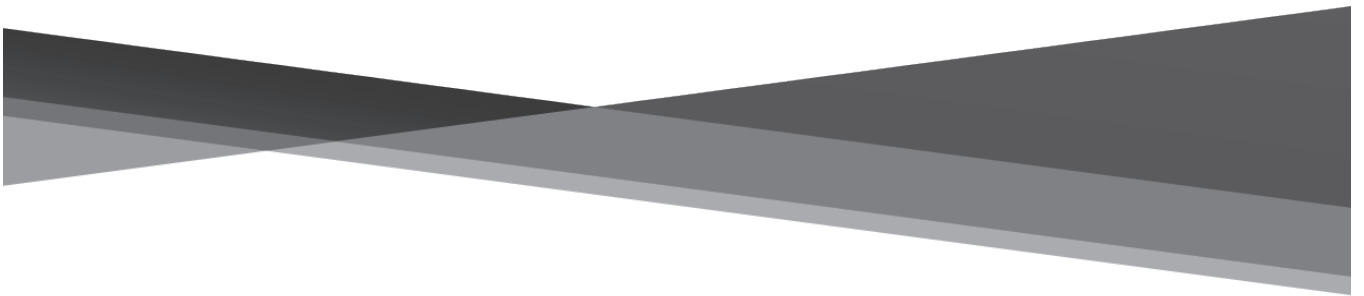
Notwithstanding the issuance of this letter we are and remain solely the agent of our Client in this matter and owe no duties to any recipient of this letter.

Stuart Mangion
Partner
JLT Specialty Limited

Lloyd's Broker. Authorised and Regulated by the Financial Conduct Authority.
A member of the Jardine Lloyd Thompson Group. Registered Office: The St Botolph Building, 138 Houndsditch, London, EC3A 7AW.
Registered in England No.01536540. Vat No. 244 2321 96



APPENDIX: SCHEDULE OF VALUES





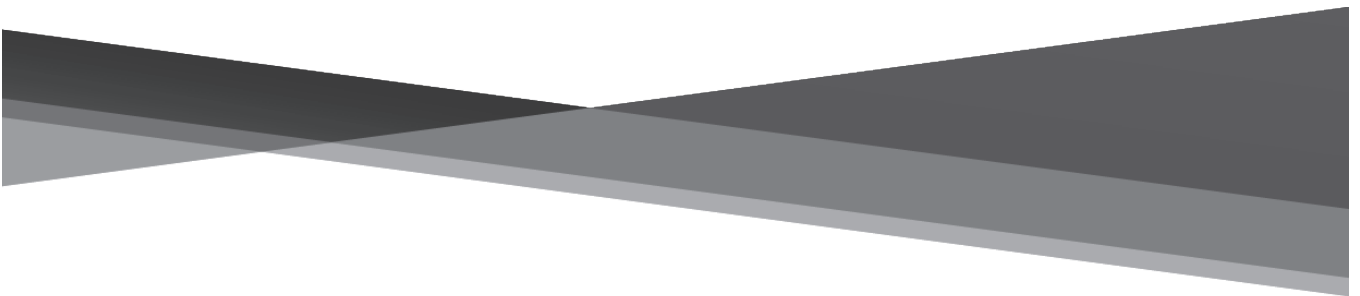
Ref	Site Name	Town	Post Code	GOR	Lease Expiry	Effective Break	Lettable Area Sq. Ft (NIA)	Current Rent	Rental Value (Eper annum)	Value
1	Crown Buildings, Aberdare	Aberdare	CF44 7HU	Wales	31/03/2028	31/03/2023	24,290	£102,662	£103,000	£1,262,637
2	Crown Buildings, Abertillery	Abertillery	NP13 1YF	Wales	31/03/2028	31/03/2023	9,159	£37,117	£36,600	£411,226
3	South Western House, Aldershot	Aldershot	GU11 1HP	South East	31/03/2028	31/03/2023	19,924	£164,174	£159,500	£2,241,471
4	Tannery House, Alfreton	Alfreton	DE55 7AF	Midlands	31/03/2028	31/03/2023	10,226	£86,499	£87,000	£1,164,175
5	Reiverdale House, Ashington	Ashington	NE63 9YU	North East	31/03/2028	31/03/2023	23,702	£113,944	£118,500	£1,181,551
6	Wallacetoun House, Ayr	Ayr	KA8 0BX	Scotland	31/03/2028	31/03/2023	28,299	£283,747	£255,000	£3,046,547
7	Crown Building, Banbury	Banbury	OX16 2EX	South East	31/03/2028	31/03/2023	25,051	£253,085	£251,000	£4,112,260
8	Parc Menai, Bangor	Bangor	LL57 4FD	Wales	31/03/2028	31/03/2023	31,674	£384,196	£285,000	£3,973,254
9	Whitburn Road, Bathgate	Bathgate	EH48 1HG	Scotland	31/03/2028	31/03/2023	31,484	£266,327	£157,500	£2,756,952
10	Wyvern House, Bedford	Bedford	MK40 2EH	South East	31/03/2028	31/03/2023	23,803	£187,741	£178,500	£3,162,386
11	Bowling Green Street, Bellshill	Bellshill	ML4 1HT	Scotland	31/03/2028	31/03/2023	23,512	£277,847	£235,000	£2,843,830
12	Norham House, Berwick Upon Tweed	Berwick Upon Tweed	TD15 1DS	North East	31/03/2028	31/03/2023	7,766	£43,432	£38,800	£434,394
13	Peel Park, Blackpool	Blackpool	FY4 5ES	North West	31/03/2028		156,542	£1,695,000	£1,683,000	£28,210,000
14	Gloucester House, Bognor Regis	Bognor Regis	PO21 1HH	South East	31/03/2028	31/03/2023	21,254	£214,083	£159,500	£3,029,172
15	St Martin's House, Bootle	Bootle	L69 9BN	North West	31/03/2028	31/03/2023	85,453	£387,592	£385,000	£4,008,005
16	Crown Buildings, Bridgend	Bridgend	CF31 4AA	Wales	31/03/2028	31/03/2023	46,058	£376,304	£276,000	£4,286,017
17	Kent Street, Bristol	Bristol	BS3 3NW	South West	31/03/2028	31/03/2021	6,339	£95,083	£79,250	£1,040,000
18	Lodge House, Bristol	Bristol	BS16 3HZ	South West	31/03/2028	31/03/2021	25,979	£366,588	£260,000	£4,000,000
19	Monks Park Avenue, Bristol	Bristol	BS7 0UD	South West	31/03/2028		10,183	£115,477	£102,000	£2,160,000
20	Blackburn Road, Burnley	Burnley	BB12 7NQ	North West	31/03/2028	31/03/2023	46,405	£472,113	£406,000	£5,971,464
21	Lee-Moran House, Burnley	Burnley	BB11 1DD	North West	31/03/2028	31/03/2023	17,886	£170,407	£170,000	£2,154,592
22	Crown House, Burton On Trent	Burton On Trent	DE14 3SL	Midlands	31/03/2028	31/03/2023	45,897	£128,185	£229,500	£1,766,534
23	Silver Street, Bury	Bury	BL9 0DP	North West	31/03/2028	31/03/2023	9,352	£79,106	£79,500	£1,002,001
24	St Andrew's House, Bury St Edmunds	Bury St Edmunds	IP33 1TT	South East	31/03/2028	31/03/2023	28,863	£229,930	£231,000	£3,272,432
25	Crown Buildings, Caerphilly	Caerphilly	CF83 1WT	Wales	31/03/2028	31/03/2023	21,000	£124,374	£126,000	£1,540,649
26	Hall Street, Campbeltown	Campbeltown	PA28 6BZ	Scotland	31/03/2028	31/03/2023	8,288	£59,758	£49,700	£567,608
27	Beecroft Road, Cannock	Cannock	WS11 1JR	Midlands	31/03/2028	31/03/2023	31,517	£137,015	£157,500	£1,778,118
28	Nutwood House, Canterbury	Canterbury	CT1 1ZZ	South East	31/03/2028		27,673	£512,000	£512,000	£9,600,000
29	Crown House, Chatham	Chatham	ME4 4LQ	South East	31/03/2028	31/03/2023	30,317	£432,326	£379,000	£6,654,910
30	St Paul's House, Chippingham	Chippingham	SN15 1LA	South West	31/03/2028	31/03/2023	16,207	£272,877	£210,500	£3,695,242
31	Crown Buildings, Colchester	Colchester	CO2 7AZ	South East	31/03/2028		19,152	£204,330	£191,500	£3,825,000
32	Holborn House	Derby	DE21 6BF	Midlands	31/03/2028	31/03/2023	35,120	£452,639	£421,000	£6,440,609
33	High Street, Dingwall	Dingwall	IV15 9HL	Scotland	31/03/2028	31/03/2023	3,438	£30,808	£29,200	£330,139
34	Claverhouse Industrial Park, Dundee	Dundee	DD4 9FF	Scotland	31/03/2028	31/03/2023	48,269	£281,392	£278,000	£3,376,686
35	Trinity Road, Elgin	Elgin	IV30 1RJ	Scotland	31/03/2028	31/03/2023	17,427	£142,946	£139,500	£1,476,938
36	East Street, Epsom	Epsom	KT17 1HQ	London	31/03/2028	31/03/2023	8,687	£143,158	£130,500	£2,554,234
37	Hadrian House, Eston	Eston	TS6 9EH	North East	31/03/2028	31/03/2023	24,219	£149,672	£151,500	£1,546,441
38	Heron House Falkirk	Falkirk	FK1 5SE	Scotland	31/03/2028	31/03/2023	25,454	£262,181	£191,000	£2,635,321
39	Parklands, Falkirk	Falkirk	FK1 1XT	Scotland	31/03/2028	31/03/2023	81,350	£683,789	£651,000	£7,413,651
40	Roskell House, Fleetwood	Fleetwood	FY7 6IX	North West	31/03/2028	31/03/2023	5,863	£46,800	£46,900	£527,064
41	Palting House, Folkestone	Folkestone	CT20 2RH	South East	31/03/2028		36,566	£268,840	£256,000	£4,800,000
42	Atlas Road, Glasgow	Glasgow	G21 4DL	Scotland	31/03/2028	31/03/2023	49,788	£397,111	£373,000	£4,488,734
43	Coustonholm Road, Glasgow	Glasgow	G43 1SS	Scotland	31/03/2028	31/03/2023	36,124	£303,446	£289,000	£3,625,739
44	Glasgow Benefits Centre, Glasgow	Glasgow	G4 0DX	Scotland	31/03/2028		137,287	£1,940,350	£1,785,000	£31,765,000
45	Pollokshaws Road, Glasgow	Glasgow	G41 1PU	Scotland	31/03/2028	31/03/2023	15,812	£154,722	£158,000	£1,957,667
46	Mulberry House, Goole	Goole	DN14 5RA	Yorkshire and Humber	31/03/2028	31/03/2023	6,202	£36,732	£37,200	£417,018
47	Crown House, Grantham	Grantham	NG31 6SY	Midlands	31/03/2028		24,962	£141,407	£162,500	£2,650,000
48	Beaufort House, Harlow	Harlow	CM20 1NA	South East	31/03/2028	31/03/2023	28,170	£433,899	£352,000	£6,411,650
49	Ward Jackson House, Hartlepool	Hartlepool	TS24 8EZ	North East	31/03/2028	31/03/2023	20,451	£206,550	£204,500	£2,328,350
50	Quay Street, Haverfordwest	Haverfordwest	SA61 1BH	Wales	31/03/2028	31/03/2023	8,603	£75,000	£64,500	£839,828
51	St Andrew's House, Hexham	Hexham	NE46 3RB	North East	31/03/2028	31/03/2023	21,451	£241,936	£241,500	£3,058,131
52	Broadway House, Houghton Le Spring	Houghton Le Spring	DH4 4AH	North East	31/03/2028	31/03/2023	20,075	£144,085	£145,500	£1,592,777
53	Beech House, Hyde	Hyde	SK14 2LP	North West	31/03/2028	31/03/2023	39,550	£223,037	£217,500	£2,519,483
54	High Road, Ilford	Ilford	IG3 8EJ	London	31/03/2028	31/03/2023	18,741	£356,394	£300,000	£5,791,915
55	Crown Buildings, Ilkeston	Ilkeston	DE7 8TU	Midlands	31/03/2028	31/03/2023	18,352	£112,904	£110,000	£1,419,019
56	Crown Building, Kilmarnock	Kilmarnock	KA1 2BN	Scotland	31/03/2028	31/03/2023	36,696	£301,762	£257,000	£3,434,606
57	Mitre House Lancaster	Lancaster	LA1 1EQ	North West	31/03/2028	31/03/2023	64,597	£409,806	£388,000	£4,662,492



Ref	Site Name	Town	Post Code	GOR	Lease Expiry	Effective Break	Lettable Area Sq. Ft (NIA)	Current Rent	Rental Value (£per annum)	Value
58	Roydale House, Leigh	Leigh	WN7 1UT	North West	31/03/2028	31/03/2023	21,022	£118,550	£115,500	£1,268,429
59	Waggon Road, Leven	Leven	KY8 4PT	Scotland	31/03/2028	31/03/2023	4,901	£27,637	£27,000	£306,971
60	Hougoumont House, Liverpool	Liverpool	L22 0PB	North West	31/03/2028	31/03/2023	17,082	£105,091	£105,000	£1,251,054
61	Springfield House, Liverpool	Liverpool	L12 3HT	North West	31/03/2028	31/03/2023	10,534	£104,253	£79,000	£1,135,215
62	Bridge Street, Llangefni	Llangefni	LL77 7YJ	Wales	31/03/2028	31/03/2023	9,601	£63,990	£62,500	£764,533
63	Rishton House, Lowestoft	Lowestoft	NR32 1RW	South East	31/03/2028	31/03/2023	41,656	£214,530	£312,000	£2,710,616
64	Maengwyn Street, Machynlleth	Machynlleth	SY20 8EB	Wales	31/03/2028	31/03/2023	3,655	£12,421	£12,400	£173,757
65	Wilmslow Road, Manchester	Manchester	M14 5BJ	North West	31/03/2028	31/03/2023	20,807	£196,557	£182,000	£2,484,732
66	Crown Buildings, Mexborough	Mexborough	S64 0BD	Yorkshire and Humber	31/03/2028	31/03/2023	14,994	£61,744	£67,500	£660,278
67	Castlestead House, Montrose	Montrose	DD10 8AL	Scotland	31/03/2028	31/03/2023	4,246	£41,363	£25,500	£428,602
68	Flemington House, Motherwell	Motherwell	ML1 2HN	Scotland	31/03/2028	31/03/2023	29,381	£263,779	£264,000	£2,820,663
69	Broadlands House, Newport (IOW)	Newport (IOW)	PO30 2HX	South East	31/03/2028		31,930	£468,311	£399,000	£8,360,000
70	Elder House, Northallerton	Northallerton	DL6 1NU	Yorkshire and Humber	31/03/2028	31/03/2023	14,517	£94,349	£94,250	£978,834
71	Acacia Walk, Nottingham	Nottingham	NG9 2LW	Midlands	31/03/2028	31/03/2023	4,306	£57,656	£43,100	£776,117
72	Cleddau Bridge Business Park, Pembroke Dock	Pembroke Dock	SA72 6UP	Wales	31/03/2028	31/03/2023	19,418	£119,460	£116,500	£1,430,603
73	Hatfield House, Peterlee	Peterlee	SR8 1PB	North East	31/03/2028	31/03/2023	19,889	£107,062	£99,500	£1,106,256
74	Low Hall, Pontefract	Pontefract	WF9 4HP	Yorkshire and Humber	31/03/2028	31/03/2023	14,208	£76,832	£71,000	£874,579
75	Hannah Street, Porth	Porth	CF39 9RB	Wales	31/03/2028	31/03/2023	7,018	£64,763	£42,100	£660,278
76	Dock Street, Porthcawl	Porthcawl	CF36 3BL	Wales	31/03/2028	31/03/2023	3,023	£25,699	£25,700	£318,555
77	Bayfield Road, Portree	Portree	IV51 9EN	Scotland	31/03/2028	31/03/2023	1,943	£24,901	£24,300	£312,763
78	Duchy House, Preston	Preston	PR1 1NS	North West	31/03/2028		43,805	£244,825	£241,000	£4,185,000
79	Palatine House, Preston	Preston	PR1 1NS	North West	31/03/2028		36,257	£207,079	£199,500	£3,540,000
80	Summerlock House, Salisbury	Salisbury	SP2 7RW	South West	31/03/2028	31/03/2023	17,136	£185,327	£171,500	£2,722,200
81	St John's Square, Seaham	Seaham	SR7 7JE	North East	31/03/2028	31/03/2023	6,658	£61,442	£49,900	£654,486
82	The Forum, Stevenage	Stevenage	SG1 1EZ	South East	31/03/2028	31/03/2023	18,609	£322,522	£232,500	£4,818,873
83	Heron House, Stockport	Stockport	SK1 3BE	North West	31/03/2028	31/03/2023	43,271	£322,490	£325,000	£3,967,462
84	Upper Huntbach Street, Stoke On Trent	Stoke On Trent	ST1 2BX	Midlands	31/03/2028	31/03/2023	21,540	£209,815	£204,500	£2,739,576
85	Discovery House, Stornoway	Stornoway	HS1 2BA	Scotland	31/03/2028	31/03/2023	7,276	£93,259	£87,250	£1,117,840
86	St John Street, Stranraer	Stranraer	DG9 7EL	Scotland	31/03/2028	31/03/2023	6,402	£65,646	£64,000	£712,406
87	John Street, Sunderland	Sunderland	SR1 1QT	North East	31/03/2028	31/03/2021	17,894	£143,151	£143,000	£1,405,000
88	Oldway House, Swansea	Swansea	SA6 8BT	Wales	31/03/2028	31/03/2023	14,575	£104,611	£87,500	£1,251,054
89	High Street, Swansea	Swansea	SA1 1LS	Wales	31/03/2028	31/03/2023	19,609	£188,006	£166,500	£2,160,384
90	Spring Gardens House, Swindon	Swindon	SN1 2HY	South West	31/03/2028	31/03/2023	47,918	£617,373	£671,000	£7,807,501
91	Brendon House, Taunton	Taunton	TA1 3RL	South West	31/03/2028	31/03/2023	41,750	£381,723	£352,000	£5,560,238
92	Thistle House, Tonypandy	Tonypandy	CF40 2EP	Wales	31/03/2028	31/03/2023	14,650	£112,044	£88,000	£1,198,926
93	Cotswold House, Torquay	Torquay	TQ2 5UX	South West	31/03/2028		21,895	£206,540.00	£164,000	£3,250,000
94	Hidden House, Warrington	Warrington	WA1 1LA	North West	31/03/2028	31/03/2023	50,841	£560,215	£508,000	£7,083,512
95	Lothersdale House, Wellingborough	Wellingborough	NN8 4TA	Midlands	31/03/2028	31/03/2023	32,113	£265,055	£241,000	£4,019,589
96	Regent House, Weston Super Mare	Weston Super Mare	BS23 1JH	South West	31/03/2028	31/03/2023	21,704	£212,637	£173,500	£2,722,200
97	Crown House, Worthing	Worthing	BN11 1NG	South East	31/03/2028		31,503	£326,711	£315,000	£6,100,000
Total								£23,289,104	£21,624,650	£319,055,000



APPENDIX: PROPERTY VALUATIONS



EXECUTIVE SUMMARY - CROWN BUILDINGS, ABERDARE, WALES, CF44 7HU

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	1
Property Address	Crown Buildings, Greenbach Street, Aberdare, CF44 7HU

PROPERTY PARTICULARS

Date of Inspection	30th July 2019
Type of Property	Office
Brief Description	The Property comprises a five-storey, purpose built, office building. It is of concrete frame construction with concrete cladding. Internally, the Property provides open plan office spaces. There are approximately 80 surface car parking spaces surrounding the Property.
Building Assessment	We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that 'the Property is a medium risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
Surrounding Infrastructure	Aberdare is a small welsh market town situated approximately 25 miles north of Cardiff. The town is accessible via the A470 corridor which provides road access to the M4 motorway at Junction 32, approximately 18 miles south of the town. The Property is situated on Greenbach Street, at the edge of Aberdare town centre, immediately adjacent to a public car park. The Property benefits from good road access and close proximity to the town centre amenities.
Site Area (acres)	0.19
Net Internal Area (sq ft)	24,290
Year of Completion	1970's

LEGAL

Tenure	Freehold
Planning / Zoning	The Property falls within the planning authority of Rhondda Cynon Taf County Borough Council and is covered by the Local Development Plan 2006 - 2021. There are no outstanding planning applications pending determination and the land is not currently allocated for any usage.

TENANCY

Gross Current Rent (pa)	£102,662
Net Current Rent (pa)	£102,662
Weighted Average Unexpired Lease Term ("WAULT") to Break	3.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let on two leases to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancy		
Valuation Approaches	Primary - Income Capitalisation		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£103,000		
Gross Value	£1,285,364		
Capex Allowance	£0.00		
Market Value	£1,262,637	Net of purchasers costs at	1.80%
Initial Yield	7.97%		
Equivalent Yield	7.20%		
Reversionary Yield	8.00%		
Direct Comparison Rate (£/ sq ft)	£52	Disposal marketing period	12-18 months

EXECUTIVE SUMMARY - CROWN BUILDINGS, ABERTILLERY, WALES, NP13 1YF

Valuation prepared by
 Colliers International Valuation UK LLP
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 London
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www.colliers.com/uk

**INSTRUCTIONS**

Property ID 2
 Property Address Crown Buildings, Portland Street, Abertillery, NP13 1YF

PROPERTY PARTICULARS

Date of Inspection 30th July 2019
 Type of Property Office
 Brief Description The Property comprises two, two-storey office buildings. One is of traditional masonry construction with a mixture of brick and rendered elevations under a pitched tiled roof, whilst the other is of concrete framed construction under a flat roof. There is a parking provision adjacent to the Property for approximately 15 vehicles. There is a small courtyard area to the rear.
 Building Assessment We have been provided with a Building Survey from Messrs Jones Hargreaves, dated June 2018 which states that after review of the asbestos survey, that the Property is categorised as very low risk. Messrs Jones Hargreaves also reviewed the Fire Risk Assessment and have categorised this as low risk. We have therefore assumed that there is no immediate impact or action to be taken.
 Surrounding Infrastructure Abertillery is situated 17 miles (27 km) north west of Newport and 21 miles (33 km) north of Cardiff. The town is accessed via the A467, which links to Junction 28 of the M4 motorway to the south. The Property is situated on the eastern side of Portland Street in the heart of the town centre. Surrounding uses are predominantly residential.
 Site Area (acres) 0.39
 Net Internal Area (sq ft) 9,159
 Year of Completion 1970's/1980's

LEGAL

Tenure Freehold
 Planning / Zoning The Property falls within the planning authority of Blaenau Gwent County Borough Council and is covered by the Blaenau Gwent Local Development Plan 2006-2021. The Property is located within an unallocated area. We were unable to obtain a recent planning history of the property, so have assumed that all applications have been granted and there are none outstanding against the Property.

TENANCY

Gross Current Rent (pa) £37,117
 Net Current Rent (pa) £37,117
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancy
 Valuation Approaches Primary - Income Capitalisation
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £36,600
 Gross Value £418,628
 Capex Allowance £0.00
 Market Value £411,226 Net of purchasers costs at 1.80%
 Initial Yield 8.89%
 Equivalent Yield 7.84%
 Reversionary Yield 8.77%
 Direct Comparison Rate (£/ sq ft) £45 Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - SOUTH WESTERN HOUSE, ALDERSHOT, SOUTH EAST, GU11 1HP

Valuation prepared by
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**INSTRUCTIONS**

Property ID 3
 Property Address South Western House, Station Road, Aldershot, GU11 1HP

PROPERTY PARTICULARS

Date of Inspection 30th July 2019
 Type of Property Office
 Brief Description The Property comprises a four-storey building of concrete frame construction with brick elevations, set under a flat roof. A Jobcentre Plus is at ground floor level, with ancillary office accommodation on the upper floors. A tarmacadam car park is located adjacent to the western elevation of the Property, providing approximately 11 vehicle spaces.
 Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that 'the Property is a medium risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
 Surrounding Infrastructure South Western House is located in Aldershot, Hampshire, approximately 37 miles (60 km) south west of Central London, 7 miles (11km) south of Frimley and 10 miles (16km) west of Guildford. The town is just 17 miles (11 km) south of Junction 4 of the M3 motorway, providing excellent links into Central London and the south west. The Property is situated in Aldershot town centre, just 100 metres north of the railway station. It has dual frontage onto both Arthur Street and Station Road, both of which provide immediate access to the station. The surrounding area is predominately residential, but there are also several local retailers in the vicinity.
 Site Area (acres) 0.25
 Net Internal Area (sq ft) 19,924
 Year of Completion 1980's

LEGAL

Tenure Freehold
 We understand from the Report on Title that an underground cellar is held Virtual Freehold for a term of 999 years from 1964.
 Planning / Zoning The Property lies within the Rushmoor Borough Council. There is one previous planning application on the Property which was granted in February 2003. There are no current planning applications. Part of the Property lies within the town centre in accordance with the latest Local Plan where a range of uses would be considered.

TENANCY

Gross Current Rent (pa) £164,174
 Net Current Rent (pa) £164,174
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 Years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £159,500
 Gross Value £2,281,817
 Capex Allowance £0.00
 Market Value £2,241,471 Net of purchasers costs at 1.80%
 Initial Yield 7.20%
 Equivalent Yield 6.38%
 Reversionary Yield 6.99%
 Direct Comparison Rate (£/ sq ft) £113 Disposal marketing period 6-9 months

EXECUTIVE SUMMARY - TANNERY HOUSE, ALFRETON, MIDLANDS, DE55 7AF

Valuation prepared by
Colliers International Valuation UK LLP
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London
W1U 7GA
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**INSTRUCTIONS**

Property ID	4
Property Address	Tannery House, King Street, Alfreton, DE55 7AF

PROPERTY PARTICULARS

Date of Inspection	25th July 2019
Type of Property	Office
Brief Description	The Property comprises a part single storey and part two-storey purpose built office building of a concrete frame construction with traditional brick elevations with curved metal sheet roofing. The windows are double glazed powder coated aluminium. There are suspended ceilings within the offices, solid concrete carpeted or laminate flooring and stairs, air conditioning and wall mounted radiators. From the inspection it was noted that all of the space was fully utilised by the tenant. There are approximately 144 external car parking spaces.
Building Assessment	We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value. A Groundsure Siteguard survey was undertaken, dated July 2018, which concluded that the Property was 'In Need of Further Assessment'. A phase 1 Environmental Due Diligence Report was subsequently prepared by Messrs Roberts Environmental Ltd, dated July 2018. This concludes that the site represents a low to medium risk with regard to environmental liabilities for the continued use. With regard to environmental considerations, assuming the recommendations below are undertaken the site is considered suitable for purchase.
Surrounding Infrastructure	The Property is situated to the Eastern side of the A61 (King Street), with access to the car parks off Hill Street. Adjacent to the south of the Property is a Tesco superstore and to the east of the Property lies the town centre. With regards to accessibility, the Property is easily accessible being located on the A61 and the A38 only 3.8 miles to the south. In terms of public transport, Alfreton Train Station is located 1 mile to the east of the Property, offering links to Nottingham, Sheffield and Leeds. Local buses also serve the Property.
Site Area (acres)	0.44
Net Internal Area (sq ft)	10,226
Year of Completion	Estimated 1990's.

LEGAL

Tenure	Freehold
Planning / Zoning	The Property is part of the Amber Valley Constituency, with the local council for Alfreton being Amber Valley Borough Council. The Property is not allocated to any other land use.

Gross Current Rent (pa)	£86,499
Net Current Rent (pa)	£86,499
Weighted Average Unexpired Lease Term ("WAULT") to Break	3.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancies
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison
Date of Valuation	31st August 2019
Market Rent (Gross) (pa)	£87,000
Gross Value	£1,185,130
Capex Allowance	£0.00
Market Value	£1,164,175
Initial Yield	7.29%
Equivalent Yield	6.63%
Reversionary Yield	7.34%
Direct Comparison Rate (£/ sq ft)	£114
Disposal marketing period	9-12 months

EXECUTIVE SUMMARY - REIVERDALE HOUSE, ASHINGTON, NORTH EAST, NE63 9YU

Valuation prepared by
 Colliers International Valuation UK LLP
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**INSTRUCTIONS / RELIANCE**

Property ID 5
 Property Address Reiverdale House, Reiverdale Road, Ashington, NE63 9YU

PROPERTY PARTICULARS

Date of Inspection 31st July 2019
 Type of Property Office
 Brief Description The Property comprises a complex of three inter-linked office buildings providing office accommodation over ground and part first floor. The buildings are of brick construction with pitched clay tile roofing. Internally, the accommodation provides a mixture of open plan and cellular offices, the specification which includes suspended ceiling, recessed strip fluorescent light, air conditioning to part, wall mounted radiators, double glazed metal framed windows and solid carpeted floors. Ancillary accommodation includes ladies and gents WC and kitchen facilities. Externally, there is a tarmacadam surfaced car park to the rear providing approximately 57 spaces and an area of expansion land which is currently laid to lawn.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control which range from "low risk to high risk". The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure Ashington lies approximately 6 miles east of Morpeth and 18 miles north of Newcastle Upon Tyne. The A197 is the principal arterial route linking Ashington to the A189 and wider region. The Property is situated to the north of Ashington town centre and forms part of a mixed use area which incorporates a variety of residential, leisure and commercial uses. Adjacent to the northern boundary of the Property are a number of allotments. Surrounding occupiers in the immediate area include the Territorial Army, CNJ Vehicle Repairs & Services, The Original Factory Shop and The Paint Shop.

Site Area (acres) 2.06
 Net Internal Area (sq ft) 23,702
 Year of Completion 1988

LEGAL

Tenure Freehold
 Planning / Zoning The Property is situated within an area allocated in the Wandsbeck District Local Plan. Under the plan the Property is unallocated (white land). In respect of the planning history, there are a number of applications, the most relevant of which is Application No. 87/00022/272/FUL which granted consent in September 1987 for erection of office accommodation to replace old buildings.

TENANCY

Gross Current Rent (pa) £113,944
 Net Current Rent (pa) £113,944
 Weighted Average Unexpired Lease Term ("WAVULT" to Break 3.58 Years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100 % let on two leases to the The Secretary of State for Housing, Communities & Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £118,500
 Gross Value £1,202,819
 Capex Allowance £0
 Market Value £1,181,551 Net of purchasers costs at 1.80%
 Initial Yield 9.49%
 Equivalent Yield 8.64%
 Reversionary Yield 9.86%
 Direct Comparison Rate (£/ sq ft) £50 Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - WALLACETOWN HOUSE, AYR, SCOTLAND, KA8 0BX

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 6
 Property Address Wallacetown House, John Street, Ayr, KA8 0BX

PROPERTY PARTICULARS

Date of Inspection 2nd August 2019
 Type of Property Office
 Brief Description The Property comprises an extended three-storey office building of concrete and steel framed construction set beneath a flat roof with impervious overlay. The offices comprise a mixture of open-plan and cellular accommodation, created by solid plaster or plasterboard walls. Floors are of concrete with the ceilings primarily of suspended tiles. There is a glazed monitor roof window to the 1990's extension second floor.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control which range from "low risk to high risk". The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure Ayr is the commercial centre of Ayrshire and is situated approximately 36 miles south west of Glasgow and 13 miles from the neighbouring towns of Kilmarnock and Irvine. The town benefits from a well-established and efficient road, air and rail network. The Property is located in the Wallacetown area, on the periphery of the town centre and close to all amenities. The area is largely residential in nature with high density flatted dwellings opposite and to the rear. The building occupies a prominent position on John Street, close to the A719 which leads to the Whitlets Roundabout on the A77(M). The area has a history of social issues and accordingly property values in the neighbourhood are lower than other settlements in the Ayr.

Site Area (acres) 0.77
 Net Internal Area (sq ft) 28,299
 Year of Completion 1980, extended 1990's

LEGAL

Tenure Heritable (equivalent to English Freehold)
 Planning / Zoning The Property lies in South Ayrshire with planning policies contained within the South Ayrshire Local Development Plan, adopted September 2014. It is located in the Craigie district which is predominantly residential.

TENANCY

Gross Current Rent (pa) £283,747
 Net Current Rent (pa) £283,747
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let on two leases to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancy agreement
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019.
 Market Rent (Gross) (pa) £255,000
 Gross Value **£3,101,385**
 Capex Allowance £0.00
 Market Value **£3,046,547** Net of purchasers costs at 1.80%
 Initial Yield 9.15%
 Equivalent Yield 7.58%
 Reversionary Yield 8.23%
 Direct Comparison Rate (£/ sq ft) **£108** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - CROWN BUILDING, BANBURY, SOUTH EAST, OX16 2EX

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 7
 Property Address Crown Building, Southam Road, Banbury, OX16 2EX

PROPERTY PARTICULARS

Date of Inspection 25th July 2019
 Type of Property Office
 Brief Description The Property is a purpose built office block arranged over three floors. We understand it to be of steel frame construction and has a flat roof. There are a number of smaller, mono pitched roofs. The elevations are constructed with facing brick, incorporating powder coated aluminium framed window units. Surface level car parking to the rear, consisting of approximately 15 spaces.
 Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control which range from "low risk to high risk". The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
 Surrounding Infrastructure Banbury is a market town within the county of Oxfordshire. The town is located 64 miles (103km) north west of London, 25 miles (40km) north of Oxford, and 38 miles (61km) south east of Birmingham. Banbury has excellent road communications, being conveniently located close to Junction 11 of the M40 motorway. The Property is situated on the western side of Southam Road (A361) which runs northwards from Warwick Street (B4100). The Property sits within a largely residential area on the periphery of the town centre.
 Site Area (acres) 0.49
 Net Internal Area (sq ft) 25,051
 Year of Completion 1980's

LEGAL

Tenure Freehold
 Planning / Zoning The Property lies within the Cherwell District Council of North Oxfordshire. We have conducted online planning searches which have revealed that the Property has had one previous planning application, which was granted. The Property is not allocated any other land uses.

TENANCY

Gross Current Rent (pa) £253,085
 Net Current Rent (pa) £253,085
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 Years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let on two leases to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £251,000
 Gross Value £4,186,281
 Capex Allowance £0
 Market Value £4,112,260 Net of purchasers costs at 1.80%
 Initial Yield 6.05%
 Equivalent Yield 5.50%
 Reversionary Yield 6.00%
 Direct Comparison Rate (£/ sq ft) £164 Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - PARC MENAI, BANGOR, WALES, LL57 4FD

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 8
 Property Address Parc Menai, Bangor, LL57 4FD

PROPERTY PARTICULARS

Date of Inspection 2nd August 2019
 Type of Property Office
 Brief Description The Property comprises a detached two-storey building constructed in circa 2006. The building is constructed in an "L" shape with a central core and two wings at each floor. Amenity facilities are situated with the central core with each wing at ground and first floor providing open plan offices with some cellular offices / meeting rooms and a staff kitchen. There is a surface car park to the front of the property with additional parking to the rear.

Building Assessment Asbestos registers/management plans are not required for buildings built on or after 2000.

Surrounding Infrastructure The Property is situated within Parc Menai which is situated approximately 3 miles south west of the centre of Bangor, North Wales. The Property is located within the northern part of the Business Park within Phase 3. Access to the park is obtained from the A487 at junction 9 of the North Wales Expressway which provides access to Chester and the wider UK motorway network. The Business Park comprises similar office buildings all dating from the 1990's to 2000's. Bangor is not considered to be a primary office location, however it is a large town in North Wales which serves the wider surrounding area. Parc Menai provides modern office accommodation and is considered to be the main office location for the town.

Site Area (Acres) 2.95
 Net Internal Area (sq ft) 31,674
 Year of Completion 2006

LEGAL

Tenure Leasehold. 250 year lease at a peppercorn rent from 20/05/2005.
 Planning / Zoning The Property is situated within an area that is currently allocated within the Anglesey and Gwynedd Joint Local Development Plan as a safe guarded employment site. We are not aware of any current or historic planning consents relating to the Property.

TENANCY

Gross Current Rent (pa) £384,196
 Net Current Rent (pa) £384,196
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing occupational leases
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £285,000
 Gross Value **£4,044,773**
 Capex Allowance £0
 Market Value **£3,973,254** Net of purchasers costs at 1.80%
 Initial Yield 9.49%
 Equivalent Yield 6.87%
 Reversionary Yield 7.04%
 Direct Comparison Rate (£/ sq ft) **£125** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - WHITBURN ROAD, BATHGATE, SCOTLAND, EH48 1HG

Valuation prepared by
 Colliers International Valuation UK LLP
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 W1U 7GA
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**INSTRUCTIONS**

Property ID 9
 Property Address 31-33 Whitburn Road, Bathgate, EH48 1HG

PROPERTY PARTICULARS

Date of Inspection 1st August 2019

Type of Property Office

Brief Description The Property comprises a three-storey office building arranged over basement, ground and first floor level. The Property is of concrete frame construction surmounted by a series of flat roof structures, covered in mineralised felt. The elevations comprises a mixtrure of facing brickwork, factory coated metal and exposed aggregate cladding with uPVC coated double glazed windows. There is external car parking providing approximately 40 marked spaces.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a low risk of asbestos blight with a low to medium potential future landlord's liability for asbestos removal/management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure The Property is situated on the north side of Whitburn Road, in the town of Bathgate which is approximately 25 miles east of Glasgow and 19 miles west of Edinburgh. The town is located close to the M8 motorway, which provides connections to Glasgow, Edinburgh and the wider UK motorway network. Adjacent to the Property is Bathgate Retail Park. The surrounding area is mixed use, and includes retail, leisure and office premises.

Site Area (acres) 1.15

Net Internal Area (sq ft) 31,484

Year of Completion 1960s

LEGAL

Tenure Heritable (equivalent to English Freehold)

Planning / Zoning Planning policy for this particular area is governed by the West Lothian Local Plan, which was adopted 4 September 2018, and is located within Bathgate Town Centre where multiple uses will be supported. We have been unable to locate any past or present planning applications for the Property.

TENANCY

Gross Current Rent (pa) £266,327

Net Current Rent (pa) £266,327

Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years

Weighted Average Lease Expiry ("WALE") 8.58 years

Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government

Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession

Valuation Approaches Income Capitalisation

Date of Valuation 31st August 2019

Market Rent (Gross) (pa) **£157,500**

Gross Value **£2,806,576**

Capex Allowance £0.00

Market Value **£2,756,951** Net of purchasers costs at 1.80%

Initial Yield 9.50%

Equivalent Yield 5.83%

Reversionary Yield 5.62%

Direct Comparison Rate (£/ sq ft) **£88** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - WYVERN HOUSE, BEDFORD, SOUTH EAST, MK40 2EH

Valuation prepared by
 Colliers International Valuation UK LLP
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**INSTRUCTIONS**

Property ID 10
 Property Address Wyvern House, 53-57 Bromham Road, Bedford, MK40 2EH

PROPERTY PARTICULARS

Date of Inspection 25th July 2019
 Type of Property Office
 Brief Description The Property is a three-storey office, constructed in the 1960s and is of concrete frame construction with an asphalt covered flat roof. There is parking at the rear of the Property for approximately 50 vehicles. A landscaped area is located at the front of the Property.
 Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a medium risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
 Surrounding Infrastructure The Property is located in the county town of Bedford which lies approximately 50 miles (85km) north of Central London and 10 miles (16km) east of Junction 13 of the M1 motorway. Nearby regional centres include Milton Keynes and Northampton. The Property is situated on Bromham Road, one of the main arterial roads into Bedford Town Centre. The Property is within 400 metres of Bedford Train station which provides a direct service to London St Pancras with a fastest journey time of 38 minutes.
 Site Area (acres) 0.55
 Net Internal Area (sq ft) 23,803
 Year of Completion 1960's

LEGAL

Tenure Freehold
 Planning / Zoning The Property lies within the Bedford Borough Council's jurisdiction. We have conducted online planning searches which have revealed that all previous planning applications have been granted. The Property does also lie within the Bedford Conservation Area but is not allocated for any other use.

TENANCY

Gross Current Rent (pa) £187,741
 Net Current Rent (pa) £187,741
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 Years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £178,500
 Gross Value £3,219,309
 Capex Allowance £0
 Market Value £3,162,386 Net of purchasers costs at 1.80%
 Initial Yield 5.84%
 Equivalent Yield 5.45%
 Reversionary Yield 5.55%
 Direct Comparison Rate (£/ sq ft) £133 Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - BOWLING GREEN STREET, BELLSHILL, SCOTLAND, ML4 1HT

Valuation prepared by
 Colliers International Valuation UK LLP
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 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 11
 Property Address 417 Main Street, Bellshill, ML4 1HT

PROPERTY PARTICULARS

Date of Inspection 2nd August 2019
 Type of Property Office
 Brief Description The Property comprises a purpose built two-storey office building with a secure tarmacadam car park to the rear. The Property has a steel framed construction, with brickwork and glazing to the elevations under a series of dual-pitched roofs, overlaid profiled metal cladding. The Property has a net internal area of 23,512 sq ft.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property has ACMs ranging from low risk to high risk. Therefore, we understand that 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure Bellshill is a settlement in North Lanarkshire which lies approximately two miles north of Motherwell and ten miles east of Glasgow. The town benefits from good road networks by way of the A725 which links with the A8/M8 trunk road. The Property is located on the northern side of Main Street, next to the roundabout which links with Bairdsland View and Campbell Street on the eastern boundary of Bellshill town centre. The surrounding area is in mixed use, with residential accommodation to the rear of the Property. Further along Main Street to the west lies the main retail offering within the town. Neighbouring the Property is the Royal Mail Delivery Office and a doctors surgery sits opposite.

Site Area (acres) 1.11
 Net Internal Area (sq ft) 23,512
 Year of Completion 1990's

LEGAL

Tenure Heritable (equivalent of English Freehold)
 Planning / Zoning Planning policy for this particular area is governed by North Lanarkshire Council Local Plan, which was adopted in September 2012. Bellshill has been earmarked as a Strategic Industrial and Business Location.

TENANCY

Gross Current Rent (pa) £277,847
 Net Current Rent (pa) £277,847
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £235,000
 Gross Value **£2,895,019**
 Capex Allowance £0.00
 Market Value **£2,843,830** Net of purchasers costs at 1.80%
 Initial Yield 9.59%
 Equivalent Yield 7.61%
 Reversionary Yield 8.11%
 Direct Comparison Rate (£/ sq ft) **£121** Disposal marketing period 12 months

EXECUTIVE SUMMARY - NORHAM HOUSE, BERWICK UPON TWEED, NORTH EAST, TD15 1DS

Valuation prepared by
 Colliers International Valuation UK LLP
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 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 12
 Property Address Norham House, 15 Walkergate, Berwick Upon Tweed, TD15 1DS

PROPERTY PARTICULARS

Date of Inspection 31st July 2019
 Type of Property Office
 Brief Description The Property comprises a detached two-storey office building which is of frame construction clad in brick beneath a pitched cement tiled roof. Internally, the building provides open plan accommodation in the majority, with suspended ceilings, strip fluorescent and spot lighting, air conditioning to part, metal frame single glazed windows, wall mounted radiators, perimeter trunking and solid carpeted floors. Ancillary accommodation includes ladies, gents and disabled WC at both ground and first floor. Externally, there is a detached brick built garage providing additional storage to the rear and two parking spaces.

Building Assessment An Asbestos Register is available for the Property. This document confirms that where inspected no Asbestos Containing Materials (ACMs) were noted whilst carrying out a visual inspection of the Property. Given the anticipated age of the Property (1980's-1990's) we cannot rule out the presence of ACMs. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure Berwick Upon Tweed is located in Northumberland and lies approximately 56 miles south of Edinburgh and 64 miles north of Newcastle Upon Tyne, with principal access via the A1(M). The Property is situated within the town centre, close to the main retail pitch of Marygate. The immediate area is mixed use in character and surrounding uses include offices, residential and retail. Other occupiers in the immediate vicinity include Sinners Cafe, Berwick Workspace, Golden Star Restaurant and Iceland Foods.

Site Area (acres) 0.20
 Net Internal Area (sq ft) 7,766
 Year of Completion Late 1970's/80's

LEGAL

Tenure Freehold
 Planning / Zoning The Property is situated within an area covered by the Berwick Upon Tweed Borough Local Plan adopted April 1999. Under the Plan, the Property is unallocated. In respect of the planning history, we note that the Property benefits from appropriate consent under Application No. N/75/B/0349/P which granted consent for the erection of a two-storey office block as of 5 December 1975.

TENANCY

Gross Current Rent (pa) £43,432
 Net Current Rent (pa) £43,432
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let by way of two leases to The Secretary of State for Housing, Communities & Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31 August 2019
 Market Rent (Gross) (pa) £38,800
 Gross Value **£442,213**
 Capex Allowance £0
 Market Value **£434,394** Net of purchasers costs at 1.80%
 Initial Yield 9.81%
 Equivalent Yield 8.07%
 Reversionary Yield 8.76%
 Direct Comparison Rate (£/ sq ft) **£56** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - PEEL PARK, BLACKPOOL, NORTH WEST, FY4 5ES

Valuation prepared by
Colliers International Valuation UK LLP
50 George Street
London
W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 13
Property Address Peel Park, Brunel Way, Blackpool, FY4 5ES

PROPERTY PARTICULARS

Date of Inspection 2nd August 2019
Type of Property Office
Brief Description The Property comprises a 38.67 acre parcel of land upon which is constructed two large detached office buildings with associated car parking. The Property is a campus style development with soft landscaping and significant overage land. The buildings were constructed in the 1990s and are of steel frame construction with brick elevations. Internally, the Property provides largely open plan accommodation with cellular meeting rooms and staff ancillary areas. A covered walkway connects both buildings on site. Externally, there are three large car parking areas which are accessed from a tarmac service road and provide approximately 1,500 vehicle spaces.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a medium risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

A Groundsure Siteguard survey was undertaken, dated September 2018, which concluded that the Property was 'In Need of Further Assessment'. A phase 1 Environmental Due Diligence Report was subsequently prepared by Messrs Roberts Environmental Ltd, dated July 2018. This concludes that, provided the remediation strategy and subsequent verification works are implemented the site represents a low to medium risk with regard to environmental liabilities for the continued use. However, should the remediation strategy and subsequent works receive Environment Agency approval then this risk assessment may be reduced to low. As such, we have not made an allowance for future liabilities in this regard.

Surrounding Infrastructure The Property is situated three miles south east of Blackpool town centre and 11 miles west of Preston. The Property is located on Brunel Way. Brunel Way connects with the A5230 in the west, a major road which connects with the M55 motorway in the east and Blackpool Airport in the West. Access to the Property is considered to be good, being less than five minutes' drive from Junction 4 of the M55 motorway. The Property is in an established commercial location. Nearby occupiers include Tesco, Booker Wholesale and B&Q.

Site Area (acres) 38.67
Net Internal Area (sq ft) 156,542
Year of Completion 1990s

LEGAL

Tenure Freehold
Planning / Zoning The Property is located within the jurisdiction of Fylde Council. The relevant planning document is Fylde Council's Local Plan. The eastern undeveloped parcel of the site is allocated under policy EC1 - Overall Provision of Employment Land and Existing Employment Sites. We did not identify any past or current planning applications.

TENANCY

Gross Current Rent (pa) £1,695,000
Net Current Rent (pa) £1,695,000
Weighted Average Unexpired Lease Term ("WAULT") to Break 8.58 years
Weighted Average Lease Expiry ("WALE") 8.58 years
Tenancy(cies) 100% let on two leases to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value - subject to the existing occupational leases
Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
Date of Valuation 31st August 2019
Market Rent (Gross) (pa) £1,683,000
Gross Value £28,719,190
Capex Allowance £0
Market Value £28,210,000 Net of purchasers costs at 1.80%
Initial Yield 5.90%
Equivalent Yield 6.00%
Reversionary Yield 5.86%
Direct Comparison Rate (£/ sq ft) £180 Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - GLOUCESTER HOUSE, BOGNOR REGIS, SOUTH EAST, PO21 1HH

Valuation prepared by
 Colliers International Valuation UK LLP
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www.colliers.com/uk

**INSTRUCTIONS**

Property ID	14
Property Address	Gloucester House, High Street, Bognor Regis, PO21 1HH

PROPERTY PARTICULARS

Date of Inspection	30th July 2019
Type of Property	Office
Brief Description	The Property is a five-storey, purpose built office which we understand is a mixture of steel and concrete framed construction clad in composite panels, brickwork and stone panels. The main roof is flat, while the lower roofs are dual pitched with coated metal profile covering. The ground floor is located beneath the main tower and extends under three pitched roofs. Surface level car parking surrounds the Property providing approximately 26 vehicle spaces.
Building Assessment	We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a medium risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
Surrounding Infrastructure	The Property is located in the West Sussex seaside resort of Bognor Regis. The city of Brighton lies 27 miles (37km) to the East of Bognor Regis. The large coastal cities of Portsmouth and Southampton lie 18 miles (29km) and 30 miles (48km) respectively to the east of Bognor Regis. The Property is situated on Bognor Regis main High Street on the periphery of the main retail centre. There is a mix of commercial and residential properties in close proximity to the Property.
Site Area (acres)	1.05
Net Internal Area (sq ft)	21,254
Year of Completion	1990's

LEGAL

Tenure	Freehold
Planning / Zoning	The Property lies within the Arun District Council jurisdiction. We have conducted online planning searches which have revealed that the Property has had no previous or current planning applications. There are no planning allocations assigned to this Property.

TENANCY

Gross Current Rent (pa)	£214,083
Net Current Rent (pa)	£214,083
Weighted Average Unexpired Lease Term ("WAULT") to Break	3.58 Years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancies but otherwise with vacant possession		
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£159,500		
Gross Value	£3,083,696		
Capex Allowance	£0		
Market Value	£3,029,171	Net of purchasers costs at	1.80%
Initial Yield	6.94%		
Equivalent Yield	5.05%		
Reversionary Yield	5.17%		
Direct Comparison Rate (£/ sq ft)	£143	Disposal marketing period	12-18 months

EXECUTIVE SUMMARY - ST MARTIN'S HOUSE, BOOTLE, NORTH WEST, L69 9BN

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	15
Property Address	St Martin's House, Stanley Road, Bootle, L69 9BN

PROPERTY PARTICULARS

Date of Inspection	5th August 2019
Type of Property	Office
Brief Description	The Property comprises a detached part 12- and part 4-storey building constructed in circa 1970's. The building is constructed in a cross shape with four wings at first to third floors and two wings from fourth to 12th. Each wing predominately comprises open plan offices with some cellular offices and there are amenity facilities at each floor. The building is serviced by four passenger lifts within the central core and the ground floor comprises a reception area, plant rooms and two separate units currently utilised as a sandwich shop and a pub. There is a car park located to the rear of the Property with approximately 88 marked spaces.
Building Assessment	We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value. The Property has been identified as being of an age and construction nature where HAC (and/or chlorides) may potentially affect the structural frame where precast concrete beams have been used in the upper floor construction. The Due Diligence Reports provided do not provide any further information in this regard, allow for any capital expenditure liability for the Landlord in this regard, or provide further detail relating to future liabilities. Therefore in reaching our opinion of Market Value we have not made any allowance in this regard.
Surrounding Infrastructure	The Property is situated in the centre of Bootle approximately three miles north of Liverpool. The Property fronts the A567 which intersects with the A5058 to the south. Bootle Oriel Road Railway Station is located to the west. The Property is situated within a mixed use area comprising office and leisure and retail properties.
Site Area (Acres)	1.06
Net Internal Area (sq ft)	85,453
Year of Completion	1970's

LEGAL

Tenure	Freehold
Planning / Zoning	The Property is situated within an area that is currently allocated within the Sefton Local Plan as Mixed Use Areas (Policy ED4). We are not aware of any current or historic planning consents relating to the Property. We have assumed that this policy will have no material impact on the Property.

TENANCY

Gross Current Rent (pa)	£387,592
Net Current Rent (pa)	£387,592
Weighted Average Unexpired Lease Term ("WAULT") to Break	3.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let on two leases to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing occupational leases		
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£385,000		
Gross Value	£4,080,149		
Capex Allowance	£0		
Market Value	£4,008,005	Net of purchasers costs at	1.80%
Initial Yield	9.49%		
Equivalent Yield	8.40%		
Reversionary Yield	9.43%		
Direct Comparison Rate (£/ sq ft)	£47	Disposal marketing period	9-12 months

EXECUTIVE SUMMARY - CROWN BUILDINGS, BRIDGEND, WALES, CF31 4AA

Valuation prepared by
Colliers International Valuation UK LLP
50 George Street
London
W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS / RELIANCE**

Property ID 16
Property Address Crown Buildings, Angel Street, Bridgend, CF31 4AA

PROPERTY PARTICULARS

Date of Inspection 30th July 2019
Type of Property Office
Brief Description The Property comprises a 1970s multi storey office building and car park. The main, seven-storey building is of reinforced concrete frame construction with brick and panel clad elevations and a low pitched roof. Internally, it provides a Jobcentre Plus at ground and first floor level with offices on the upper floors. There is a separate two-storey annexe, which is also used as offices and interconnects with the main building at first floor level. The Property is serviced by approximately 80 car parking spaces.

Building Assessment The Property has been identified as being of an age and construction nature where HAC (and/or chlorides) may potentially affect the structural frame where precast concrete beams have been used in the upper floor construction. The Due Diligence Reports provided do not provide any further information in this regard, allow for any capital expenditure liability for the Landlord in this regard, or provide further detail relating to future liabilities. Therefore in reaching our opinion of Market Value we have not made any allowance in this regard. We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the property requiring management control. The report concludes that the Property is 'a medium risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure The Property is located in Bridgend, a large town in the Bridgend County Borough of Wales. It is located approximately 18 miles west of the capital Cardiff and 20 miles south east of Swansea. The Property is situated on Angel Street, directly to the south east of the town centre. Access is via the A473, the main thoroughfare in the town. Nearby occupiers are office users including Bridgend County Council and retail uses to the north west, centred on Caroline Street and Dunraven Square.

Site Area (acres) 1.35
Net Internal Area (sq ft) 46,058
Year of Completion 1970's

LEGAL

Tenure Freehold
Planning / Zoning The Property falls within the planning authority of Bridgend County Borough Council and is covered by the Replacement Bridgend Local Development Plan 2018-2033. The last planning application on the Property was submitted in 2005 and has been granted. The site is not allocated for any other land use.

TENANCY

Gross Current Rent (pa) £376,304
Net Current Rent (pa) £376,304
Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
Weighted Average Lease Expiry ("WALE") 8.58 years
Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancy
Valuation Approaches Primary - Income Capitalisation
Date of Valuation 31st August 2019
Market Rent (Gross) (pa) £276,000
Gross Value **£4,363,165**
Capex Allowance £0.00
Market Value **£4,286,017** Net of purchasers costs at 1.80%
Initial Yield 8.63%
Equivalent Yield 6.19%
Reversionary Yield 6.33%
Direct Comparison Rate (£/ sq ft) **£93** Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - KENT STREET, BRISTOL, SOUTH WEST, BS3 3NW

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	17
Property Address	17-19 Kent Street, Bedminster, Bristol, BS3 3NW

PROPERTY PARTICULARS

Date of Inspection	1st August 2019
Type of Property	Office
Brief Description	The Property is a 1980's office building arranged over ground and first floor, accommodating a Jobcentre Plus on the ground floor and offices above. The Property comprises a part single and part two-storey office building of brick construction set under pitched and flat roofs. Externally, there is a surface car park to east of the Property with parking for approximately ten vehicles, whilst to the rear is a small yard area.
Building Assessment	We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a low risk of asbestos blight with a low to medium potential future landlord's liability for asbestos removal/management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
Surrounding Infrastructure	The Property is located in Bristol, a city in South West England. Bristol borders North Somerset and South Gloucestershire and is approximately 12 miles north west of Bath and 25 miles south west of Gloucester. Bristol has excellent road connections and is serviced by the M4, M32, and M5 motorways, providing direct access to London and the North. The Property is situated within Bedminster, a residential suburb approximately 2 miles south of Bristol city centre. The Property is located on Kent Street surrounded by light industrial units and fronting a retail parade.
Site Area (acres)	0.20
Net Internal Area (sq ft)	6,339
Year of Completion	1980's

LEGAL

Tenure	Freehold
Planning / Zoning	The Property falls within the Bristol City Council and is covered by the Bristol City Council Local Plan 2014. The Property falls within an unallocated area. The last planning application on the Property was submitted in 2005 and was granted. There are no current applications assigned against the Property.

TENANCY

Gross Current Rent (pa)	£95,083
Net Current Rent (pa)	£95,083
Weighted Average Unexpired Lease Term ("WAVULT") to Break	3.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancy		
Valuation Approaches	Primary - Income Capitalisation		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£79,250		
Gross Value	£1,056,478		
Capex Allowance	£0.00		
Market Value	£1,040,000	Net of purchasers costs at	1.80%
Initial Yield	9.00%		
Equivalent Yield	6.82%		
Reversionary Yield	7.50%		
Direct Comparison Rate (£/ sq ft)	£164	Disposal marketing period	12-18 months

EXECUTIVE SUMMARY - LODGE HOUSE, BRISTOL, SOUTH WEST, BS16 3HZ

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	18
Property Address	Lodge House, Fishponds Road, Bristol, BS16 3HZ

PROPERTY PARTICULARS

Date of Inspection	25th July 2019
Type of Property	Office
Brief Description	The Property comprises a three-storey, self contained office block of concrete framed construction set beneath a flat roof. Elevations are of rendered panels and incorporate replacement uPVC windows. Internally the building provides open plan office accommodation. There are approximately 56 vehicle spaces to the rear of the building.

Building Assessment	We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a medium risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value. The Property has been identified as being of an age and construction nature where HAC (and/or chlorides) may potentially affect the structural frame where precast concrete beams have been used in the upper floor construction. The Due Diligence Reports provided do not provide any further information in this regard, allow for any capital expenditure liability for the Landlord in this regard, or provide further detail relating to future liabilities. Therefore in reaching our opinion of Market Value we have not made any allowance in this regard.

Surrounding Infrastructure	The Property is located in Bristol, a city in South West England. Bristol borders North Somerset and South Gloucestershire and is approximately 12 miles north west of Bath and 25 miles (40 km) south west of Gloucester. Bristol has excellent road connections and is serviced by the M4, M32, and M5 motorways, providing direct access to London and the North. The east Bristol suburb of Fishponds is situated 5 miles from the city centre. The Property is located at the junction of Fishponds Road (A432), a main arterial route, and Lodge Causeway. Junction 2 of the M32 motorway is also located 1 mile (2 km) away. The surrounding area is characterised by high density housing, secondary/tertiary retail, and industrial estates.

Site Area (acres)	0.44
Net Internal Area (sq ft)	25,979
Year of Completion	1970's

LEGAL

Tenure	Freehold
Planning / Zoning	The Property falls within the planning authority of Bristol City Council and is covered by Bristol Local Plan 2014. The Property is situated within a Secondary Shopping Frontage; Policy number BCS7. We assume that this will have no immediate effect on the Property.

TENANCY

Gross Current Rent (pa)	£366,588
Net Current Rent (pa)	£366,588
Weighted Average Unexpired Lease Term ("WAULT") to Break	1.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancy		
Valuation Approaches	Primary - Income Capitalisation		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£260,000		
Gross Value	£4,073,200		
Capex Allowance	£0.00		
Market Value	£4,000,000	Net of purchasers costs at	1.80%
Initial Yield	9.00%		
Equivalent Yield	5.97%		
Reversionary Yield	6.38%		
Direct Comparison Rate (£/ sq ft)	£154	Disposal marketing period	12-18 months

EXECUTIVE SUMMARY - MONKS PARK AVENUE, BRISTOL, SOUTH WEST, BS7 0UD

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	19
Property Address	1 Monks Park Avenue, Horfield, Bristol, BS7 0UD

PROPERTY PARTICULARS

Date of Inspection	1st August 2019
Type of Property	Office
Brief Description	The Property comprises a 1970's two-storey office building, accommodating a Jobcentre Plus on the ground floor and office accommodation on the first floor. The Property is U-shaped and of brick construction with a flat roof. There is a car parking area to the rear of the building providing approximately 20 spaces.
Building Assessment	We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control which range from "low risk to high risk". The report concludes that the Property is - 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
Surrounding Infrastructure	The Property is located in Bristol, a city in South West England. Bristol borders North Somerset and South Gloucestershire and is approximately 12 miles north west of Bath and 25 miles (40 km) south west of Gloucester. Bristol has excellent road connections and is serviced by the M4, M32, and M5 motorways, providing direct access to London and the North. The Property is situated on the south side of Monk's Park Avenue in a mixed retail and residential area, whilst Southmead Hospital is located to the west.
Site Area (acres)	0.59
Net Internal Area (sq ft)	10,183
Year of Completion	1970's

LEGAL

Tenure	Freehold
Planning / Zoning	The Property falls within the Bristol City Council and is covered by the Bristol City Council Local Plan 2014. The Property falls within 'Retail Area' but has no future allocation against it. The last planning application on the Property was submitted in 2004 which was granted.

TENANCY

Gross Current Rent (pa)	£115,477
Net Current Rent (pa)	£115,477
Weighted Average Unexpired Lease Term ("WAULT") to Break	8.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancy		
Valuation Approaches	Primary - Income Capitalisation.		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£102,000		
Gross Value	£2,199,562		
Capex Allowance	£0.00		
Market Value	£2,160,000	Net of purchasers costs at	1.80%
Initial Yield	5.25%		
Equivalent Yield	4.74%		
Reversionary Yield	4.64%		
Direct Comparison Rate (£/ sq ft)	£212	Disposal marketing period	6 - 9 months

EXECUTIVE SUMMARY - BLACKBURN ROAD, BURNLEY, NORTH WEST, BB12 7NQ

Valuation prepared by
 Colliers International Valuation UK LLP
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 London
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www.colliers.com/uk

**INSTRUCTIONS**

Property ID 20
 Property Address Blackburn Road, Burnley, BB12 7NQ

PROPERTY PARTICULARS

Date of Inspection 5th August 2019
 Type of Property Office
 Brief Description The Property comprises an irregular shaped parcel of land upon which is constructed a detached call centre with associated surfaced car parking. The building is of steel frame construction with stone and composite panel elevations, formed beneath a pitched and hipped metal roof. Internally, there is a central core (with glazed atrium) which provides access to four large open plan call centre areas. The office benefits from raised flooring, suspended ceilings and air conditioning. Externally, there are approximately 400 marked car parking bays.

Building Assessment No Asbestos Register required for buildings constructed after 2000, however the tenant holds one on site.

Surrounding Infrastructure The Property is located on Blackburn Road (A678), approximately 3.75 miles west of Burnley and 6.75 miles north east of Blackburn. The location is considered to be semi-rural and there are no other significant office developments in the nearby vicinity. Immediately to the east and west of the Property, there are a number of industrial buildings. The Property is located one mile north of Junction 8 of the M65 motorway. Therefore, although the location is semi-rural, access is considered to be reasonable.

Site Area (acres) 3.55
 Net Internal Area (sq ft) 46,405
 Year of Completion 2000

LEGAL

Tenure Freehold
 Planning / Zoning The Property is located within the jurisdiction of Ribble Valley Borough Council. The relevant planning document is Ribble Valley Borough Council's Core Strategy. The Property is not allocated for a particular use within the Council's Proposals Map. We have been unable to find any planning applications relating to the Property.

TENANCY

Gross Current Rent (pa) £472,113
 Net Current Rent (pa) £472,113
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to the existing occupational lease
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £406,000
 Gross Value **£6,078,950**
 Capex Allowance £0
 Market Value **£5,971,464** Net of purchasers costs at 1.80%
 Initial Yield 7.77%
 Equivalent Yield 6.39%
 Reversionary Yield 6.84%
 Direct Comparison Rate (£/ sq ft) **£129** Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - LEE-MORAN HOUSE, BURNLEY, NORTH WEST, BB11 1DD

Valuation prepared by
 Colliers International Valuation UK LLP
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 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 21
 Property Address Lee-Moran House, Victoria Street, Burnley, BB11 1DD

PROPERTY PARTICULARS

Date of Inspection 5th August 2019
 Type of Property Office
 Brief Description The Property comprises a detached office building which is formed over ground and two upper floors. The Property is of steel framed construction with stone elevations incorporating metal framed windows, formed beneath a flat roof. Internally, the ground floor provides an open plan Jobcentre Plus with cellular meeting rooms, and ancillary areas to the rear. The first floor provides further job centre accommodation with offices to the rear. The second floor provides a canteen area, manager's offices and meeting space. Externally, there is a small car park providing approximately 10 vehicle spaces.

Building Assessment We have been notified in the Title Assement Report provides by Messrs Jones Hargreves, dated July 2018, that the Property appears to have been constructed after 1999 when the use of asbestos was prohibited.

Surrounding Infrastructure The Property is situated on Victoria Street in Burnley town centre. Victoria Street lies immediately north east of the B6240. The B6240 connects to the A79 in the north. The Property lies in very close proximity to Burnley's traditional retail core. Burnley Central railway station is approximately 500 metres to the north. The Property lies in a mixed use area. The majority of property stock comprises secondary retail and leisure.

Site Area (acres) 0.51
 Net Internal Area (sq ft) 17,886
 Year of Completion 2006

LEGAL

Legal Title The Property is subject to an agreement dated 15 July 2008 made between (1) Trillium (Prime) Property GP Limited and (2) Burnley Borough Council in respect of CCTV equipment. Under the agreement, the owner of the Property is to pay to the Council £3,200 per annum as a contribution towards the costs incurred by the Council in maintaining and using a CCTV camera.

Tenure Freehold

Planning / Zoning The Property is located within the jurisdiction of Burnley Council. The relevant planning document is Burnley Council's Local Plan. The Property is not allocated for any particular use; however, it does lie within the Burnley Town Centre Conservation Area. Our online searches reveal no current or historic planning applications.

TENANCY

Gross Current Rent (pa) £170,407
 Net Current Rent (pa) £170,407
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value - subject to existing occupational lease
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £170,000
 Gross Value £2,193,375
 Capex Allowance £0.00
 Market Value £2,154,592 Net of purchasers costs at 1.80%
 Initial Yield 7.77%
 Equivalent Yield 6.99%
 Reversionary Yield 7.75%
 Direct Comparison Rate (£/ sq ft) £120 Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - CROWN HOUSE, BURTON ON TRENT, MIDLANDS, DE14 3SL

Valuation prepared by
 Colliers International Valuation UK LLP
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 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 22
 Property Address Crown House, New Street, Burton On Trent, DE14 3SL

PROPERTY PARTICULARS

Date of Inspection 29th July 2019
 Type of Property Office
 Brief Description The Property comprises a six-storey office block, with a Jobcentre Plus on the ground floor, offices on the first and second floors, and the third to sixth floors vacant. The Property is of a concrete frame construction, with solid concrete carpeted floors, single glazed powder coated aluminium windows and a flat roof. There is a small undercroft loading area but no parking.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure The Property is located on the northern side of New Street, within Burton Town Centre. The Property adjoins to the main shopping centre in Burton which has occupiers including national tenants such as Boots, River Island and Superdrug. In term of accessibility, the Property is located 0.3 miles to the north of the A5189 and 2.6 miles to the east of the A38. With regards to public transport Burton On Trent Station is located 0.6 miles to the west of the Property, which offers links to Leeds, Nottingham, Birmingham Grand Central, Edinburgh, Cardiff Central and London St Pancras.

Site Area (acres) 0.24
 Net Internal Area (sq ft) 45,897
 Year of Completion Estimated 1960's

LEGAL

Tenure Freehold
 Planning / Zoning The Property is under the jurisdiction of the East Staffordshire Borough Council. Under the Adopted Local Plan 2012-2031 the Property is under the Burton Town Centre Policy SP20 - additional retail comparison goods floorspace, SP21 - suitable uses that support and promote both day and night time economies & SP22 - sufficient provision of community facilities; and as a Settlement Boundary under policy SP2 & SP4. These two policies direct development towards the most sustainable locations.

TENANCY

Gross Current Rent (pa) £128,185
 Net Current Rent (pa) £128,185
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let on two leases to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross)(pa) £229,500
 Gross Value £1,798,332
 Capex Allowance £0.00
 Market Value £1,766,534 Net of purchasers costs at 1.80%
 Initial Yield 7.13%
 Equivalent Yield 9.64%
 Reversionary Yield 12.78%
 Direct Comparison Rate (£/ sq ft) £38 Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - SILVER STREET, BURY, NORTH WEST, BL9 0DP

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 23
 Property Address Silver Street, Bury, BL9 0DP

PROPERTY PARTICULARS

Date of Inspection 2nd August 2019
 Type of Property Office
 Brief Description The Property comprises a detached office building which is formed over ground and first floor. The Property is being used as a Jobcentre Plus. The ground floor provides an open plan customer area with ancillary offices/ stores to the rear. The first floor provides open plan office accommodation with ancillary staff areas. The Property is of concrete frame construction with brick elevations, which are part rendered, formed beneath a flat roof. There are no car parking spaces at the Property.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is categorised between low and high risk. We have therefore assumed 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure The Property is situated in Bury town centre, immediately to the south west of the town's retail core. The Property lies around 100 metres north of the A58 (Angouleme Way), which is a major road through the town centre. 100 metres east of the Property lies the Bury Interchange, a public transport hub providing bus and MetroLink (light rail) links. Surrounding properties are of mixed use. There are a number of office occupiers nearby, including Clough & Willis Solicitors and Bury Council (Adult Care Services). Opposite the Property lies Bury Library and Bury Museum.

Site Area (acres) 0.11
 Net Internal Area (sq ft) 9,352
 Year of Completion 1980s

LEGAL

Tenure Freehold
 Planning / Zoning The Property is located within the jurisdiction of Bury Council. The relevant planning document is Bury Council's Unitary Development Plan. The Property is situated within an area allocated under Policy BY4 - Town Centre. The Property lies within the Town Centre Conservation Area.

TENANCY

Gross Current Rent (pa) £79,106
 Net Current Rent (pa) £79,106
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value - subject to the existing occupational lease
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £79,500
 Gross Value **£1,020,037**
 Capex Allowance £0
 Market Value **£1,002,001** Net of purchasers costs at 1.80%
 Initial Yield 7.77%
 Equivalent Yield 7.01%
 Reversionary Yield 7.81%
 Direct Comparison Rate (£/ sq ft) **£107** Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - ST ANDREW'S HOUSE, BURY ST EDMUNDS, SOUTH EAST, IP33 1TT

Valuation prepared by
 Colliers International Valuation UK LLP
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 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	24
Property Address	St Andrew's House, St Andrew's Street North, Bury St Edmunds, IP33 1TT

PROPERTY PARTICULARS

Date of Inspection	25th July 2019
Type of Property	Office
Brief Description	The Property is a purpose built "L shaped" office arranged over four-storeys and is of concrete framed construction. The ground first, and second floors are occupied by Jobcentre Plus with the Benefit Delivery Centre on the third floor. There are approximately 66 car parking spaces to the rear and customer parking to the front.
Building Assessment	We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a medium risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
Surrounding Infrastructure	The Suffolk market town of Bury St Edmunds is located 25 miles (40 km) east of Cambridge, 23 miles (37 km) north west of Ipswich and 82 miles (132 km) north east of Central London. The A14 acts as the main road connection to the town and the wider regions arterial communications. The Property is situated directly north of the town centre, adjacent to the Bus Station. It fronts St Andrew's Street which runs directly through the town centre and connects to the A1302 ringroad. Commercial, municipal and residential use are in close proximity to the Property.
Site Area (acres)	0.64
Net Internal Area (sq ft)	28,863
Year of Completion	1960's

LEGAL

Tenure	Freehold
Planning / Zoning	The Property lies within the West Suffolk Council jurisdiction. We have conducted online planning searches which have revealed that the Property has had one previous planning application that was granted. We are unaware of any other uses that the site has been allocated for.

TENANCY

Gross Current Rent (pa)	£229,930
Net Current Rent (pa)	£229,930
Weighted Average Unexpired Lease Term ("WAULT") to Break	3.58 Years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancies but otherwise with vacant possession		
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£231,000		
Gross Value	£3,331,336		
Capex Allowance	£0.00		
Market Value	£3,272,432	Net of purchasers costs at	1.80%
Initial Yield	6.91%		
Equivalent Yield	6.29%		
Reversionary Yield	6.94%		
Direct Comparison Rate (£/ sq ft)	£113	Disposal marketing period	9-12 months

EXECUTIVE SUMMARY - CROWN BUILDINGS, CAERPHILLY, WALES, CF83 1WT

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	25
Property Address	Crown Buildings, Claude Road, Caerphilly, CF83 1WT

PROPERTY PARTICULARS

Date of Inspection	30th August 2019
Type of Property	Office
Brief Description	The Property comprises a 1970's L-shaped, four-storey, concrete framed office building with brick elevations. There are two tarmacadam car parks to the rear of the property, which provide approximately 36 car parking spaces.
Building Assessment	We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that 'the Property is at a high risk of asbestos blight with a high potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
Surrounding Infrastructure	Caerphilly is the largest town in the eponymous county borough of South Wales and is located at the southern end of the Rhymney Valley. It is recognised as a commuter town for both Cardiff and Newport. Caerphilly lies approximately 7 miles east of Pontypridd, 11 miles west of Newport and 8 miles north of Cardiff. Junction 32 of the M4 motorway is situated approximately 5 miles to the south, accessed via the A470 and B4600. The Property is located on the east side of Florence Grove in a predominantly residential location. Caerphilly train station is located circa 0.5 miles south east of the Property.
Site Area (acres)	0.59
Net Internal Area (sq ft)	21,000
Year of Completion	1970's

LEGAL

Tenure	Freehold
Planning / Zoning	The Property falls within the planning authority of Caerphilly Borough Council and is covered by the Caerphilly County Borough Local Development Plan 2021. The Property is unallocated and is not located in a conservation area. There are no previous applications, or current planning applications assigned against the Property.

TENANCY

Gross Current Rent (pa)	£124,374
Net Current Rent (pa)	£124,374
Weighted Average Unexpired Lease Term ("WAULT") to Break	3.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancy		
Valuation Approaches	Primary - Income Capitalisation		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£126,000		
Gross Value	£1,568,381		
Capex Allowance	£0		
Market Value	£1,540,649	Net of purchasers costs at	1.80%
Initial Yield	7.93%		
Equivalent Yield	7.20%		
Reversionary Yield	8.04%		
Direct Comparison Rate (£/ sq ft)	£73	Disposal marketing period	12-18 months

EXECUTIVE SUMMARY - HALL STREET, CAMPBELTOWN, SCOTLAND, PA28 6BZ

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 26
 Property Address 40 Hall Street, Campbeltown, PA28 6BZ

PROPERTY PARTICULARS

Date of Inspection 6th August 2019
 Type of Property Office
 Brief Description The Property comprises ground and first floor accommodation fronting Hall Street, with a single-storey extension to the rear and a detached industrial/storage unit. The Property is of a masonry construction, with render and stonework to the elevations, formed under a timber pitched roof which is overlaid in tiles to the front and profiled metal sheeting to the rear. The external areas include a car park with approximately 20 spaces, and landscaping.

Building Assessment The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.

Surrounding Infrastructure Campbeltown is located on the west coast of Scotland within the district of Argyll and Bute, approximately 138 miles from Glasgow and 180 miles from Edinburgh. The Property is located on the south western side of Hall Street on the sea front of Campbeltown close to the ferry terminal. The surrounding area is in mixed use with a care home neighbouring the Property, residential to the rear and retail/leisure offerings on Hall Street and Main Street to the north west of the Property.

Site Area (acres) 0.43
 Lettable Area (sq ft) 8,288
 Year of Completion 1970's

LEGAL

Tenure Heritable (equivalent of English Freehold)
 Planning / Zoning Planning policy for this particular area is governed by Argyll and Bute Local Development Plan, which was adopted in March 2015. The Property lies within the AFA 14/1 - Area for Action policy which details harbour improvements and development as well as being located in a settlement zone. The nature of these improvements has not been documented under the policy. We have assumed that this will have no material impact on the Property. There are currently no outstanding planning application in relation to the Property.

TENANCY

Gross Current Rent (pa) £59,758
 Net Current Rent (pa) £59,758
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £49,700
 Gross Value £577,825
 Capex Allowance £0
 Market Value £567,608 Net of purchasers costs at 1.80%
 Initial Yield 10.30%
 Equivalent Yield 8.09%
 Reversionary Yield 8.57%
 Direct Comparison Rate (£/ sq ft) £68 Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - BEECROFT ROAD, CANNOCK, MIDLANDS, WS11 1JR

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 27
 Property Address Beecroft Road, Cannock, WS11 1JR

PROPERTY PARTICULARS

Date of Inspection 25th July 2019
 Type of Property Office
 Brief Description The property comprises a part six- and part single-storey property of concrete frame construction. There is a reasonably sized external area with two levels of parking which has approximately 56 spaces. Part of the existing basement parking has been converted into a store room. The ground floor is currently used as a Jobcentre Plus, with the rest of the floors currently used as offices, ancillary and a canteen with the third and fourth floor area currently unused by the tenant.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that 'the Property is at generally high risk of asbestos blight with a high potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure The Property is located at a junction between the A34 and Beecroft Road, within Cannock town centre, with direct access off Beecroft Road. Surrounding occupiers include national tenants such as McDonald's, Halifax and Lloyds Bank. The Property is easily accessible being adjacent to the A34 ring way and the M6 motorway only 1.5 miles to the south. Cannock Railway Station is located 0.9 miles to the south-east of the Property, offering links to Rugeley Trent Valley, London Euston and Birmingham International.

Site Area (acres) 2.89
 Net Internal Area (sq ft) 31,517
 Year of Completion Estimated 1970's.

LEGAL

Legal Title We have reviewed an extract from the Report on Title which states that there is a right of way exercisable by the council over part of the property. We understand indemnity insurance is in place and we have assumed this is adequate in arriving at our opinion of value.

Tenure Freehold

Planning / Zoning The Property is under the jurisdiction of Cannock Chase Council and is not located within a Green Belt or Conservation Area, and the Property is not listed. Under the current Local Plan 2014 (Part 1) the Property is within the Town Centre Boundary Policy CP11 - encourage economic development and regeneration with main town centre uses including retail, offices, commercial, leisure and cultural facilities.

TENANCY

Gross Current Rent (pa) £137,015
 Net Current Rent (pa) £137,015
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let on two leases to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £157,500
 Gross Value **£1,810,124**
 Capex Allowance £0
 Market Value **£1,778,118** Net of purchasers costs at 5.81%
 Initial Yield 7.56%
 Equivalent Yield 7.53%
 Reversionary Yield 8.69%
 Direct Comparison Rate (£/ sq ft) **£56** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - NUTWOOD HOUSE, CANTERBURY, SOUTH EAST, CT1 1ZZ

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	28
Property Address	Nutwood House, Chaucer Road, Canterbury, CT1 1ZZ

PROPERTY PARTICULARS

Date of Inspection	29th July 2019
Type of Property	Office
Brief Description	Nutwood Hosue is a modern, detached two-storey office building. The Property is configured around a central courtyard with three central wings. The office is fitted out to a good standard, with raised floors and suspended ceilings. The Property is constructed of masonry cavity construction with a timber framed roof. There is external parking for approximately 170 vehicles.
Building Assessment	We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that 'the Property is at a medium to low risk of asbestos blight with a low potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
Surrounding Infrastructure	Nutwood Hosue is located in Canterbury, which its within the english county of Kent. Canterbury is 62 miles (100 km) south east of Central London and 20 miles (32 km) north west of Dover. Train times from Canterbury to St Pancras are just under 1 hour. The Property is 1 mile (2km) east of Canterbury town centre and Canterbury West train station. The Property is located on Chaucer Road which connects to the M20 motorway. The surrounding area contains some commerical offices and residential accomodation.
Site Area (acres)	2.07
Net Internal Area (sq ft)	27,673
Year of Completion	Circa 1995

LEGAL

Tenure	Freehold
Planning / Zoning	The Property lies within Canterbury City Council. We have conducted an online search for planning records and applications related to the Property and can dislcose that there are no current or previous planning applications assigned to the Property. The Property is not allocated any other planning usage.

TENANCY

Gross Current Rent (pa)	£512,000
Net Current Rent (pa)	£512,000
Weighted Average Unexpired Lease Term ("WALT") to Break	8.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancies but otherwise with vacant possession		
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£512,000		
Gross Value	£9,772,800		
Capex Allowance	£0		
Market Value	£9,600,000	Net of purchasers costs at	1.80%
Initial Yield	5.24%		
Equivalent Yield	5.34%		
Reversionary Yield	5.24%		
Direct Comparison Rate (£/ sq ft)	£347	Disposal marketing period	6-9 months

EXECUTIVE SUMMARY - CROWN HOUSE, CHATHAM, SOUTH EAST, ME4 4LQ

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	29
Property Address	Crown House, The Brook, Chatham, ME4 4LQ

PROPERTY PARTICULARS

Date of Inspection	25th July 2019
Type of Property	Office
Brief Description	Crown House is a detached, five-storey office building with irregular "T" shaped floorplates. The Property is of concrete frame construction with uPVC double glazed windows under a flat roof. The offices are generally open plan. At the rear of the building is a yard and a large car park which provides approximately 26 car parking spaces.

Building Assessment	We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that 'the Property is at a high to medium risk of asbestos blight with a high to medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value. The Property has been identified as being of an age and construction nature where HAC (and/or chlorides) may potentially affect the structural frame where precast concrete beams have been used in the upper floor construction. The Due Diligence Reports provided do not provide any further information in this regard, allow for any capital expenditure liability for the Landlord in this regard, or provide further detail relating to future liabilities. Therefore in reaching our opinion of Market Value we have not made any allowance in this regard.

Surrounding Infrastructure	The Property is located in the town of Chatham in North Kent on the Medway River. Maidstone lies 9 miles (14 km) to the south and London is 30 miles (48 km) to the north west. The A2 trunk road provides the main communication, providing access to Central London and the M2 motorway. Chatham has a regular train service to Central London and St Pancras with a fastest time of 41 minutes. Crown building lies on the A231, the main route through Chatham. The Property faces west onto The Brook, which is the main retail destination, along with on site parking accessed via Rope Walk to the east and is adjacent to the Magistrates Court.

Site Area	0.62
Net Internal Area (sq ft)	30,317
Year of Completion	1960's

LEGAL

Tenure	Freehold
Planning / Zoning	The Property lies in an area covered by Medway Council. We have conducted online planning searches which have revealed that the Property has had three previous planning applications, ranging from 2001 to 2005; all of which have been granted. There are no other planning allocations assigned to this Property.

TENANCY

Gross Current Rent (pa)	£432,326
Net Current Rent (pa)	£432,326
Weighted Average Unexpired Lease Term ("WAULT") to Break	3.58 Years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancies but otherwise with vacant possession		
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£379,000		
Gross Value	£6,774,698		
Capex Allowance	£0		
Market Value	£6,654,910	Net of purchasers costs at	1.80%
Initial Yield	6.38%		
Equivalent Yield	5.27%		
Reversionary Yield	5.59%		
Direct Comparison Rate (£/ sq ft)	£220	Disposal marketing period	9-12 months

EXECUTIVE SUMMARY - ST PAUL'S HOUSE, CHIPPENHAM, SOUTH WEST, SN15 1LA

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	30
Property Address	St Paul's House, Marshfield Road, Chippenham, SN15 1LA

PROPERTY PARTICULARS

Date of Inspection	26th July 2019
Type of Property	Office
Brief Description	St Paul's House comprises a four-storey office building, with stone clad elevations and a flat roof. The building has regular floorplates and has approximately 22 car parking spaces to the rear, with access off St Paul's Road.
Building Assessment	We have been notified in the Title Assement Report provides by Messrs Jones Hargreaves, dated July 2019. The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.
Surrounding Infrastructure	Chippenham is a historic market town in Wiltshire. It is approximately 13 miles north east of Bath, 20 miles south west of Swindon and 98 miles west of London. Chippenham has regular direct train services to London Paddington. The Property is situated in a prominent position at the junction of Marshfield Road and St Paul's Road. It is approximately 300m north of the city centre. Occupiers in the vicinity are predominantly residential, with retail users located along New Road to the south of the Property.
Site Area (acres)	0.43
Net Internal Area (sq ft)	16,207
Year of Completion	1975

LEGAL

Tenure	Freehold
Planning / Zoning	The Property falls within the planning authority of Wiltshire Council and is covered by the Wiltshire Council Local Review. There are no applications, pending or previous, against the Property. The Property sits within the R2 Town Centre Secondary Frontage. There is no current other land use assigned against the Property.

TENANCY

Gross Current Rent (pa)	£272,877
Net Current Rent (pa)	£272,877
Weighted Average Unexpired Lease Term ("WAULT") to Break	3.58 years to break option
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancy		
Valuation Approaches	Primary - Income Capitalisation		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£210,500		
Gross Value	£3,761,756		
Capex Allowance	£0		
Market Value	£3,695,242	Net of purchasers costs at	1.80%
Initial Yield	7.25%		
Equivalent Yield	5.42%		
Reversionary Yield	5.60%		
Direct Comparison Rate (£/ sq ft)	£228	Disposal marketing period	9-12 months

EXECUTIVE SUMMARY - CROWN BUILDINGS, COLCHESTER, SOUTH EAST, CO2 7AZ

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 31
 Property Address Crown Buildings, 40 Chapel Street South, Colchester, CO2 7AZ

PROPERTY PARTICULARS

Date of Inspection 25th July 2019
 Type of Property Office
 Brief Description The Property is a purpose-built concrete framed office consisting of ground, basement and five upper floors. Internally, the office is finished with solid, carpeted floors and uPVC windows. There are approximately 36 external car parking spaces.
 Building Assessment We have been notified in the Title Assement Report provides by Messrs Jones Hargreaves, dated July 2019. The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.
 Surrounding Infrastructure Colchester is located in the county of Essex and is the largest urbabised area in Essex. The town is approximately 63 miles (101 km) north east of London and 24 miles (39 km) north east of Chelmsford. Colchester provides a train service into Central London with an average journey time of 60 minutes. The Property is situated to the south of the A134 which is on the south western edge of Colchester. The Property sits on the corner of Wellington Street and Chapel Street South. Surrounding uses are a mixture of offices and residential uses.
 Site Area (acres) 0.42
 Net Internal Area (sq ft) 19,152
 Year of Completion 1960's

LEGAL

Tenure Freehold
 Planning / Zoning The Property sits within Colchester Borough Council. We have conducted an online search for planning records and applications related to the Property and can disclose that there are three previous planning applications that have all been approved. The Property is not allocated against any other uses.

TENANCY

Gross Current Rent (pa) £204,330
 Net Current Rent (pa) £204,330
 Weighted Average Unexpired Lease Term ("WAULT") to Break 8.58 Years
 Weighted Average Lease Expiry ("WALE") 8.58 Years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £191,500
 Gross Value £3,893,850
 Capex Allowance £0
 Market Value **£3,825,000** Net of purchasers costs at 1.80%
 Initial Yield 5.25%
 Equivalent Yield 5.13%
 Reversionary Yield 4.92%
 Direct Comparison Rate (£/ sq ft) **£200** Disposal marketing period 6-9 months

EXECUTIVE SUMMARY - HOLBORN HOUSE, DERBY, MIDLANDS, DE21 6BF

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 32
 Property Address Holborn House, Wyvern Business Park, Stanier Way, Derby, DE21 6BF

PROPERTY PARTICULARS

Date of Inspection 29th July 2019
 Type of Property Office
 Brief Description The Property is a three-storey L-shaped office building constructed of a steel frame, with solid concrete floors, and a pitched roof. The Property is secured by automatic barriers and paladin security fencing around the site boundary. Externally there is a brick paved car park providing approximately 144 vehicle spaces and a bike shelter to the south elevation of the Property.
 Building Assessment The report states that asbestos registers/management plans are typically not required for buildings built on or after 2000 (subject to any knowledge of old equipment or brownfield content).
 Surrounding Infrastructure The Property is located within Wyvern Business Park, on the southern side of Stanier Way. Surrounding occupiers include Capita and local tenants. Wyvern Business park is accessible directly off the A52 and Derby Midland Station is located 1.7 miles to the west, with the station offering links to Nottingham, Lincoln, Stoke-on-Trent and London with local buses offering regular serviced to the station.
 Site Area (acres) 1.90
 Net Internal Area (sq ft) 35,120
 Year of Completion 2001

LEGAL

Legal Title We have reviewed an extract from the Report on Title which states the plant area compound for the property falls outside of the boundaries of the property. We understand indemnity insurance is in place and have assumed this to be adequate.
 Tenure Freehold
 Planning / Zoning The Property is under the jurisdiction of Derby City Council. The Property is not listed, or located within a green belt or conservation area. There have been no previous planning applications or any current applications in process. Our searches have revealed that the Property is not allocated for any other land use.

TENANCY

Gross Current Rent (pa) £452,639
 Net Current Rent (pa) £452,639
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Governments
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £421,000
 Gross Value **£6,556,540**
 Capex Allowance £0
 Market Value **£6,440,609** Net of purchasers costs at 1.80%
 Initial Yield 6.90%
 Equivalent Yield 5.94%
 Reversionary Yield 6.42%
 Direct Comparison Rate (£/ sq ft) **£183** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - 3 HIGH STREET, DINGWALL, SCOTLAND, IV15 9HL

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 33
 Property Address 3 High Street, Dingwall, IV15 9HL

PROPERTY PARTICULARS

Date of Inspection 30th July 2019
 Type of Property Office
 Brief Description The Property comprises a high street retail unit with office accommodation on the floor above which has been converted to provide office space throughout. It is of brick/ block construction, set under a pitched and slated roof. There is aluminum frame glazed walling on the front elevation. Internally the Property has been fitted out in the Jobcentre Plus corporate style. There is no allocated parking to the Property.

Building Assessment The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.

Surrounding Infrastructure Dingwall is a prosperous market town on the Black Isle approximately 15 miles north west of Inverness with a population in the region of 6,000. It is recognized as the principal administrative town serving Ross and Cromarty. The Property lies on the High Street, within Dingwalls town centre.

Site Area (acres) 0.07
 Net Internal Area (sq ft) 3,438
 Year of Completion 1970s

LEGAL

Tenure Heritable (equivalent of English Freehold)
 Planning / Zoning Planning policy for this particular area is governed by the Highland Council Local Plan, which was adopted in February 2007 and "continued in force" in April 2012, we understand the Property is not allocated for any use that would materially impact value. All past planning applications available were granted.

TENANCY

Gross Current Rent (pa) £30,808
 Net Current Rent (pa) £30,808
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Income Capitalisation
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £29,200
 Gross Value £336,082
 Capex Allowance £0.00
 Market Value **£330,139** Net of purchasers costs at 1.80%
 Initial Yield 9.17%
 Equivalent Yield 7.88%
 Reversionary Yield 8.69%
 Direct Comparison Rate (£/ sq ft) **£96** Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - CLAVERHOUSE INDUSTRIAL PARK, DUNDEE, SCOTLAND, DD4 9FF

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	34
Property Address	Claverhouse Industrial Park, 6 Jack Martin Way, Dundee, DD4 9FF

PROPERTY PARTICULARS

Date of Inspection	31st July 2019
Type of Property	Office
Brief Description	The Property comprises a purpose built two-storey office building arranged over ground and first floor level. The property is of steel frame construction surmounted by a series of profile metal clad dual-pitched hipped ended roofs with projecting eaves. The elevations comprises a mixtrure of facing brickwork, factory coated metal with metal coated double glazed windows. There is a side and rear car park providing approximately 160 vehicle spaces.
Building Assessment	The report concludes that based limited inspection only, and anticipated building construction age, we consider 'the Property to be at a low risk of asbestos blight with a low potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. We have not made any allowance for capital expenditure within our valuation.
Surrounding Infrastructure	The Property is situated on the south side of Jack Martin Way, on the northern periphery of Dundee which is approximately 83 miles east of Glasgow and 65 miles north of Edinburgh. Dundee is linked to the motorway network at Perth, approximately 23 miles to the west, via the A90. Adjacent to the Property is Bathgate Retail Park. The surrounding area is mixed use, and includes car showroom, residential and office and industrial premises.
Site Area (acres)	2.86
Net Internal Area (sq ft)	48,269
Year of Completion	1990s

LEGAL

Tenure	Heritable (equivalent of English Freehold)
Planning / Zoning	Planning policy for this particular area is governed by the Angus Local Development Plan, which was adopted September 2016, from which we understand the Property is unallocated . We have been unable to locate any past or current planning applications.

TENANCY

Gross Current Rent (pa)	£281,392
Net Current Rent (pa)	£281,392
Weighted Average Unexpired Lease Term ("WAULT") to Break	3.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancies		
Valuation Approaches	Income Capitalisation		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£278,000		
Gross Value	£3,437,466		
Capex Allowance	£0		
Market Value	£3,376,686	Net of purchasers costs at	1.80%
Initial Yield	8.19%		
Equivalent Yield	7.28%		
Reversionary Yield	8.09%		
Direct Comparison Rate (£/ sq ft)	£70	Disposal marketing period	12-18 months

EXECUTIVE SUMMARY -TRINITY ROAD, ELGIN, SCOTLAND, IV30 1RJ

Valuation prepared by
Colliers International Valuation UK LLP
50 George Street
London
W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 35
Property Address 13-21 Trinity Road, Elgin, IV30 1RJ

PROPERTY PARTICULARS

Date of Inspection 1st August 2019

Type of Property Office

Brief Description The Property, comprises a three-storey office building of concrete frame construction, set under a flat roof. Hardstanding is present across the majority of the site comprising block paved walkways and car parking facilities are located along the western boundary. Soft landscaping is present to the north-eastern corner of the site and along the northern boundary. Vehicle access is gained from Boroughbriggs Road along the northern boundary of the site.

Building Assessment We understand from a title assessment report prepared by Messrs Jones Hargreaves, dated July 2019, the asbestos register for the Property is dated 2nd February 2016. the title assessment report states 'The survey is largely non-intrusive and basic in nature and includes extensive inaccessible areas. The non-sampling method has resulted in many presumptions of asbestos being present being made which is poor practice. An updated asbestos survey utilising material sampling should be undertaken in the short term'. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.

A Groundsure Siteguard survey was undertaken, dated August 2017, which concluded that the Property was 'In Need of Further Assessment'.

A Phase 1 Environmental Due Diligence Report was subsequently prepared by Messrs Roberts Environmental Ltd, dated July 2018. The report states 'Based on the information contained within this report, the site represents a LOW risk with regard to environmental liabilities for the continued use. With regard to environmental considerations the site is considered suitable for purchase'. The report further states 'In the event of redevelopment to a more sensitive end use, an intrusive ground investigation may be required as part of the planning process'.

Surrounding Infrastructure Elgin is the principal town of the Moray district, lying on the Moray Firth in North East Scotland. The town is located approximately 39 miles north east of Inverness and 66 miles north-west of Aberdeen. The A96 connects Elgin to both Aberdeen (south-east) and Inverness (south west) whilst the A941 travels north and south linking with the A95 which in turn links in with the A9. The town is also connected to Aberdeen and Inverness via rail links and there is a regular, national and local bus service. Inverness Airport is located approximately 31 miles to the west. The surrounding area is predominately commercial in nature but Elgin City Football Club is opposite.

Site Area (acres) 0.55

Net Internal Area (sq ft) 17,427

Year of Completion 1976

LEGAL

Tenure Heritable (equivalent of English Freehold)

Planning / Zoning Planning policy for this particular area is governed by the Moray Local Development Plan, which was adopted 31 July 2015, from which we note the Property is unallocated. We have been unable to locate any current or past planning applications.

TENANCY

Gross Current Rent (pa) £142,946

Net Current Rent (pa) £142,946

Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years

Weighted Average Lease Expiry ("WALE") 8.58 years

Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government

Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession

Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison

Date of Valuation 31st August 2019

Market Rent (Gross) (pa) **£139,500**

Gross Value **£1,503,523**

Capex Allowance £0

Market Value **£1,476,938** Net of purchasers costs at 1.80%

Initial Yield 9.52%

Equivalent Yield 8.31%

Reversionary Yield 9.29%

Direct Comparison Rate (£/ sq ft) **£85** Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - EAST STREET, EPSOM, LONDON, KT17 1HQ

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 36
 Property Address 50 East Street, Epsom, KT17 1HQ

PROPERTY PARTICULARS

Date of Inspection 26th July 2019
 Type of Property Office
 Brief Description The Property is semi detached and is a four-storey office building of concrete construction, with brick elevations and concrete, carpeted floors under a flat roof. There are approximately 38 vehicle spaces at the rear of the Property.

Building Assessment The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.

Surrounding Infrastructure The Property is located in the affluent Surrey town of Epsom, within the Borough of Epsom and Ewell. The property lies 17 miles (27 km) south west of Central London. Epsom train station provides direct access into London Waterloo with a quickest time of 36 minutes. Heathrow and Gatwick airports are both respectfully a 35 and 40 minute drive on the M25 and M23 motorways. The Property sits on the north eastern edge of Epsom town centre. Good communications serve the Property with the mainline station located 0.5miles (0.8km) to the west, and Junction 9 of the M25 motorway approximately 4 miles (6 km) to the south west.

Site Area (acres) 0.24
 Net Internal Area (sq ft) 8,687
 Year of Completion 1960's

LEGAL

Tenure Freehold
 Planning / Zoning The Property lies within the Borough of Epsom and Ewell. We have conducted online planning searches which have revealed that the Property has had no previous or current planning applications. There are no other planning allocations assigned to this Property.

TENANCY

Gross Current Rent (pa) £143,158
 Net Current Rent (pa) £143,158
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 Years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £130,500
 Gross Value **£2,600,210**
 Capex Allowance £0
 Market Value **£2,554,234** Net of purchasers costs at 1.80%
 Initial Yield 5.50%
 Equivalent Yield 4.72%
 Reversionary Yield 5.02%
 Direct Comparison Rate (£/ sq ft) **£294** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - HADRIAN HOUSE, ESTON, NORTH EAST, TS6 9EH

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	37
Property Address	Hadrian House, 81 High Street, Eston, Middlesbrough, TS6 9EH

PROPERTY PARTICULARS

Date of Inspection	26th July 2019
Type of Property	Office
Brief Description	The Property comprises a detached purpose built office building of frame construction with a flat felt roof (not inspected) and brick and glazed elevations. The Property provides predominantly open plan office accommodation and is of a standard specification with a mix of carpet and wood effect flooring, gas central heating and aluminium framed double glazed windows. The Property benefits from lift access, toilet facilities on each floor and staff kitchen facilities. Externally the Property has a tarmacadam surface car park with approximately 70 spaces to the rear with a gated entrance and metal perimeter fencing.
Building Assessment	The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.
Surrounding Infrastructure	Eston is a town in the Redcar and Cleveland Borough in the north east of England approximately 5 miles east of Middlesbrough. The Property is located within Eston town centre with a frontage on to the main High Street. The A174 runs immediately to the south of the town and connects to the A19 (west) and leads down the east coast to Whitby (south east). The A66 runs to the north of the town and leads to Middlesbrough, the A19, Stockton on Tees and ultimately connects with Junction 57 of the A1 motorway approximately 24 miles east.
Site Area (acres)	0.88
Net Internal Area (sq ft)	24,219
Year of Completion	1960s

LEGAL

Tenure	Freehold
Planning / Zoning	The Redcar and Cleveland Local Plan and its appendices is the primary planning document for Eston and the surrounding area. The Property is located within the town centre which is allocated ED 1 - Protecting and Enhancing the Borough's Centres. The Property is not located within a conservation area.

TENANCY

Gross Current Rent (pa)	£149,672
Net Current Rent (pa)	£149,672
Weighted Average Unexpired Lease Term ("WAULT") to Break	3.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let to the Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancies		
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£151,500		
Gross Value	£1,574,277		
Capex Allowance	£0.00		
Market Value	£1,546,441	Net of purchasers costs at	1.80%
Initial Yield	9.52%		
Equivalent Yield	8.51%		
Reversionary Yield	9.63%		
Direct Comparison Rate (£/ sq ft)	£64	Disposal marketing period	12-18 months

EXECUTIVE SUMMARY - HERON HOUSE, FALKIRK, SCOTLAND, FK1 5SE

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	38
Property Address	Heron House, Wellside Place, Falkirk, FK1 5SE

PROPERTY PARTICULARS

Date of Inspection	30th July 2019
Type of Property	Office
Brief Description	The Property comprises a three-storey detached office building arranged over ground and two upper floors with an 'L' shaped floor plate. The Property is of steel framed construction under a flat roof covered in mineral felt or asphalt. The elevations comprise facing brickwork and metal cladding at second floor level. A timber clad canopy with flat roof extends over the public main building entrance. Fenestration includes uPVC coated double glazed windows and metal principal entrance/exit doors containing full height glazed inserts. The external areas include a bitumen macadam surfaced fully enclosed car park and perimeter footpaths, there are approximately 15 vehicle spaces and 2 lock up garages.
Building Assessment	We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
Surrounding Infrastructure	The Property is located in Falkirk, a large town in Scotland's Central Belt. The town is situated approximately 23.5 miles (38 km) north east of Glasgow and 26.5 miles (43 km) west of Edinburgh. The Property is centrally located within the town, a short distance north west of the principal retailing area centred on the High Street. The Property is located on the western side of Wellside Place, which features a mix of office and residential uses, including a retirement home to the immediate south of the Property.
Site Area (acres)	0.51
Net Internal Area (sq ft)	25,454
Year of Completion	1980s

LEGAL

Tenure	Heritable (equivalent of English Freehold)
Planning / Zoning	Planning policy for this particular area is governed by the Falkirk Local Development Plan, which was adopted 16 July 2015, where the Property is unallocated. We note that the previous planning applications were approved at the Property.

TENANCY

Gross Current Rent (pa)	£262,181
Net Current Rent (pa)	£262,181
Weighted Average Unexpired Lease Term ("WAULT") to Break	3.58 Years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancies but otherwise with vacant possession		
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison		
Date of Valuation	1st August 2019		
Market Rent (Gross) (pa)	£191,000		
Gross Value	£2,682,757		
Capex Allowance	£0.00		
Market Value	£2,635,321	Net of purchasers costs at	1.80%
Initial Yield	9.77%		
Equivalent Yield	6.98%		
Reversionary Yield	7.12%		
Direct Comparison Rate (£/ sq ft)	£104	Disposal marketing period	9-12 months

EXECUTIVE SUMMARY - PARKLANDS, FALKIRK, SCOTLAND, FK1 1XT

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 39
 Property Address Parklands, Callendar Boulevard, Falkirk, FK1 1XT

PROPERTY PARTICULARS

Date of Inspection 30th July 2019
 Type of Property Office
 Brief Description The Property comprises a purpose built three-storey government office building arranged over ground, first and second floor levels. The Property is of steel frame construction in part, with upper floors of reinforced concrete slabs, under a timber roof covered in tile. The elevations are formed in a mixture of rough texture and smooth sandstone block masonry formed in traditional cavity with an inner layer of blockwork or structural reinforced concrete to cores. Fenestration comprises double glazed casement units set within polyester powder coated framing. Main entrance doors are of factory coated metal with secondary escape doors also in a factory coated metal framed type. Externally there are approximately 326 parking spaces.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure The Property is situated approximately 0.5 miles (0.8 km) to the south east of central Falkirk, on the east side of Callendar Park, a historic estate covering over 170 acres. Parklands forms part of Callendar Business Park, which was created in the 1990s and now extends to over 300,000 sq ft. of office accommodation. Callendar Business Park is well placed for access to Junctions 4 and 5 of the M9 motorway. Notable occupiers include CALA, CSA, Scottish Government (Planning Department) and Link Group. Surrounding land use to the north east is largely commercial and residential, with woodland to the south west.

Site Area (acres) 4.30
 Net Internal Area (sq ft) 81,350
 Year of Completion 1990s

LEGAL

Tenure Heritable (equivalent of English Freehold)
 Planning / Zoning Planning policy for this particular area is governed by the Falkirk Local Development Plan, which was adopted 16 July 2015, and is allocated as a Core Business Area which will primarily maintain employment uses. We have been unable to locate any past or present planning applications.

TENANCY

Gross Current Rent (pa) £683,789
 Net Current Rent (pa) £683,789
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies
 Valuation Approaches Income Capitalisation
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) **£651,000**
 Gross Value **£7,547,097**
 Capex Allowance £0.00
 Market Value **£7,413,651** Net of purchasers costs at 1.80%
 Initial Yield 9.06%
 Equivalent Yield 7.81%
 Reversionary Yield 8.62%
 Direct Comparison Rate (£/ sq ft) **£91** Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - ROSKELL HOUSE, FLEETWOOD, NORTH WEST, FY7 6JX

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 40
 Property Address Roskell House, 11-27 Kemp Street, Fleetwood, FY7 6JX

PROPERTY PARTICULARS

Date of Inspection 5th August 2019
 Type of Property Office
 Brief Description The Property comprises a detached two-storey building constructed in circa 2000's. All floors are currently utilised as open plan offices with cellular meeting rooms and is occupied and operated as a Jobcentre Plus. There is a car park located to the side of the building with approximately 11 marked spaces.
 Building Assessment The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.
 Surrounding Infrastructure The Property is situated in the centre of Fleetwood which is located 4 miles north east of Cleveleys and approximately 8 miles north east of Blackpool. The Property fronts Kemp Street which links with Lord Street to the north east. Lord Street is the main retail street in the town and links with the A585 being situated just to the south. The Property is situated close to the towns main high street. Neighbouring properties are of mixed retail, leisure uses.
 Site Area (Acres) 0.20
 Net Internal Area (sq ft) 5,863
 Year of Completion 2000's

LEGAL

Tenure Freehold
 Planning / Zoning The Property is situated within an area that is currently allocated within the Wyre Council's Local Plan as being within the town centre boundary but we are of the opinion does not have a material impact. We are not aware of any current or historic planning consents relating to the Property.

TENANCY

Gross Current Rent (pa) £46,800
 Net Current Rent (pa) £46,800
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing occupational leases
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £46,900
 Gross Value **£536,551**
 Capex Allowance £0
 Market Value **£527,064** Net of purchasers costs at 1.80%
 Initial Yield 8.76%
 Equivalent Yield 7.80%
 Reversionary Yield 8.77%
 Direct Comparison Rate (£/ sq ft) **£90** Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - PALTING HOUSE, FOLKESTONE, SOUTH EAST, CT20 2RH

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 41
 Property Address Palting House, Trinity Road, Folkestone, CT20 2RH

PROPERTY PARTICULARS

Date of Inspection 29th July 2019
 Type of Property Office
 Brief Description The Property comprises an irregular shaped, purpose built detached three-storey office. The Property is of concrete framed construction with brickwork elevations. There is full height glazing on the majority of the ground floor, set under a flat roof. A car park is at the rear of the building providing approximately 57 vehicle spaces, with lawns to the south west corner of the site.

Building Assessment The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.

Surrounding Infrastructure The Property is located in the coastal port town of Folkestone, Kent. It lies approximately 16 miles (25.7 km) south east of Ashford and is 70 miles (112.7 km) south east of Central London. The Property is located on the corner of Trinity Road and Palting Way, with the main entrance on Palting Way. Commercial use can be found to the east, while to the west of the Property is predominately residential.

Site Area (acres) 1.20
 Net Internal Area (sq ft) 36,566
 Year of Completion 1960's

LEGAL

Tenure Freehold
 Planning / Zoning The Property sits in the Borough of Folkestone and Hythe District Council. We have conducted an online search for planning records and applications related to the Property and can disclose that there 15 previous planning applications assigned to the Property, all of which were approved. We are unable to establish whether this site has any other allocated land use, and thus have assumed it does not.

TENANCY

Gross Current Rent (pa) £268,840
 Net Current Rent (pa) £268,840
 Weighted Average Unexpired Lease Term ("WAULT") to Break 8.58 Years
 Weighted Average Lease Expiry ("WALE") 8.58 Years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £256,000
 Gross Value **£4,888,000**
 Capex Allowance £0.00
 Market Value **£4,800,000** Net of purchasers costs at 1.80%
 Initial Yield 5.50%
 Equivalent Yield 5.44%
 Reversionary Yield 5.24%
 Direct Comparison Rate (£/ sq ft) **£131** Disposal marketing period 6-9 months

EXECUTIVE SUMMARY - ATLAS ROAD, GLASGOW, SCOTLAND, G21 4DL

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 42
 Property Address 200 Atlas Road, Glasgow, G21 4DL

PROPERTY PARTICULARS

Date of Inspection 26 July 2019
 Type of Property Office
 Brief Description The Property comprises a purpose built three-storey office building of steel frame construction, having cavity brick and block walls beneath a pitched steel trussed roof with slate tile overlay. Internally, floors are of concrete with tiled, carpet and vinyl overlays, the walls plaster or plasterboarded and decorated accordingly. The ceilings comprise a mixture of plasterboard or suspended with mineral tile or metal inserts. There are approximately 97 surface car parking spaces.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a low risk of asbestos blight with a low to medium potential future landlord's liability for asbestos removal/management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

A Groundsure Siteguard survey was undertaken, dated 14 August 2017, which concluded that the Property was 'In Need of Further Assessment'. A phase 1 Environmental Due Diligence Report was subsequently prepared by Messrs Roberts Environmental Ltd, dated July 2018. This concludes that 'based on the information contained within this report, the site represents a low / medium risk with regard to environmental liabilities. However, should additional information such as previous environmental reports indicate that the site was investigated then this risk assessment may be reduced to low.' As such we have not made an allowance for any liabilities in this regard.

Surrounding Infrastructure The Property is located on a busy road thoroughfare leading into Springburn, directly opposite the district shopping centre and adjoining an industrial unit to the rear. To the north there is residential housing, formed in tower blocks and high density terracing. Springburn is approximately three miles north of the city centre, lying east of the A803 a short distance north of junction 15 of the M8 motorway. Atlas Road connects with the A803 and continues onto Balgrayhill Road being one of the primary roads through the area.

Site Area (acres) 2.63
 Net Internal Area (sq ft) 49,788
 Year of Completion 1987

LEGAL

Tenure Heritable (equivalent to English Freehold)
 Planning / Zoning The Property lies within an area governed by Glasgow City Council with planning policies contained within the Glasgow City Development Plan, adopted 2017 and lies within an economic development area, under policy SG3. There are no recent or pending applications relating to the Property.

TENANCY

Gross Current Rent (pa) £397,111
 Net Current Rent (pa) £397,111
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancy agreement
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £373,000
 Gross Value £4,569,531
 Capex Allowance £0
 Market Value £4,488,734 Net of purchasers costs at 1.80%
 Initial Yield 8.69%
 Equivalent Yield 7.44%
 Reversionary Yield 8.16%
 Direct Comparison Rate (£/ sq ft) £90 Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - COUSTONHOLM ROAD, GLASGOW, SCOTLAND, G43 1SS

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 43
 Property Address 8 Coustonholm Road, Glasgow, G43 1SS

PROPERTY PARTICULARS

Date of Inspection 26 July 2019
 Type of Property Office
 Brief Description The Property comprises a purpose built three-storey office building of framed construction, having cavity brick and block walls beneath a pitched, timber boarded roof with natural slate overlay carried on steel trusses. Internally, the Property comprises modern open-plan office accommodation with concrete slab floors, plaster and partitioned walls, decorated accordingly, beneath frame and tile ceilings. There are approximately 90 external car parking spaces.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a low risk of asbestos blight with a low to medium potential future landlord's liability for asbestos removal/management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

A Groundsure Siteguard survey was undertaken, dated 15 August 2017, which concluded that the Property was 'In Need of Further Assessment'. A phase 1 Environmental Due Diligence Report was subsequently prepared by Messrs Roberts Environmental Ltd, dated July 2018. This concludes that 'provided the remediation strategy and subsequent verification works are implemented the site represents a medium risk with regard to environmental liabilities for the continued use. However, should the remediation strategy and subsequent works receive Environment Agency approval then this risk assessment may be reduced to low.' As such we have not made an allowance for any liabilities in this regard.

Surrounding Infrastructure Coustonholm Road lies in the popular Shawlands District of Glasgow which lies to the south side of Glasgow. Coustonholm Road runs in an east to westerly direction from Kilmarnock Road (A77), one of the primary thoroughfares leading from the city centre south. The area is characterised by period tenement properties, many of which have commercial units at ground floor with residential flats above. The Property lies adjacent to Pollokshaws East railway station with regular bus services on Kilmarnock Road linking the area to the city centre and outlying suburbs.

Site Area (acres) 2.38
 Net Internal Area (sq ft) 36,124
 Year of Completion 1993

LEGAL

Tenure Heritable (equivalent to English Freehold)
 Planning / Zoning Planning policies are contained within the Glasgow City Development Plan, adopted 2017. There are no pending applications relating to the Property. No other land use allocated to the Property.

TENANCY

Gross Current Rent (pa) £303,446
 Net Current Rent (pa) £303,446
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancy agreement
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £289,000
 Gross Value **£3,691,002**
 Capex Allowance £0.00
 Market Value **£3,625,739** Net of purchasers costs at 1.80%
 Initial Yield 8.22%
 Equivalent Yield 7.13%
 Reversionary Yield 7.83%
 Direct Comparison Rate (£/ sq ft) **£100** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - GLASGOW BENEFITS CENTRE, GLASGOW, SCOTLAND, G4 0DX

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	44
Property Address	Glasgow Benefits Centre, Northgate, 96 Milton Street, Glasgow, G4 0DX

PROPERTY PARTICULARS

Date of Inspection	25th July 2019
Type of Property	Office
Brief Description	The Property comprises a three-storey purpose built office. The Property has a steel framed construction, with brickwork and glazing to the elevations under a flat roof. The car park provides surfaced parking for approximately 150 spaces. The Property generally provides open plan offices, incorporating a passport office function.
Building Assessment	We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a medium risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
Surrounding Infrastructure	The property is located on the southern side of Milton Street in the northern section of Glasgow City Centre, which is approximately 45 miles west of Edinburgh, 150 miles northwest of Newcastle Upon Tyne and 220 miles north of Manchester. The property has strong road links with Junction 16 of the M8 motorway a short distance northeast of the property. Additionally, Queen Street Train Station is nearby, linking Glasgow with the north east of Scotland. The surrounding area is in mixed use with a number of car showrooms nearby, as well as Glasgow Caledonian University, residential flats and student accommodation.
Site Area (acres)	2.91
Net Internal Area (sq ft)	137,287
Year of Completion	1980

LEGAL

Tenure	Heritable (equivalent of English Freehold)
Planning / Zoning	Planning policy for this particular area is governed by Glasgow City Local Development Plan, which was adopted in March 2017. There are currently no outstanding planning applications in relation to the Property. The land has no other allocated land use.

TENANCY

Gross Current Rent (pa)	£1,940,350
Net Current Rent (pa)	£1,940,350
Weighted Average Unexpired Lease Term ("WAULT") to Break	8.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancies but otherwise with vacant possession		
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£1,785,000		
Gross Value	£32,339,167		
Capex Allowance	£0		
Market Value	£31,765,000	Net of purchasers costs at	1.80%
Initial Yield	6.00%		
Equivalent Yield	5.61%		
Reversionary Yield	5.52%		
Direct Comparison Rate (£/ sq ft)	£231	Disposal marketing period	9-12 months

EXECUTIVE SUMMARY - POLLOKSHAWS ROAD, GLASGOW, SCOTLAND, G41 1PU

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 45
 Property Address 159-181 Pollokshaws Road, Glasgow, G41 1PU

PROPERTY PARTICULARS

Date of Inspection 25th July 2019
 Type of Property Office
 Brief Description The Property comprises a two-storey office building, which is of a steel framed construction with stone cladding and glazing to the elevations, under a flat roof. There is a tarmacadam car park to the rear of the subject property with approximately 47 car parking spaces.
 Building Assessment The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.
 Surrounding Infrastructure The Property is located in the south side of Glasgow and sits adjacent to the M74 motorway, on the eastern side of Pollokshaws Road. Devon Place, where the Property lies comprises an industrial estate to the north and the Property to the south. Road links are good with Pollokshaws Road and Eglinton Street connecting the south side with Glasgow City Centre. In addition, Pollokshields East train station and two underground stations are nearby.
 Site Area (acres) 0.72
 Net Internal Area (sq ft) 15,812
 Year of Completion 2010

LEGAL

Tenure Heritable (equivalent of English Freehold)
 Planning / Zoning Planning policy for this particular area is governed by Glasgow City Council Local Plan, which was adopted in March 2017. There are currently no outstanding planning applications in relation to the Property. The Property is not allocated any other land use.

TENANCY

Gross Current Rent (pa) £154,722
 Net Current Rent (pa) £154,722
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £158,000
 Gross Value **£1,992,905**
 Capex Allowance £0
 Market Value **£1,957,667** Net of purchasers costs at 1.80%
 Initial Yield 7.75%
 Equivalent Yield 7.10%
 Reversionary Yield 7.92%
 Direct Comparison Rate (£/ sq ft) **£124** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - MULBERRY HOUSE, GOOLE, YORKSHIRE AND HUMBER, DN14 5RA

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
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**INSTRUCTIONS**

Property ID	46
Property Address	Mulberry House, North Street, Goole, DN14 5RA

PROPERTY PARTICULARS

Date of Inspection	26th July 2019
Type of Property	Office
Brief Description	The Property comprises a modern detached two-storey office building of brick and blockwork construction under a tiled pitched roof. Internally, the Property is fitted to the tenants corporate specification which includes metal suspended ceilings, mix of LED suspended strip lighting and inset lighting, double glazed metal framed windows, hot water radiators and raised access floors with a mixture of carpetting and linoleum. There are approximately 100 car parking spaces to the rear of the Property.
Building Assessment	We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
Surrounding Infrastructure	The inland port town of Goole lies approximately 21 miles north of Doncaster, 29 miles west of Hull and 33 miles east of Leeds. It has an urban population of 18,741 and district population of 314,113 (Census, 2001). The town has good road communications being situated immediately south east of junction 36 of the M62 motorway. It's intersection with the M18 motorway (providing access to the south and west) is at junction 35 which lies approximately 4 miles to the west. The Property is located within Goole town centre, 0.3 miles from Goole Railway Station. Nearby occupiers include Farmfoods, Homebargains, Poundworld, East Riding Leisure Centre, Port of Goole Post Office and a number of local pubs.
Site Area (acres)	0.23
Net Internal Area (sq ft)	6,202
Year of Completion	c. 2000's

LEGAL

Tenure	Freehold
Planning / Zoning	The Property is located within the East Riding of Yorkshire Council, which is covered by the Local Plan. The Property is allocated within the Town Centre Boundary EC3. The Property falls under Policy ENV3 - valuing our heritage. We assume that there will be no material impact on value from this policy. There is no other land allocation assigned to the Property at present. Our searches have revealed there is no planning history available for the Property.

TENANCY

Gross Current Rent (pa)	£36,732
Net Current Rent (pa)	£36,732
Weighted Average Unexpired Lease Term ("WAULT") to Break	3.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancies but otherwise with vacant possession		
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£37,200		
Gross Value	£424,524		
Capex Allowance	£0		
Market Value	£417,018	Net of purchasers costs at	1.80%
Initial Yield	8.69%		
Equivalent Yield	7.80%		
Reversionary Yield	8.80%		
Direct Comparison Rate (£/ sq ft)	£67	Disposal marketing period	9-12 months

EXECUTIVE SUMMARY - CROWN HOUSE, GRANTHAM, MIDLANDS, NG31 6SY

Valuation prepared by
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**INSTRUCTIONS**

Property ID 47
 Property Address Crown House, 49A Castlegate, Grantham, NG31 6SY

PROPERTY PARTICULARS

Date of Inspection 25th July 2019
 Type of Property Office
 Brief Description The Property comprises a three-storey office building of a concrete frame construction with the basement split as ancillary and underground parking, with approximately 30 spaces. Externally the Property has surface level parking for approximately 30 vehicles, and a DDA compliant access ramp into the Property and a small fenced orchard garden. The site is secured by an initial set of palisade gates, then a secondary security gate secures access into the car park.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a medium risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure The Property is located to the eastern side of Castlegate Street, on the outskirts of Grantham town centre, in a predominantly residential area. With regards to accessibility, Castlegate is a one way street, accessed off the A607. Grantham Train Station, which offers fast links to London Kings Cross, Leeds and Nottingham, is located just 0.8 miles to the south of the Property and a bus stop located 0.2 miles to the west of the Property.

Site Area (acres) 0.78
 Net Internal Area (sq ft) 24,962
 Year of Completion Late 1960's/ Early 1970's.

LEGAL

Tenure Freehold
 Planning / Zoning The Property is under the jurisdiction of Derby City Council. The Property is not listed or located within a Greenbelt or Conservation area.

TENANCY

Gross Current Rent (pa) £141,407
 Net Current Rent (pa) £141,407
 Weighted Average Unexpired Lease Term ("WAULT") to Break 8.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £162,500
 Gross Value **£2,697,700**
 Capex Allowance £0.00
 Market Value **£2,650,000** Net of purchasers costs at 1.80%
 Initial Yield 5.24%
 Equivalent Yield 5.83%
 Reversionary Yield 6.02%
 Direct Comparison Rate (£/ sq ft) **£106** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - BEAUFORT HOUSE, HARLOW, SOUTH EAST, CM20 1NA

Valuation prepared by
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**INSTRUCTIONS**

Property ID 48
 Property Address Beaufort House, Crown Gate, Harlow, CM20 1NA

PROPERTY PARTICULARS

Date of Inspection 29th July 2019
 Type of Property Office
 Brief Description Beaufort House is made up of two buildings, linked by a central first to second floor enclosed bridge, with an access route beneath to the rear parking areas. Both buildings are of concrete frame construction, with uPVC framed rectangular windows. The ground and first floor have a Jobcentre Plus fit out. There are approximately 22 car parking spaces at the rear of the building.

Building Assessment The Property has been identified as being of an age and construction nature where HAC (and/or chlorides) may potentially affect the structural frame where precast concrete beams have been used in the upper floor construction. The Due Diligence Reports provided do not provide any further information in this regard, allow for any capital expenditure liability for the Landlord in this regard, or provide further detail relating to future liabilities. Therefore in reaching our opinion of Market Value we have not made any allowance in this regard.

We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure Harlow is located on the border of Hertfordshire and west Essex. It is the local government district for this region. The town is 20 miles (32 km) north east of central London and circa 6 miles (10 km) north of Junction 7 on the M11 motorway. The Property lies in central Harlow, adjacent to the A1019 ring road. The Property is accessed via Crown Gate which lies 100m to the south of Harlow's main retail location. Harlow Police Station is also adjacent to the Property. The main bus station is located at the front of the property on Terminus Street.

Site Area (acres) 0.47
 Net Internal Area (sq ft) 28,170
 Year of Completion 1960's

LEGAL

Legal Title The Report on Title states that the Property is subject to a restriction that it can only be used as Government offices benefiting adjoining land. our opinion of market value is an assumption that the relevant indemnity insurance is in place in this regard.

Tenure Freehold
 Planning / Zoning The property lies within Harlow Council. We have conducted online planning searches which have revealed that the Property has one previous planning application whose status is unknown. There are no other planning allocations assigned to this Property.

TENANCY

Gross Current Rent (pa) £433,899
 Net Current Rent (pa) £433,899
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £352,000
 Gross Value **£6,527,060**
 Capex Allowance £0.00
 Market Value **£6,411,650** Net of purchasers costs at 1.80%
 Initial Yield 6.65%
 Equivalent Yield 5.17%
 Reversionary Yield 5.39%
 Direct Comparison Rate (£/ sq ft) **£228** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - WARD JACKSON HOUSE, HARTLEPOOL, NORTH EAST, TS24 8EZ

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**INSTRUCTIONS**

Property ID 49
 Property Address Ward Jackson House, Wesley Square, Hartlepool, TS24 8EZ

PROPERTY PARTICULARS

Date of Inspection 26th July 2019
 Type of Property Office
 Brief Description The Property comprises a purpose built office building of concrete frame construction with a pitched slate roof and brick external elevations. The Property provides 3 floors of predominantly open plan office accommodation with lift access and two separate entry points to the building. Each floor has access to male and female WC and a tea room whilst the first floor includes a kitchen/staff room. To the rear of the Property is a tarmacadam surface car park for approximately 95 vehicles with security gate access. Metal fencing secures the car park perimeter.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a low risk of asbestos blight with a low to medium potential future landlord's liability for asbestos removal/management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure Hartlepool is a coastal town located in County Durham in the north east of England. The Property is situated in Hartlepool town centre adjacent to the train station and the Middleton Grange shopping centre. Primary access to the Property is via the A689 which connects Hartlepool (east) to Junction 60 of the A1 motorway (west). The A689 and A179 also connect the town centre to the A19 trunk road connecting Seaton burn (north) and Doncaster (south). Hartlepool train station provides regular services to Hexham and infrequent services to Sunderland and London King's Cross.

Site Area (acres) 0.62
 Net Internal Area (sq ft) 20,451
 Year of Completion 1990s

LEGAL

Tenure Freehold
 Planning / Zoning The Hartlepool Local Plan (adopted May 2018) and its appendices is the primary planning document for the Hartlepool and surrounding area. The Property is located within the town centre boundary and allocated within the Local Plan as an area for leisure and tourism.

TENANCY

Gross Current Rent (pa) £206,550
 Net Current Rent (pa) £206,550
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £204,500
 Gross Value £2,370,260
 Capex Allowance £0
 Market Value £2,328,350 Net of purchasers costs at 1.80%
 Initial Yield 8.71%
 Equivalent Yield 7.73%
 Reversionary Yield 8.62%
 Direct Comparison Rate (£/ sq ft) £114 Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - QUAY STREET, HAVERFORDWEST, WALES, SA61 1BH

Valuation prepared by
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**INSTRUCTIONS**

Property ID 50
 Property Address 16-20 Quay Street, Haverfordwest, SA61 1BH

PROPERTY PARTICULARS

Date of Inspection 2nd August 2019
 Type of Property Office
 Brief Description The Property comprises a two-storey detached office building arranged over ground and first floor, accommodating a Jobcentre Plus on the ground and offices above. The Property is of brick construction set under a pitched tiled roof. There is a surface level car park to the rear for approximately 18 vehicles.
 Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
 Surrounding Infrastructure Haverfordwest is in the county town of Pembrokeshire, Wales and the most populous urban area in Pembrokeshire with a population of approximately 12,000 people as of the 2011 census. It is the largest settlement in the area, housing the main county council offices and regional hospital, as well as being the main retail centre in the county. The town is served by the A40 trunk road, with Cardiff 97 miles (158 km) to the east, and Swansea also lying 57 miles (92 km) to the east. The Property is located on Quay Street, just to the south of the High Street. Properties in the immediate vicinity vary in use from commercial to residential.
 Site Area (acres) 0.16
 Net internal Area (sq ft) 8,603
 Year of Completion 1980's

LEGAL

Tenure Freehold
 Planning / Zoning The Property falls within the Pembrokeshire Council and is covered by the Pembrokeshire Local Development Plan 2013. The Property falls within a "Retail Area" as well as being allocated against policy GN.31 Gypsy Site Allocation. There is limited information available on this policy so we have assumed it will not have a material impact on value. There are no previous or current planning applications against the Property.

TENANCY

Gross Current Rent (pa) £75,000
 Net Current Rent (pa) £75,000
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(ices) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancy
 Valuation Approaches Primary - Income Capitalisation
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £64,500
 Gross Value **£854,945**
 Capex Allowance £0.00
 Market Value **£839,828** Net of purchasers costs at 1.80%
 Initial Yield 8.77%
 Equivalent Yield 7.06%
 Reversionary Yield 7.54%
 Direct Comparison Rate (£/ sq ft) **£98** Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - ST ANDREW'S HOUSE, HEXHAM, NORTH EAST, NE46 3RB

Valuation prepared by
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**INSTRUCTIONS**

Property ID 51
 Property Address St Andrew's House, Haugh Lane, Hexham, NE46 3RB

PROPERTY PARTICULARS

Date of Inspection 31st July 2019
 Type of Property Office
 Brief Description The Property comprises a modern detached two-storey office building which is of frame construction clad in brick beneath a pitched tiled roof. Internally, the building provides open plan accommodation in the majority and the specification includes suspended ceilings, strip fluorescent lighting, wall mounted radiators, double glazed windows, and raised access floors with carpeted floor coverings. Ancillary accommodation includes ladies and gents WC facilities. Access to the upper floors is provided by two 8 person (630kg) passenger lifts and two separate stairwells. Externally, there is a brick paved and tarmacadam surfaced car park providing approximately 83 allocated spaces plus an additional three garages.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure Hexham lies approximately 22 miles west of Newcastle Upon Tyne, 32 miles east of Carlisle and 17 miles north west of Consett. Principal access to the town is via the A69 dual carriageway. The Property is situated on the edge of the town centre in what is a mixed use area incorporating a variety of commercial uses including industrial and retail. The A69 lies approximately 0.5 miles to the north and provides access to the wider region. Surrounding occupiers include Kwik Fit, Aldi, Tesco Extra, ATS Euromaster and Hexham Community Centre.

Site Area (acres) 2.15
 Net Internal Area (sq ft) 21,451
 Year of Completion 1992

LEGAL

Tenure Freehold
 Planning / Zoning The Property is within an area covered by the Tynedale Local Development Plan adopted in October 2007. Under the Plan the Property is within an area allocated for employment uses. In respect of the planning history, we have undertaken online searches which have shown that there are no historical or current planning applications relating to the Property.

TENANCY

Gross Current Rent (pa) £241,936
 Net Current Rent (pa) £241,936
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 We note that the majority has been sublet to Vattenfall Wind Power Ltd
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £241,500
 Gross Value £3,113,177
 Capex Allowance £0
 Market Value £3,058,131 Net of purchasers costs at 1.80%
 Initial Yield 7.77%
 Equivalent Yield 6.99%
 Reversionary Yield 7.75%
 Direct Comparison Rate (£/ sq ft) £143 Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - BROADWAY HOUSE, HOUGHTON-LE-SPRING, NORTH EAST, DH4 4AH

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**INSTRUCTIONS**

Property ID	52
Property Address	Broadway House, Frederick Place, Houghton-le-Spring, DH4 4AH

PROPERTY PARTICULARS

Date of Inspection	26th July 2019
Type of Property	Office
Brief Description	The Property comprises a purpose built office building of frame construction with a flat mineral felt roof (not inspected) and brick elevations. The Property is an irregular shape and provides a mix of open plan and cellular accommodation across 3 floors. Internally the specification is basic with perimeter trunking, carpet floors, painted and plastered walls and gas central heating. The Property also provides a basement level car park with approximately 22 spaces accessed via an electric roller shutter.
Building Assessment	We understand that there is an Asbestos Register available for the Property. This document confirms that where inspected no Asbestos Containing Materials (ACMs) were noted whilst carrying out a visual inspection of the Property. Given the anticipated age of the property (1980'-1990's) we cannot rule out the presence of ACMs.
Surrounding Infrastructure	Houghton-le-Spring is a town located in the north east of England approximately 6.5 miles south west of Sunderland. The Property is located within the town centre which is primarily accessed via the A690 which connects Sunderland (north east) to Junction 62 of the A1 motorway (south west). The A690 also leads to the A19 trunk road connecting Seaton burn (north) and Doncaster (south). The surrounding area is a mix of leisure, retail and office use. The nearest stations to Houghton-le-Spring are located at Chester le Street and Seaham.
Site Area (acres)	0.73
Net Internal Area (sq ft)	20,075
Year of Completion	1980s

LEGAL

Tenure	Freehold
Planning / Zoning	The Sunderland Core Strategy and Development Plan is the statutory planning document for Houghton-le-Spring and the surrounding area. This will form part of the Sunderland Local Plan once other sections have been completed. The Property is located within the town centre conservation area. The site is also allocated against Policy EP3: Key Employment Areas which will safeguard B1, B1a, B2 and B8 user classes. Our online searches have shown that there is no planning history for the Property.

TENANCY

Gross Current Rent (pa)	£144,085
Net Current Rent (pa)	£144,085
Weighted Average Unexpired Lease Term ("WAULT") to Break	3.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(ices)	100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancies		
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£145,500		
Gross Value	£1,621,447		
Capex Allowance	£0		
Market Value	£1,592,777	Net of purchasers costs at	1.80%
Initial Yield	8.87%		
Equivalent Yield	7.98%		
Reversionary Yield	8.96%		
Direct Comparison Rate (£/ sq ft)	£79	Disposal marketing period	9-12 months

EXECUTIVE SUMMARY - BEECH HOUSE, HYDE, NORTH WEST, SK14 2LP

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**INSTRUCTIONS**

Property ID 53
 Property Address Beech House, Clarendon Street, Hyde, SK14 2LP

PROPERTY PARTICULARS

Date of Inspection 2nd August 2019
 Type of Property Office
 Brief Description The Property comprises a detached, five-storey, office building incorporating basement car park providing approximately 40 delineated spaces. The building is of concrete frame construction, with a flat roof and part single/part double glazed metal framed windows. Internally, the Property provides reasonable quality open plan and cellular office space with solid floors, perimeter trunking and recessed lighting.
 Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a low risk of asbestos blight with a low to medium potential future landlord's liability for asbestos removal/management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
 Surrounding Infrastructure The Property is located in Hyde town centre, within Greater Manchester and around 6.5 miles east of Manchester city centre. The town is considered fairly well-connected given its proximity to the M67 motorway. Surrounding properties are largely retail in use but also comprises commercial operators.
 Site Area (acres) 0.36
 Net Internal Area (sq ft) 39,550
 Year of Completion 1970s

LEGAL

Tenure Freehold
 Planning / Zoning The Property is located within the jurisdiction of Tameside Metropolitan Borough Council. The relevant planning document is Tameside Metropolitan Borough Council's Local Plan, under which the Property is allocated as being within the Hyde Town Centre boundary (Policies S2 and S3).

TENANCY

Gross Current Rent (pa) £223,037
 Net Current Rent (pa) £223,037
 Weighted Average Unexpired Lease Term ("WALUT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value - subject to the existing occupational leases
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £217,500
 Gross Value **£2,564,834**
 Capex Allowance £0
 Market Value **£2,519,483** Net of purchasers costs at 1.80%
 Initial Yield 8.69%
 Equivalent Yield 7.64%
 Reversionary Yield 8.48%
 Direct Comparison Rate (£/ sq ft) **£64** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - HIGH ROAD, ILFORD, LONDON, IG3 8EJ

Valuation prepared by
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 50 George Street
 London
 W1U 7GA
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**INSTRUCTIONS**

Property ID 54
 Property Address 564-570 High Road, Ilford, IG3 8EJ

PROPERTY PARTICULARS

Date of Inspection 29th July 2019
 Type of Property Office
 Brief Description The Property is a bespoke three-storey office constructed in 2006 with a Jobcentre Plus on the ground floor. The above floors are let to the DWP. The Property is of cast insitu concrete construction and cast insitu concrete load bearing floors and roof deck.
 Building Assessment Asbestos registers/management plans are not required for buildings built on or after 2000.
 Surrounding Infrastructure Located in the London Borough of Redbridge, Ilford is a large town in East London. It is located 9 miles (14.5 km) north east of Central London and 6 miles (10 km) west of Romford. Ilford Station had regular services into London Liverpool Street, with a journey time of 18 minutes, as well as being served by Crossrail from 2020/21. The Property is situated on the arterial High Road which lies on the eastern periphery of the town centre, 1.3 miles (2.09 km) from Ilford Station. The surrounding area is a mix of commercial and residential uses.
 Site Area 0.30
 Net Internal Area (sq ft) 18,741
 Year of Completion 2006

LEGAL

Tenure Freehold
 Planning / Zoning The Property lies within the London Borough of Redbridge. There are several previous planning applications which have all been granted. There are no other planning allocations assigned to this Property.

TENANCY

Gross Current Rent (pa) £356,394
 Net Current Rent (pa) £356,394
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% Let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £300,000
 Gross Value **£5,896,169**
 Capex Allowance £0.00
 Market Value **£5,791,915** Net of purchasers costs at 1.80%
 Initial Yield 6.05%
 Equivalent Yield 4.85%
 Reversionary Yield 5.09%
 Direct Comparison Rate (£/ sq ft) **£309** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - CROWN BUILDINGS, ILKESTON, MIDLANDS, DE7 8TU

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
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**INSTRUCTIONS**

Property ID 55
 Property Address Crown Buildings, 58 South Street, Ilkeston, DE7 8TU

PROPERTY PARTICULARS

Date of Inspection 25th July 2019
 Type of Property Office
 Brief Description The Property comprises a part three- and four-storey office building of a concrete frame construction with a flat mineral felt roof. The building is connected to all mains and services, with central heating throughout the Property but no air conditioning. Externally, there is under-croft parking for approximately 6 vehicles, back to back, and a small service yard and parking for approximately 10 vehicles.
 Upon the inspection it was apparent that the tenant fully utilised the majority of the space within the Property.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure The Property is located on the western side of South Street, within Ilkeston town centre. The immediate area is predominantly retail and residential, with surrounding occupiers consisting of local tenants. The A609 is located just 0.1 miles to the south of the Property and the M1 motorway located 2 miles to the south-east of the Property. Ilkeston train station is located just 1.5 miles to the north east of the Property.

Site Area (acres) 0.36
 Net Internal Area (sq ft) 18,352
 Year of Completion Estimated 1970's.

LEGAL

Tenure Freehold
 Planning / Zoning The Property is under the jurisdiction of Erewash Borough Council. The Property is not listed or located within a green belt however South Street has been identified as an area within the town centre that is better suited to smaller local retail units due to the low height buildings, and is specified as a secondary retail area in the Ilkeston Conservation Area Management Plan.

TENANCY

Gross Current Rent (pa) £112,904
 Net Current Rent (pa) £112,904
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Governments
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £110,000
 Gross Value **£1,444,561**
 Capex Allowance £0.00
 Market Value **£1,419,019** Net of purchasers costs at 1.80%
 Initial Yield 7.81%
 Equivalent Yield 6.91%
 Reversionary Yield 7.61%
 Direct Comparison Rate (£/ sq ft) **£77** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - CROWN BUILDING, KILMARNOCK, SCOTLAND, KA1 2BN

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 56
 Property Address Crown Building, 12 and 14 Woodstock Street, Kilmarnock, KA1 2BN

PROPERTY PARTICULARS

Date of Inspection 2nd August 2019
 Type of Property Office
 Brief Description The Property comprises a purpose built 'L' shaped office, formed over ground and three upper floors, being of concrete framed construction with cavity facing brick walls beneath a flat concrete decked ceiling, overlaid with bituminous felt. Internally, the building comprises a mixture of open plan and cellar offices with concrete floors, plaster and plasterboarded walls beneath plasterboard and suspended tiled ceilings. There are also approximately 54 car parking spaces.
 Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is - 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
 The Property has been identified as being of an age and construction nature where HAC (and/or chlorides) may potentially affect the structural frame where precast concrete beams have been used in the upper floor construction. The Due Diligence Reports provided do not provide any further information in this regard, allow for any capital expenditure liability for the Landlord in this regard, or provide further detail relating to future liabilities. Therefore in reaching our opinion of Market Value we have not made any allowance in this regard.
 Surrounding Infrastructure Woodstock Street lies to the west of the town centre and leads from Grange Place in the east to Fullarton Street in the West. The area is primarily residential in nature, although the main commercial centre is a short distance east. Grange Place connects with the A735 which has onward links to the M77 motorway in the north and main road routes into and out of the town. Kilmarnock railway station which has frequent services to Glasgow and Ayrshire lies approximately 450m north of the Property. Kilmarnock is a commuter town to Glasgow with a sizeable residential population. A vacant public house is attached to the Property and may form part of the subject's demise, albeit no details have been provided to us and we have assumed it does not form part of this valuation.
 Site Area (acres) 0.74
 Net Internal Area (sq ft) 36,696
 Year of Completion 1960's

LEGAL

Tenure Heritable (equivalent to English Freehold)
 Planning / Zoning Planning policies are contained within the East Ayrshire Local Development Plan, adopted April 2017 as is located in the retain historic core section of the Local Plan which has no policy number assigned to it. No pending or historic planning applications were noted on the online planning portal of East Ayrshire Council relating to the Property.

TENANCY

Gross Current Rent (pa) £301,762
 Net Current Rent (pa) £301,762
 Weighted Average Unexpired Lease Term ("WAVLT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% Let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancy agreement
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019.
 Market Rent (Gross) (pa) £257,000
 Gross Value £3,496,426
 Capex Allowance £0
 Market Value £3,434,606 Net of purchasers costs at 1.80%
 Initial Yield 8.63%
 Equivalent Yield 6.90%
 Reversionary Yield 7.35%
 Direct Comparison Rate (£/ sq ft) £94 Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - MITRE HOUSE, LANCASTER, NORTH WEST, LA1 1EQ

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 57
 Property Address Mitre House, Church Street, Lancaster, LA1 1EQ

PROPERTY PARTICULARS

Date of Inspection 5th August 2019
 Type of Property Office
 Brief Description The Property comprises an irregular shaped parcel of land upon which is constructed a detached office building over ground and three upper floors. There is some lower ground storage and a two-storey underground car park. The building is of framed construction with stone elevations, formed under a part pitched and part flat roof. The ground floor provides a Jobcentre Plus with ancillary meeting rooms and further office accommodation. The upper floors provide largely cellular offices and meeting rooms. Externally, there is a large surfaced car park. Additionally, there is a two-storey underground car park providing approximately 275 vehicle spaces. This element is subject to a 125-year lease to Lancaster City Council (from 1977) and the rent is a peppercorn.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

The Property has been identified as being of an age and construction nature where HAC (and/or chlorides) may potentially affect the structural frame where precast concrete beams have been used in the upper floor construction. The Due Diligence Reports provided do not provide any further information in this regard, allow for any capital expenditure liability for the Landlord in this regard, or provide further detail relating to future liabilities. Therefore in reaching our opinion of Market Value we have not made any allowance in this regard.

Surrounding Infrastructure The Property is located on Church Street in Lancaster city centre. Church Street connects with the A6 (Bridge Lane) in the east, a major road through the city. The Property lies to the north west of Lancaster's traditional retail core. Immediately to the west lies Lancaster Castle and Lancaster Priory Church. Further to the east, Church Street is pedestrianised and there are a number of retailers present here. Lancaster railway station lies 300 metres to the south west of the Property.

Site Area (acres) 0.50
 Net Internal Area (sq ft) 64,597
 Year of Completion 1970s

LEGAL

Tenure Freehold
 Planning / Zoning The Property is located within the jurisdiction of Lancaster City Council. The relevant planning document is Lancaster City Council's Local Plan. The Property is not allocated for any particular use; however, it does lie within the Lancaster Conservation Area. There is no planning history available for the Property.

TENANCY

Gross Current Rent (pa) £409,806
 Net Current Rent (pa) £409,806
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value - subject to the existing occupational lease
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £388,000
 Gross Value £4,746,416
 Capex Allowance £0
 Market Value £4,662,491 Net of purchasers costs at 1.80%
 Initial Yield 8.64%
 Equivalent Yield 7.43%
 Reversionary Yield 8.18%
 Direct Comparison Rate (£/ sq ft) £72 Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - ROYDALE HOUSE, LEIGH, NORTH WEST, WN7 1UT

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 58
 Property Address Roydale House, 2-10 Windermere Road, Leigh, WN7 1UT

PROPERTY PARTICULARS

Date of Inspection 2nd August 2019
 Type of Property Office
 Brief Description The Property comprises a detached, four-storey, office building with approximately 29 ancillary parking spaces and 2 double parked spaces. The building is of concrete frame construction, with concrete panel elevations, a flat roof and double glazed uPVC windows. Internally, the Property provides reasonable quality, non-air conditioned office space with perimeter trunking/suspended ceilings/recessed lighting.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is- 'a medium risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure The Property is located in Leigh, a town within Greater Manchester and located around 12 miles west of Manchester. The town has reasonable communication links being located immediately adjacent to the A580 East Lancs Road, providing access onto the M6 and M62 motorways. The Property is located on the corner of Windermere Road and the B5215, to the north of Leigh town centre. Surrounding property is a mixture of low value residential, tertiary retail and municipal uses.

Site Area (acres) 0.42
 Net Internal Area (sq ft) 21,022
 Year of Completion 1970s

LEGAL

Tenure Freehold
 Planning / Zoning The Property is located within the jurisdiction of Wigan Council. The relevant planning document is Wigan Council's Local Plan, under which the Property is not allocated. There is no current planning applications against the Property, with all previous applications being granted.

TENANCY

Gross Current Rent (pa) £118,550
 Net Current Rent (pa) £118,550
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value - subject to the existing occupational leases
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £115,500
 Gross Value £1,291,261
 Capex Allowance £0
 Market Value **£1,268,429** Net of purchasers costs at 1.80%
 Initial Yield 9.17%
 Equivalent Yield 8.03%
 Reversionary Yield 8.93%
 Direct Comparison Rate (£/ sq ft) **£60** Disposal marketing period 12-18 Months

EXECUTIVE SUMMARY - WAGGON ROAD, LEVEN, SCOTLAND, KY8 4PT

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 59
 Property Address 9 Waggon Road, Leven, KY8 4PT

PROPERTY PARTICULARS

Date of Inspection 1st August 2019
 Type of Property Office
 Brief Description The Property comprises an L Shaped, single-storey office building. The Property is accessible via ramp access at the South West Elevation. The Property is of brick construction, with a flat roof. It has approximately 10 car parking spaces located at surface level.
 Building Assessment We understand from a title assessment report prepared by Messrs Jones Hargreaves, dated June 2018, that there has not been any asbestos identified at the Property. The asbestos register for the Property is dated 7th March 2016. The survey does not identify any asbestos materials. It is possible that asbestos materials will be identified when an intrusive survey is commissioned prior to refurbishment works.
 Surrounding Infrastructure Leven is located in Fife, approximately 35 miles (56 km) north east of Edinburgh. The roads connecting to Edinburgh and the central belt are the A92, M90/A90 via the Forth Road Bridge. The Property is located in the town centre off Waggon Road. It is approximately 200m from the main shopping area of Leven. The surrounding area comprises of residential and office premises. The coast is 350m from the site.
 Site Area (acres) 0.17
 Net Internal Area (sq ft) 4,901
 Year of Completion 1960s

LEGAL

Tenure Heritable (equivalent of English Freehold)
 Planning / Zoning Planning policy for this particular area is governed by Fife Council's Local Plan, which was adopted 21st September 2017, the Property is located within the Wider Central Area under Town Centre policies that allows change of use to support the area. We have been unable to locate any present or past planning applications at the Property.

TENANCY

Gross Current Rent (pa) £27,637
 Net Current Rent (pa) £27,637
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £27,000
 Gross Value £312,496
 Capex Allowance £0.00
 Market Value £306,971 Net of purchasers costs at 1.80%
 Initial Yield 8.90%
 Equivalent Yield 7.77%
 Reversionary Yield 8.69%
 Direct Comparison Rate (£/ sq ft) £63 Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - HOUGOUMONT HOUSE, LIVERPOOL, NORTH WEST, L22 0PB

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 60
 Property Address Hougoumont House, 29 Hougoumont Avenue, Waterloo, Liverpool, L22 0PB

PROPERTY PARTICULARS

Date of Inspection 5th August 2019
 Type of Property Office
 Brief Description The Property comprises a detached three-storey building constructed in circa 1970's. All floors are currently utilised as open plan offices with cellular meeting rooms and is occupied and operated as a Jobcentre Plus. There is a car park located to the rear of the property with approximately 38 marked spaces.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
 A Groundsure Siteguard survey was undertaken, dated 17th August 2017, which concluded that the Property was 'In Need of Further Assessment'. A phase 1 Environmental Due Diligence Report was subsequently prepared by Messrs Roberts Environmental Ltd, dated July 2018. This concludes that provided the remediation strategy and subsequent verification works are implemented the site represents a low to medium risk with regard to environmental liabilities for the continued use. However, should the remediation strategy and subsequent works receive Environment Agency approval then this risk assessment may be reduced to low. As such we have not made an allowance for any liabilities in this regard.

Surrounding Infrastructure The Property is situated within Crosby approximately 5 miles north of Liverpool and 2 miles north of Bootle. The Property fronts the A565 which provides direct access to Liverpool to the south and Southport to the north. The Property is situated within a mixed use area comprising office and residential properties.

Site Area (Acres) 0.6
 Net Internal Area (sq ft) 17,082
 Year of Completion 1970's

LEGAL

Tenure Freehold
 Planning / Zoning The Property is situated within an area that is currently allocated within the Sefton Local Plan as The Regeneration of the Crosby Centre (Policy ED11) . We are not aware of any current or historic planning consents relating to the Property and have assumed that this policy will have no material affect on value.

TENANCY

Gross Current Rent (pa) £105,091
 Net Current Rent (pa) £105,091
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing occupational leases
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £105,000
 Gross Value £1,273,573
 Capex Allowance £0
 Market Value £1,251,054 Net of purchasers costs at 1.80%
 Initial Yield 8.26%
 Equivalent Yield 7.40%
 Reversionary Yield 8.25%
 Direct Comparison Rate (£/ sq ft) £73 Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - SPRINGFIELD HOUSE, LIVERPOOL, NORTH WEST, L12 3HT

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	61
Property Address	Springfield House, 416 Eaton Road, Liverpool, L12 3HT

PROPERTY PARTICULARS

Date of Inspection	5th August 2019
Type of Property	Office
Brief Description	The Property comprises a detached two-storey building constructed in circa 1970's. The building is constructed around a central courtyard both floors are currently utilised as open plan and cellular offices and is occupied and operated as a Jobcentre Plus. There is a car park located to the front and left elevations with approximately 16 marked spaces and a further 6 that were double parked.
Building Assessment	We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a medium risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
Surrounding Infrastructure	The Property is situated within West Derby approximately 5 miles east of Liverpool. The Property fronts Eaton Road which provides access to East Prescott Road with junction 4 of the M62 motorway being located to the south. The Property is situated within a mixed use area comprising office and residential properties. Alderhey Childrens Hospital is situated immediately to the west of the Property.
Site Area (Acres)	0.35
Net Internal Area (sq ft)	10,534
Year of Completion	1970's

LEGAL

Tenure	Freehold
Planning / Zoning	The Property is situated within an area that is currently allocated within the Liverpool Unitary Development Plan as being a Primary Residential Area. We are not aware of any current or historic planning consents relating to the Property.

TENANCY

Gross Current Rent (pa)	£104,253
Net Current Rent (pa)	£104,253
Weighted Average Unexpired Lease Term ("WAULT") to Break	3.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing occupational leases		
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£79,000		
Gross Value	£1,155,649		
Capex Allowance	£0		
Market Value	£1,135,215	Net of purchasers costs at	1.80%
Initial Yield	9.02%		
Equivalent Yield	6.63%		
Reversionary Yield	6.84%		
Direct Comparison Rate (£/ sq ft)	£108	Disposal marketing period	9-12 months

EXECUTIVE SUMMARY - BRIDGE STREET, LLANGFN, WALES, LL77 7YJ

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 62
 Property Address Bridge Street, Llangfni, LL77 7YJ

PROPERTY PARTICULARS

Date of Inspection 2nd August 2019
 Type of Property Office
 Brief Description The Property comprises a detached two-storey building constructed in circa 1960's. Both the ground and first floors are utilised as a Jobcentre Plus providing open plan offices with cellular meeting rooms. Additionally there is a staff kitchen to the first floor. Adjacent to the left elevation is a surface carpark with approximately 15 marked spaces.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a low risk of asbestos blight with a low to medium potential future landlord's liability for asbestos removal/management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure The Property is situated close to the centre of Llangfni which is the country town of Anglesey in Wales. The town is situated 10 miles north west of the centre of Bangor and 70 miles north west of Chester. The Property is situated within a mixed use area with residential properties to the northern boundaries, food stores / retail properties to the south. Industrial Estate Road provides access to Bryn Cefni Industrial Park. The A55, North Wales Express Way is located to the south of the Property and provides access to Bangor and Chester and the wider UK motorway network.

Site Area (acres) 0.29
 Net Internal Area (sq ft) 9,601
 Year of Completion 1960's

LEGAL

Tenure Freehold
 Planning / Zoning The Property is situated within an area that is currently unallocated in the Anglesey and Gwynedd Joint Local Development Plan. We are not aware of any current or historic planning consents relating to the Property.

TENANCY

Gross Current Rent (pa) £63,990
 Net Current Rent (pa) £63,990
 Weighted Average Unexpired Lease Term ("WALUT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £62,500
 Gross Value £778,295
 Capex Allowance £0
 Market Value **£764,533** Net of purchasers costs at 1.80%
 Initial Yield 8.22%
 Equivalent Yield 7.26%
 Reversionary Yield 8.03%
 Direct Comparison Rate (£/ sq ft) **£80** Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - RISHTON HOUSE, LOWESTOFT, SOUTH EAST, NR32 1RW

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 63
 Property Address Rishton House, Clapham Road South, Lowestoft, NR32 1RW

PROPERTY PARTICULARS

Date of Inspection 25th July 2019
 Type of Property Office
 Brief Description The Property is comprised of a Jobcentre Plus on the ground floor with offices located on the above two floors. The Property is of concrete framed construction with an asphalt covered flat roof. We understand the Property was constructed in the 1960's. There is an undercroft parking area plus additional external spaces surrounding the property providing approximately 99 spaces.
 Building Assessment The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.
 Surrounding Infrastructure The Property is located in the Norfolk town of Lowestoft, approximately 145 miles (233 km) north east of Central London. The property is 28 miles (45 km) south of Great Yarmouth and 27 miles (43 km) south east from Norwich. The Property is situated in Lowestoft town centre, 250 metres north of the train station. The prime retail pitch lies 50 metres to the east of the Property. The Property fronts onto Rishan Road, Clapham Road South and the A47 and is opposite one of the town's main car parks.
 Site Area (acres) 0.84
 Net Internal Area (sq ft) 41,656
 Year of Completion 1960's

LEGAL

Tenure Freehold
 Planning / Zoning The Property lies within the East Suffolk Council jurisdiction. We have conducted online planning searches which have revealed that the Property has had six previous planning applications, all of which have been granted. There are no other planning allocations assigned to this Property.

TENANCY

Gross Current Rent (pa) £214,530
 Net Current Rent (pa) £214,530
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% Let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £312,000
 Gross Value **£2,759,407**
 Capex Allowance £0.00
 Market Value **£2,710,616** Net of purchasers costs at 1.80%
 Initial Yield 7.78%
 Equivalent Yield 9.05%
 Reversionary Yield 11.31%
 Direct Comparison Rate (£/ sq ft) **£65.07** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - MAENGWYN STREET, MACHYNLLETH, WALES, SY20 8EB

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 64
 Property Address 43-45 Maengwyn Street, Machynlleth, SY20 8EB

PROPERTY PARTICULARS

Date of Inspection 2nd August 2019
 Type of Property Office
 Brief Description The Property comprises a mid-terrace building over two floors. Both the ground and first floors are utilised as a Jobcentre Plus providing open plan offices with cellular meeting rooms. Additionally there is a staff kitchen and amenity facilities located at first floor. To the rear of the Property is a courtyard car park accessed under an arch made up of part of the first floor of the building with approximately 6 spaces. In addition there is an 'L' shaped single-storey out building which has historically been utilised as additional office/training rooms.
 Building Assessment The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.
 Surrounding Infrastructure The Property is situated in the centre of Machynlleth, Powys in Wales at the intersection of the A487 and the A489 roads. The town is situated approximately 17 miles north east of Aberystwyth and 39 miles west of Welshpool. The Property fronts on to Heol Maengwyn which is one of the retail streets in the town. The surrounding properties provide local retail, cafes and pubs together with a spar and a co-op food to the east of the town.
 Site Area (Acres) 0.16
 Net Internal Area (sq ft) 3,655
 Year of Completion 1980's

LEGAL

Tenure Freehold
 Planning / Zoning The Property is situated within an area allocated in the Powys Local Development Plan as a primary shopping frontage, town centre area and a conservation area. We are not aware of any current or historic planning consents aside from the consent dating from 1999 allowing refurbishment of the existing A1 building into a Jobcentre.

TENANCY

Gross Current Rent (pa) £12,421
 Net Current Rent (pa) £12,421
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let by way of two leases to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £12,400
 Gross Value **£176,885**
 Capex Allowance £0
 Market Value **£173,757** Net of purchasers costs at 1.80%
 Initial Yield 6.97%
 Equivalent Yield 6.36%
 Reversionary Yield 6.96%
 Direct Comparison Rate (£/ sq ft) **£48** Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - WILMSLOW ROAD, MANCHESTER, NORTH WEST, M14 5BJ

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 65
 Property Address 96 Wilmslow Road, Manchester, M14 5BJ

PROPERTY PARTICULARS

Date of Inspection 2nd August 2019
 Type of Property Office
 Brief Description The Property comprises a detached, three-storey, office building with ancillary car parking to the rear providing approximately 32 spaces. The building is of a framed construction with brick elevations, part single/part double glazed aluminium framed windows and a flat roof. There are recessed air handling cassettes present at ground floor only. Internal specification includes solid floors, suspended ceilings and hot water radiators.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a medium risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure The Property is located in Rusholme, an area of Manchester around 1.5 miles to the south of the city centre. Rusholme is instead known for its restaurant offering, with Indian/middle eastern food offers being the typical occupier along this stretch of Wilmslow Road.

Site Area (acres) 0.40
 Net Internal Area (sq ft) 20,807
 Year of Completion 1980s

LEGAL

Tenure Freehold
 Planning / Zoning The Property is located within the jurisdiction of Manchester City Council. The relevant planning document is Manchester City Council's Core Strategy, under which the Property is allocated as within the City Centre (Policies EC8, H5), Inner Area (Policy SP1) and as in Rusholme District Centre. We have assumed these policies will have no immediate affect of material value.

TENANCY

Gross Current Rent (pa) £196,557
 Net Current Rent (pa) £196,557
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value - subject to the existing occupational leases
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £182,000
 Gross Value **£2,529,456**
 Capex Allowance £0
 Market Value **£2,484,731** Net of purchasers costs at 1.80%
 Initial Yield 7.77%
 Equivalent Yield 6.63%
 Reversionary Yield 7.19%
 Direct Comparison Rate (£/ sq ft) **£119** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - CROWN BUILDINGS, MEXBOROUGH, YORKSHIRE AND HUMBER, S64 0BD

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 66
 Property Address Crown Buildings, Adwick Road, Mexborough, S64 0BD

PROPERTY PARTICULARS

Date of Inspection 26th July 2019
 Type of Property Office
 Brief Description The Property comprises two, two-storey office buildings dating from approximately the 1960's and 1998, which are joined internally by a central corridor at ground and first floor. The buildings are of brick construction under a flat asphalt roof and a pitched, tiled roof. The Property occupies a sloping site with a hardsurfaced tarmacadam car park to the south with approximately 32 spaces. Internally, the building varies in specification. The newer section includes suspended ceilings with inset LED lighting, raised access carpeted floors, hot water radiators, metal framed double glazed windows. The older section comprises a mix of solid and suspended ceilings, solid carpeted floors, uPVC double glazed windows and hot water radiators. The customer area at ground floor level is fitted to the occupiers' corporate specification.

Building Assessment The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.

Surrounding Infrastructure The Property is located in the town of Mexborough which lies midway between Rotherham (7 miles to the south west) and Doncaster (8 miles to the east). Junction 37 of the A1(M) motorway lies approximately 7 miles to the north east at Marr. The Property is situated in a predominantly residential area half a mile north of Mexbrough town centre. Occupiers in the vicinity include Pizza Max, Adwick Road Post Office, Montagu Hospital and St Johns C of E Junior School.

Site Area (acres) 0.67
 Net Internal Area (sq ft) 14,994
 Year of Completion 1960's and 1998

LEGAL

Tenure Freehold
 Planning / Zoning The Property is located within Doncaster Council, which is covered by the 1998 Unitary Development Plan and will be replaced by the new Local Plan. There are two previous planning applications against the Property which have both been granted. The Property is allocated within Residential Policy Area PH8 - PH14. Policy PH14 relates to Residential and Nursing Homes. These policies will be replaced by the new local plan.

TENANCY

Gross Current Rent (pa) £61,774
 Net Current Rent (pa) £61,774
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £67,500
 Gross Value **£672,163**
 Capex Allowance £0
 Market Value **£660,278** Net of purchasers costs at 1.80%
 Initial Yield 9.19%
 Equivalent Yield 8.68%
 Reversionary Yield 10.05%
 Direct Comparison Rate (£/ sq ft) **£44** Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - CASTLESTEAD HOUSE, MONTROSE, SCOTLAND, DD10 8AL

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 67
 Property Address Castlestead House, 4 Castle Place, Montrose, DD10 8AL

PROPERTY PARTICULARS

Date of Inspection 29th July 2019
 Type of Property Office
 Brief Description The Property comprises a three-storey office building arranged over basement, ground and first floor level. The Property is of traditional stonebuilt construction with the roof over being a mixture of flat covered in mineralised felt and pitched clad in slate. The windows are of timber sash single glazed design.

Building Assessment The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.

Surrounding Infrastructure The Property is situated on the south side of Castle Place, in the town of Montrose which is approximately 30 miles north east of Dundee and 40 miles south of Aberdeen. The town is located close to the A90, which provides connections to the motorway network at Perth, 50 miles to the south west. The surrounding area is mixed use, and includes retail, office and residential accommodation.

Site Area (acres) 0.19
 Net Internal Area (sq ft) 4,246
 Year of Completion Early 1800's

LEGAL

Tenure Heritable (equivalent of English Freehold)
 Planning / Zoning Planning policy for this particular area is governed by the Angus Local Development Plan, which was adopted September 2016, the Property is currently unallocated. We note there has been 2 past planning applications, both of which were withdrawn.

TENANCY

Gross Current Rent (pa) £41,363
 Net Current Rent (pa) £41,363
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Income Capitalisation
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £25,500
 Gross Value £436,317
 Capex Allowance £0.00
 Market Value £428,602 Net of purchasers costs at 1.80%
 Initial Yield 9.45%
 Equivalent Yield 6.01%
 Reversionary Yield 5.83%
 Direct Comparison Rate (£/ sq ft) £101 Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - FLEMINGTON HOUSE, MOTHERWELL, SCOTLAND, ML1 2HN

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 68
 Property Address Flemington House, 600 Windmillhill Street, Motherwell, ML1 2HN

PROPERTY PARTICULARS

Date of Inspection 2nd August 2019
 Type of Property Office
 Brief Description The Property comprises a purpose-built, three-storey office building with large external area comprising car parking spaces for approximately 100 vehicles and landscaping. The Property has a steel framed construction, with brickwork and glazing to the elevations under a pitched roof, which is overlaid in profiled metal sheeting.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a low risk of asbestos blight with a low to medium potential future landlord's liability for asbestos removal/management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure Motherwell is situated approximately 13 miles east of Glasgow and 40 miles to the west of Edinburgh. Motherwell is served by good communication links with Junction 6 of the M74 motorway located approximately two miles southwest of the town centre. Moreover, a number of 'A' roads surround the town centre allowing access to neighbouring settlements. The Property is located on the southern side of Windmillhill Street at its junction with Fern Street, on the south eastern periphery of Motherwell town centre. The surrounding area is in mixed use with residential accommodation, car repair workshops and a Rainforest Adventure near the property.

Site Area (acres) 2.01
 Net Internal Area (sq ft) 29,381
 Year of Completion 1990's

LEGAL

Tenure Heritable (equivalent of English Freehold)
 Planning / Zoning Planning policy for this particular area is governed by North Lanarkshire Council Local Plan, which was adopted in September 2012. There are currently no outstanding planning applications in relation to the Property. The Property is not currently assigned any other land use.

TENANCY

Gross Current Rent (pa) £263,779
 Net Current Rent (pa) £263,779
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Alternative Use Potential Residential / Care Home
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £264,000
 Gross Value £2,871,435
 Capex Allowance £0.00
 Market Value £2,820,663 Net of purchasers costs at 1.80%
 Initial Yield 9.19%
 Equivalent Yield 8.18%
 Reversionary Yield 9.20%
 Direct Comparison Rate (£/ sq ft) £96 Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - BROADLANDS HOUSE, NEWPORT, ISLE OF WIGHT, SOUTH EAST, PO30 2HX

Valuation prepared by
 Colliers International Valuation UK LLP
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 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 69
 Property Address Broadlands House, Staplers Road, Newport, Isle of Wight, PO30 2HX

PROPERTY PARTICULARS

Date of Inspection 30th August 2019
 Type of Property Office
 Brief Description Broadlands House comprises a circa 19th century lace factory converted into a three-storey office in the early 1990's. A comprehensive refurbishment was undertaken circa 2000. The 19th century parts of the building are formed in traditional loadbearing masonry construction. The 1991 part is formed of steel construction with timber trussed roof. The Property benefits from approximately 76 surface car parking spaces.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a low risk of asbestos blight with a low to medium potential future landlord's liability for asbestos removal/management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

A Groundsure Siteguard survey was undertaken, dated 8th August 2017, which concluded that the Property was 'In Need of Further Assessment'. A phase 1 Environmental Due Diligence Report was subsequently prepared by Messrs Roberts Environmental Ltd, dated July 2018. This concludes that no further works are considered necessary and the site represents a low risk with regard to environmental liabilities for the continued use. As such we have not made an allowance for any liabilities in this regard.

Surrounding Infrastructure The Isle of Wight lies 4 miles (6 km) off the south coast of England in the English Channel and 16 miles (25 km) south of Portsmouth. Newport is the principle urban centre on the island. The main ferry connection is a regular service, with 22 trips a day from Ryde to Portsmouth. Located in the north eastern corner of Newport, the Property is mainly surrounded by other commercial occupiers and residential premises. Staplers Road is one of the arterial routes in Newport and provides the key route through the town centre and to the ferry port on Medina Way.

Site Area (acres) 1.32
 Net Internal Area (sq ft) 31,930
 Year of Completion 1900's / 1990's converted to offices

LEGAL

Tenure Freehold
 Planning / Zoning The Property lies within an area administered by the Isle of Wight Council. We have conducted an online search for planning records and applications related to the Property and can disclose that there are no current or previous planning applications assigned to the Property. The Property is not allocated for any land use.

TENANCY

Gross Current Rent (pa) £468,311
 Net Current Rent (pa) £468,311
 Weighted Average Unexpired Lease Term ("WAULT") to Break 8.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 Years
 Tenancy(cies) 100% Let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £399,000
 Gross Value **£8,510,480**
 Capex Allowance £0.00
 Market Value **£8,360,000** Net of purchasers costs at 1.80%
 Initial Yield 5.50%
 Equivalent Yield 5.07%
 Reversionary Yield 4.69%
 Direct Comparison Rate (£/sq ft) **£262** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - ELDER HOUSE, NORTHALLERTON, YORKSHIRE AND HUMBER, DL6 1NU

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 70
 Property Address Elder House, East Road, Northallerton, DL6 1NU

PROPERTY PARTICULARS

Date of Inspection 26th July 2019
 Type of Property Offices
 Brief Description The Property comprises a detached self-contained two-storey 1950's office building with an older, disused office building adjoining the east of the site. The building is currently occupied as a Jobcentre Plus at ground floor with office and ancillary accommodation at first floor. The building is of concrete frame construction with pebbledash masonry and a flat roof. Internally, the building is fitted to the occupiers standard specification including suspended ceilings, uPVC double glazing, hot water radiators, a/c units, plastered walls and solid carpeted floors. External car parking is arranged over ground and first floor, accessed via a ramp, with approximately 28 spaces in total.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a low risk of asbestos blight with a low to medium potential future landlord's liability for asbestos removal/management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure Northallerton is a market town situated in a prosperous, predominantly agricultural area of North Yorkshire and has a population of 15,500. Northallerton is located approximately 25 miles south west of Middlesbrough, 30 miles north of York and 40 miles west of Scarborough. Road communications are well established and the town lies approximately 6 miles to the east of the A1 (London to Edinburgh) trunk road and approximately 5 miles to the west of the A19 trunk road which connects with the A1 near Ripon, northwards to Teeside and Newcastle-upon-Tyne. The Property is located within Northallerton town centre and surrounding occupiers include National Tyres & Autocare, Adam's Pizza, Boyes, Bar 100, Northallerton Working Men's Club, Domino's Pizza, Central Arcade retail parade and residential apartment buildings.

Site Area (acres) 0.49
 Net Internal Area (sq ft) 14,517
 Year of Completion 1950's

LEGAL

Tenure Freehold
 Planning / Zoning The Property is within Hambleton Local Authority, which is covered by the Local Development Framework. The Property is allocated within Town Centre (subject to Policy DP20 - approach to town centre development). This policy will encourage investment that will sustain or enhance their character, attractiveness, conservation heritage, vitality and viability. There is a full planning history of the Property available with all applications being granted.

TENANCY

Gross Current Rent (pa) £94,349
 Net Current Rent (pa) £94,349
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let on two leases to The Secretary of State for Housing, Communities and Local Government

Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £94,250
 Gross Value **£996,453**
 Capex Allowance £0
 Market Value **£978,834** Net of purchasers costs at 1.80%
 Initial Yield 9.46%
 Equivalent Yield 8.41%
 Reversionary Yield 9.45%
 Direct Comparison Rate (£/ sq ft) **£67** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - ACACIA WALK, NOTTINGHAM, MIDLANDS, NG9 2LW

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 71
 Property Address 3 Acacia Walk, Beeston, Nottingham, NG9 2LW

PROPERTY PARTICULARS

Date of Inspection 25th July 2019
 Type of Property Offices
 Brief Description The Property comprises a single-storey office property of a traditional brick construction with a pitched slate roof. Externally there is a small staff car park for approximately 10 vehicles, to the north west of the Property. The Property is predominantly a Jobcentre Plus with small offices and ancillary accommodation to the rear, resulting in the entirety of the Property being fully utilised by the tenant.

Building Assessment The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.

Surrounding Infrastructure The Property is situated to the north-eastern side of Acacia Walk, located adjacent to a Tesco Extra and public car park, near the town centre. With regards to accessibility the Property can only be accessed via Union Street, on Acacia Walk which is a no through road. The A52 is 1.2 miles to the north of the Property and M1 motorway 5 miles west. In terms of public transport, the train station is 0.6 miles to the south of the Property, offering links to Nottingham, London St Pancras International, Cardiff Central and Birmingham Grand Central.

Site Area (acres) 0.36
 Net Internal Area (sq ft) 4,306
 Year of Completion 1990's.

LEGAL

Tenure Freehold
 Planning / Zoning The Property is not listed, or in a conservation area or green belt but under The Nottingham Local Plan it is allocated as a Petroleum Exploration and Development Licence (PEDL) Area. We assume there will be no material impact on the Property from the aforementioned.

TENANCY

Gross Current Rent (pa) £57,656
 Net Current Rent (pa) £57,656
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Governments
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £43,100
 Gross Value £790,087
 Capex Allowance £0.00
 Market Value **£776,117** 1.80%
 Initial Yield 7.31%
 Equivalent Yield 5.32%
 Reversionary Yield 5.46%
 Direct Comparison Rate (£/ sq ft) **£180.24** Disposal marketing period 6-9 months

EXECUTIVE SUMMARY - CLEDDAU BRIDGE BUSINESS PARK, PEMBROKE DOCK, WALES, SA72 6UP

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 72
 Property Address Cleddau Bridge Business Park, Pembroke Dock, SA72 6UP

PROPERTY PARTICULARS

Date of Inspection 26th July 2019
 Type of Property Office
 Brief Description The Property comprises a modern two-storey headquarters style office building built in 2003. It is of modern steel construction with an arched metal roof. It provides open plan office space arranged around a central core/entrance. Extensive parking is provided to the front of the building.

Building Assessment Asbestos registers/management plans are not required for buildings built on or after 2000.

Surrounding Infrastructure The Property is located in Pembroke Dock, a town on the River Cleddau in Pembrokeshire, South West Wales. The town lies 61 miles west of Swansea. The Property is situated in the Pembrokeshire Science and Technology Park on the A477, Cleddau Bridge, to the north east of the city centre. The Property is surrounded by greenfield land but connected to the town centre via the A477.

Site Area (acres) 3.27
 Net Internal Area (sq ft) 19,418
 Year of Completion 2003

LEGAL

Legal Title Two 31 March 1994 transfers covenants as follows: "not to use the property for any other purpose than for use within Class B1, B2, or B8 of the Schedule to the Town and Country Planning (Use Classes) order 1987".

Tenure Freehold

Planning / Zoning The Property falls within the planning authority of Pembrokeshire County Council and is covered by the Pembroke Local Development Plan 2013. The Property is situated within an Employment area, where non-employment uses will be unlikely to be granted. We have located 1 previous planning application that was approved.

TENANCY

Gross Current Rent (pa) £119,460
 Net Current Rent (pa) £119,460
 Weighted Average Unexpired Lease Term ("WALT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancy but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation
 Date of Valuation 31 August 2019
 Market Rent (Gross) (pa) £116,500
 Gross Value £1,456,354
 Capex Allowance £0.00
 Market Value **£1,430,603** Net of purchasers costs at 1.80%
 Initial Yield 8.21%
 Equivalent Yield 7.23%
 Reversionary Yield 8.00%
 Direct Comparison Rate (£/ sq ft) **£74** Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - HATFIELD HOUSE, PETERLEE, NORTH EAST, SR8 1PB

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 73
 Property Address Hatfield House, St Cuthberts Road, Peterlee, SR8 1PB

PROPERTY PARTICULARS

Date of Inspection 26th July 2019
 Type of Property Office
 Brief Description The Property comprises a detached purpose-built office building of frame construction with a flat mineral felt roof. The Property provides a mix of open plan and cellular office accommodation over 3 floors and is of a standard specification with a mix of carpet and wood effect floors, gas central heating and aluminium framed double glazed windows. A staff/room/kitchen is located on the first floor together with male and female WC on the first and also the ground floor. The Property does not include any parking. Free parking is available on the adjacent site although this is limited to a maximum stay of 4 hours.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure Peterlee is a town in the north east of England approximately 11 miles east of Durham. The Property is located within Peterlee town centre on the outskirts of the primary shopping area. The town lies immediately east of the A19 trunk road and is accessed via both Burnhope Way and Passfield Way. Junction 61 of the A1 motorway is located approximately 11 miles east. The town does not have a local train station with the closest being located in either Durham or Hartlepool.

Site Area (acres) 0.61
 Net Internal Area (sq ft) 19,889
 Year of Completion 1960s

LEGAL

Tenure Freehold
 Planning / Zoning The Durham City Local Plan (adopted May 2004) and its appendices is the primary planning document for Seaham and the surrounding area. This will eventually be superseded by the County Durham Plan which is currently under consultation. The Property is not located within a conservation area and has no other land allocation.

TENANCY

Gross Current Rent (pa) £107,062
 Net Current Rent (pa) £107,062
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Governemnt

VALUATION

Basis of Valuation Market Value – subject to existing tenancies
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) **£99,500**
 Gross Value £1,126,169
 Capex Allowance £0
 Market Value **£1,106,256** Net of purchasers costs at 1.80%
 Initial Yield 9.52%
 Equivalent Yield 8.04%
 Reversionary Yield 8.85%
 Direct Comparison Rate (£/ sq ft) **£56** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - LOW HALL, PONTEFRACT, YORKSHIRE AND HUMBER, WF9 4HP

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 74
 Property Address Low Hall, Market Street, Hemsworth, Pontefract, WF9 4HP

PROPERTY PARTICULARS

Date of Inspection 26th July 2019
 Type of Property Office
 Brief Description The Property comprises a 1970's three-storey office building of brick construction extending to 14,208 sq ft beneath a flat roof. Internally, the building is fitted to the tenants corporate specification including suspended ceilings with inset LED lighting, plastered walls, uPVC double glazing and solid carpeted floors. The Property occupies a sloping site and access is raised from pavement level. To the rear of the Property is a hard surfaced tarmacadam car park with approximately 26 parking spaces.
 Building Assessment The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.
 Surrounding Infrastructure Hemsworth is a small town and civil parish in West Yorkshire located about 20 miles to the south east of Leeds, 8 miles to the south east of Wakefield, 7 miles to the north east of Barnsley and 11 miles north west of Doncaster. The A1(M) is located approximately five miles to the south east of the town and connects London to Edinburgh. The town does not have a railway station, however there is a central bus station which provides access to Barnsley, Wakefield, Pontefract and Doncaster. The Property is situated within Hemsworth town centre adjacent to a Tesco superstore and petrol station. Surrounding occupiers include Pizza Jim, Domino's Pizza, Lloyds Pharmacy and B&M Store.
 Site Area (acres) 0.53
 Net Internal Area (sq ft) 14,208
 Year of Completion 1970's

LEGAL

Tenure Freehold
 Planning / Zoning The Property is within Wakefield City Council with the current Local Plan being under consultation. The Property is currently unallocated but lies within the primary shopping zone.

TENANCY

Gross Current Rent £76,832
 Net Current Rent £76,832
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £71,000
 Gross Value £890,321
 Capex Allowance £0
 Market Value £874,579 Net of purchasers costs at 1.80%
 Initial Yield 8.63%
 Equivalent Yield 7.31%
 Reversionary Yield 7.97%
 Direct Comparison Rate (£/ sq ft) £62 Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - HANNAH STREET, PORTH, WALES, CF39 9RB

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 75
 Property Address 35 Hannah Street, Porth, CF39 9RB

PROPERTY PARTICULARS

Date of Inspection 30th July 2019
 Type of Property Office
 Brief Description Constructed for DWP in 2004, the Property is a modern two-storey office with a part glazed frontage. The Property has a pitched roof with brick and rendered elevations. There is on road parking in front of the Property.
 Building Assessment Asbestos registers/management plans are not required for buildings built on or after 2000.
 Surrounding Infrastructure The Property is located in Porth, in the county borough of Rhondda Cynon Taf. It is approximately 15 miles north west of Cardiff and 21 miles west of Newport. The Property is situated on Hannah Street, south east of the town centre. Access is via the B4278, Pontypridd Road. Nearby occupiers are retailers including New Look, William Hill, and Superdrug. The Property is 200m south east of Porth Railway Station.
 Site Area (acres) 0.13
 Net Internal Area (sq ft) 7,018
 Year of Completion 2004

LEGAL

Tenure Freehold
 Planning / Zoning The Property falls within the planning authority of Rhondda Cynon Taf County Borough Council and is covered by the Local Development Plan 2006 - 2021. We have been unable to obtain prior applications from the online planning portal. The Property is currently not allocated.

TENANCY

Gross Current Rent (pa) £64,763
 Net Current Rent (pa) £64,763
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancy
 Valuation Approaches Primary - Income Capitalisation
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £42,100
 Gross Value £672,163
 Capex Allowance £0.00
 Market Value **£660,278** Net of purchasers costs at 1.80%
 Initial Yield 9.64%
 Equivalent Yield 6.35%
 Reversionary Yield 6.27%
 Direct Comparison Rate (£/ sq ft) **£94** Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - DOCK STREET, PORTHCAWL, WALES, CF36 3BL

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 76
 Property Address Dock Street, Porthcawl, CF36 3BL

PROPERTY PARTICULARS

Date of Inspection 26th July 2019
 Type of Property Office
 Brief Description The Property comprises a 1980's two-storey office building accommodating a Jobcentre Plus on the ground floor and offices on the upper floor accommodation. The Property is of traditional masonry construction set under a pitched tiled roof. There is parking to the rear of the Property and accommodates approximately 12 vehicles.

Building Assessment The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.

Surrounding Infrastructure Porthcawl is an attractive coastal town located 6 miles west of Bridgend. The A4229 connects the town with Junction 37 of the M4 motorway. The Property is situated on Dock Street, in the heart of the town centre, just 100m north of the coast. The surrounding uses are predominantly residential, whilst the main high street is situated to the north of the Property.

Site Area (acres) 0.13
 Net Internal Area (sq ft) 3,023
 Year of Completion 1980's

LEGAL

Tenure Freehold
 Planning / Zoning The Property falls within the planning authority of Bridgend County Borough Council and is covered by the Bridgend Local Development Plan 2006-2021. The Property falls within the "Retail Core". We assume the Property has planning consent for its existing use. A full planning history of the Property is available and all previous applications have been granted.

TENANCY

Gross Current Rent (pa) £25,699
 Net Current Rent (pa) £25,699
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancy
 Valuation Approaches Primary - Income Capitalisation
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £25,700
 Gross Value £324,289
 Capex Allowance £0.00
 Market Value **£318,555** Net of purchasers costs at 1.80%
 Initial Yield 7.89%
 Equivalent Yield 7.13%
 Reversionary Yield 7.89%
 Direct Comparison Rate (£/ sq ft) **£105** Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - BAYFIELD ROAD, PORTREE, SCOTLAND, IV51 9EN

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 77
 Property Address Bayfield Road, Portree, Isle of Skye, IV51 9EN

PROPERTY PARTICULARS

Date of Inspection 8th August 2019
 Type of Property Office
 Brief Description The Property comprises the ground and lower ground floors within a three-storey building which is formed on a sloping site. The Property is of masonry construction, with rendered elevations and a timber pitched roof which is overlaid in tiles. The Property forms open plan office accommodation with staff areas on the lower ground floor. There is on street parking adjacent to the Property.

Building Assessment The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.

Surrounding Infrastructure Portree is the capital of the Isle of Skye within the Inner Hebrides of Scotland, approximately 216 miles north west of Glasgow and 235 miles from Edinburgh. The Property is located on the western side of Bayfield Road which is south of Portree town centre. The surrounding area is in mixed use with retail/leisure to the north and west with residential to the south. The Visit Scotland Portree centre is located opposite the Property.

Site Area (acres) 0.17
 Net Internal Area (sq ft) 1,943
 Year of Completion 1980's

LEGAL

Tenure Heritable (equivalent of English Freehold)
 Planning / Zoning Planning policy for this particular area is governed by The West Highland and Islands Local Plan, which was adopted in September 2010. There are currently no outstanding planning application in relation to the Property. The Property lies within MU4, allocating the Property for mixed use.

TENANCY

Gross Current Rent (pa) £24,901
 Net Current Rent (pa) £24,901
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £24,300
 Gross Value **£318,393**
 Capex Allowance £0
 Market Value **£312,763** Net of purchasers costs at 1.80%
 Initial Yield 7.77%
 Equivalent Yield 6.92%
 Reversionary Yield 7.58%
 Direct Comparison Rate (£/ sq ft) **£161** Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - DUCHY HOUSE, PRESTON, NORTH WEST, PR1 1NS

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	78
Property Address	Duchy House, 96 Lancaster Road, Preston, PR1 1NS

PROPERTY PARTICULARS

Date of Inspection	2nd August 2019
Type of Property	Office
Brief Description	The Property comprises an office building which is formed over ground and nine upper floors. The Property is of framed construction with brick elevations incorporating metal framed windows. The Property is interlinked with the neighbouring Palatine House (also occupied by the Secretary of State). Internally, the ground floor provides a reception area and the upper floors provide largely open plan office accommodation. The service core holds the main stairwell, three passenger lifts and WC at each level. The tenant benefits from the right to use 31 car parking spaces in the adjacent car park.

Building Assessment	We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a low risk of asbestos blight with a low to medium potential future landlord's liability for asbestos removal/management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure	The Property is situated on Lancaster Road in Preston city centre. Lancaster Road lies immediately south of the A59 (Ring Way), a major road which connects Preston to the M6 motorway in the east. Immediately to the south west of the Property lies Preston's traditional retail core. Immediately to the east of the Property lies Preston bus station. Preston railway station is around 800 metres to the south west.

Site Area (acres)	0.14
Net Internal Area (sq ft)	43,805
Year of Completion	1970s

LEGAL

Tenure	Freehold
Planning / Zoning	The Property is located within the jurisdiction of Preston City Council. The relevant planning document is Preston City Council's Local Plan. The Property is situated within an area allocated under Policy OP3 - City Centre North and Policy EV1 - Main Shopping and Other Town Centre Uses. We have been unable to locate any present or past planning applications.

TENANCY

Gross Current Rent (pa)	£244,825
Net Current Rent (pa)	£244,825
Weighted Average Unexpired Lease Term ("WAULT") to Break	8.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value - subject to the existing occupational lease		
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£241,000		
Gross Value	£4,257,826		
Capex Allowance	£0		
Market Value	£4,185,000	Net of purchasers costs at	1.80%
Initial Yield	5.75%		
Equivalent Yield	5.81%		
Reversionary Yield	5.66%		
Direct Comparison Rate (£/ sq ft)	£96	Disposal marketing period	9-12 months

EXECUTIVE SUMMARY - PALATINE HOUSE, PRESTON, NORTH WEST, PR1 1NS

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 79
 Property Address Palatine House, Lancaster Road, Preston, PR1 1NS

PROPERTY PARTICULARS

Date of Inspection 2nd August 2019
 Type of Property Office
 Brief Description The Property comprises a detached office building which is formed over ground and ten upper floors. The Property is of framed construction with brick elevations incorporating metal framed windows. Internally, the ground floor provides a reception area and the upper floors provide largely open plan office accommodation. The service core holds the main stairwell, two passenger lifts and WC at each level. The tenant benefits from the right to use 26 car parking spaces in the adjacent car park.
 Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a low risk of asbestos blight with a low to medium potential future landlord's liability for asbestos removal/management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
 Surrounding Infrastructure The Property is situated on Lancaster Road in Preston city centre. Lancaster Road lies immediately south of the A59 (Ring Way), a major road which connects Preston to the M6 motorway in the east. Immediately to the south west of the Property lies Preston's traditional retail core. Immediately to the east of the Property lies Preston bus station. Preston railway station is around 800 metres to the south west.
 Site Area (acres) 0.09
 Net Internal Area (sq ft) 36,257
 Year of Completion 1970s

LEGAL

Tenure Freehold
 Planning / Zoning The Property is located within the jurisdiction of Preston City Council. The relevant planning document is Preston City Council's Local Plan. The Property is situated within an area allocated under Policy OP3 - City Centre North and Policy EV1 - Main Shopping and Other Town Centre Uses. We have been unable to locate any past or present planning applications.

TENANCY

Gross Current Rent (pa) £207,079
 Net Current Rent (pa) £207,079
 Weighted Average Unexpired Lease Term ("WAULT") to Break 8.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value - subject to the existing occupational lease
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31 August 2019
 Market Rent (Gross) (pa) £199,500
 Gross Value **£3,601,374**
 Capex Allowance £0
 Market Value **£3,540,000** Net of purchasers costs at 1.80%
 Initial Yield 5.75%
 Equivalent Yield 5.73%
 Reversionary Yield 5.54%
 Direct Comparison Rate (£/ sq ft) **£98** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - SUMMERLOCK HOUSE, SALISBURY, SOUTH WEST, SP2 7RW

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	80
Property Address	Summerlock House, Summerlock Approach, Salisbury, SP2 7RW

PROPERTY PARTICULARS

Date of Inspection	30th July 2019
Type of Property	Office
Brief Description	The Property is a three-storey, office building of framed construction with brick and PVC clad elevations, metal framed windows and a flat roof. We understand the Property was constructed in the 1970's.
Building Assessment	We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a medium risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
Surrounding Infrastructure	Located within the county of Wiltshire, the cathedral city of Salisbury lies 23 miles (37km) south west of Andover with Southampton 23 miles (37km) to the south east and London 88 miles (141km) to the north east. Major road communications are good with the town lying at the intersection of the A36 and A338. The Property is located in Salisbury town centre and is adjacent to a large number of commercial occupiers. There is a large council car park adjacent to the Property as well as approximately 8 car parking spaces at the front of the Property.
Site Area (acres)	0.53
Net Internal Area (sq ft)	17,136
Year of Completion	1970's

LEGAL

Tenure	Freehold
Planning / Zoning	The Property lies within Wiltshire council. We have conducted online planning searches which have revealed that the Property has had no previous or current planning applications. There are no other planning allocations assigned to this Property.

TENANCY

Gross Current (pa)	£185,327
Net Current Rent (pa)	£185,327
Weighted Average Unexpired Lease Term ("WAULT") to Break	3.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% Let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancies but otherwise with vacant possession		
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£171,500		
Gross Value	£2,771,200		
Capex Allowance	£0.00		
Market Value	£2,722,200	Net of purchasers costs at	1.80%
Initial Yield	6.69%		
Equivalent Yield	5.74%		
Reversionary Yield	6.19%		
Direct Comparison Rate (£/ sq ft)	£159	Disposal marketing period	9-12 months

EXECUTIVE SUMMARY - ST JOHN'S SQUARE, SEAHAM, NORTH EAST, SR7 7JE

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 81
 Property Address St John's Square, Seaham, SR7 7JE

PROPERTY PARTICULARS

Date of Inspection 26th July 2019
 Type of Property Office
 Brief Description The Property comprises a detached purpose-built office building of steel frame construction with a shallow pitch metal pannel roof and a mix of brick and metal clad elevations. The Property is arranged over two floors with a disabled WC and shower on the ground floor and male and female WC on the first floor. The unit incorporates a mix of raised access floors and perimeter trunking, air conditioning, gas central heating and lift access. To the rear of the Property is a secure tarmacadam surface car park with approximately 9 car parking spaces. Entry to the car park is via a key pad security system.

Building Assessment Asbestos registers/management plans are not required for buildings built on or after 2000 (subject to any knowledge of old equipment or brownfield content).

Surrounding Infrastructure Seaham is a coastal town in the north east of England approximately 6 miles south of Sunderland. The Property is located within Seaham town centre and forms part of a regenerated site that includes 3 buildings. Other occupiers on the site include Durham Council and the NHS. Primary access to the town centre is via the B1287 which ultimately leads to the A19 trunk road (south west). The A19 connects Seaton Burn (north) and Doncaster (south). The A1 motorway is approximately 10 miles south west. Seaham train station provides regular services to Hexham and Nunthorpe, and infrequent services to Newcastle and Sunderland.

Site Area (acres) 0.32
 Net Internal Area (sq ft) 6,658
 Year of Completion Early 2000s

LEGAL

Tenure Freehold
 Planning / Zoning The Durham City Local Plan (adopted May 2004) and its appendices is the primary planning document for Seaham and the surrounding area. This will eventually be superseded by the County Durham Plan which is currently under consultation. The Property is not located within a conservation area. The Property is not current allocated to another land use.

TENANCY

Gross Current Rent (pa) £61,442
 Net Current Rent (pa) £61,442
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Governemnt

VALUATION

Basis of Valuation Market Value – subject to existing tenancies
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £49,900
 Gross Value **£666,267**
 Capex Allowance £0
 Market Value **£654,486** Net of purchasers costs at 1.80%
 Initial Yield 9.21%
 Equivalent Yield 7.12%
 Reversionary Yield 7.48%
 Direct Comparison Rate (£/ sq ft) **£98** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - THE FORUM, STEVENAGE, SOUTH EAST, SG1 1EZ

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 82
 Property Address The Forum, Stevenage, SG1 1EZ

PROPERTY PARTICULARS

Date of Inspection 25th July 2019
 Type of Property Office
 Brief Description The Property is a purpose-built, three-storey office which has three ground floor retail/A2 units. The retail/A2 units at ground floor are let on 3 leases inside the Landlord and Tenant 1954 Act to Dreams Ltd, Pizza Go Go Limited and Indigo Sun. The Property is of precast concrete construction. There is parking to the north and south of the Property.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

The Property has been identified as being of an age and construction nature where HAC (and/or chlorides) may potentially affect the structural frame where precast concrete beams have been used in the upper floor construction. The Due Diligence Reports provided do not provide any further information in this regard, allow for any capital expenditure liability for the Landlord in this regard, or provide further detail relating to future liabilities. Therefore in reaching our opinion of Market Value we have not made any allowance in this regard.

Surrounding Infrastructure Stevenage is located to the east of Junctions 7 and 8 of the M1 motorway. Central London lies 33 miles (50km) to the south, with Welwyn Garden City 7 miles (11km) to the south. Letchworth Garden City lies 6 miles (10km) to the north of Stevenage. The Property is located on the north eastern edge of the pedestrianised town centre. Surrounding occupiers are predominately retail.

Site Area 0.11
 Net Internal Area (sq ft) 18,609
 Year of Completion 1965

LEGAL

Tenure Freehold
 Planning / Zoning The Property lies within the Stevenage Borough Council. There are two previous planning application on the Property which were both granted. The Property is allocated in the Marshgate Major Opportunity Area where high-density residential, leisure, cultural, civic and other retail uses are encouraged.

Gross Current Rent £322,522
 Net Current Rent £322,522
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 Years on the office accommodation
 Weighted Average Lease Expiry ("WALE") 8.58 Years on the office accommodation 2.4 Years on the retail accommodation
 Tenancy(cies) 100% of the Property is let to The Secretary of State for Housing, Communities and Local Government, Pizza Go Go Limited, Indigo Sun Retail Ltd and Dreams Limited who are currently holding over
 Overall Covenant Strength Mixed - The majority of the income is from a Strong covenant - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £232,500
 Gross Value £4,905,613
 Capex Allowance £0
 Market Value £4,818,873 Net of purchasers costs at 1.80%
 Initial Yield 6.47%
 Equivalent Yield 4.58%
 Reversionary Yield 4.74%
 Direct Comparison Rate (£/ sq ft) £259 Disposal marketing period 6-9 months

EXECUTIVE SUMMARY - HERON HOUSE, STOCKPORT, NORTH WEST, SK1 3BE

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 83
 Property Address Heron House, Wellington Street, Stockport, SK1 3BE

PROPERTY PARTICULARS

Date of Inspection 2nd August 2019
 Type of Property Office
 Brief Description The Property comprises a detached, nine-storey building including a basement car park which incorporates approximately 79 delineated spaces and one double parked space. There is further parking provision at ground level which provides for approximately 14 spaces. Although there are approximately 18 delineated spaces at ground level they are poorly configured and we do not consider 18 vehicles could, realistically, park there. Inside, condition varies with the majority of space providing reasonable quality office space. Specification includes raised ceilings, solid floors, perimeter trunking and metal framed, double glazed windows.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a medium risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure The Property is located within Stockport town centre. Stockport is located within Greater Manchester and around 5.5 miles south of Manchester city centre. The town is considered well-connected with train services to Manchester in the north and Wilmslow and beyond in the south. Road connectivity is also good with the M60 motorway a short distance to the north. Surrounding property is largely commercial with some retail presence.

Site Area (acres) 0.55
 Net Internal Area (sq ft) 43,271
 Year of Completion 1960s

LEGAL

Tenure Freehold
 Planning / Zoning The Property is located within the jurisdiction of Stockport Metropolitan Borough Council. The relevant planning document is Stockport Metropolitan Borough Council's Core Strategy under which the Property is allocated as being within the Town Centre (Policies TGC3.1-3.7 of the UDP). We have assumed that this policy allocation will have no material affect on value.

TENANCY

Gross Current Rent (pa) £322,490
 Net Current Rent (pa) £322,490
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value - subject to the existing occupational leases
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £325,000
 Gross Value **£4,038,876**
 Capex Allowance £0
 Market Value **£3,967,462** Net of purchasers costs at 1.80%
 Initial Yield 7.99%
 Equivalent Yield 7.22%
 Reversionary Yield 8.05%
 Direct Comparison Rate (£/ sq ft) **£92** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - UPPER HUNTBACH STREET, STOKE-ON-TRENT, MIDLANDS, ST1 2BX

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 84
 Property Address 91 Upper Huntbach Street, Hanley, Stoke-On-Trent, ST1 2BX

PROPERTY PARTICULARS

Date of Inspection 29th July 2019
 Type of Property Office
 Brief Description The Property comprises a purpose-built three-storey office building of steel frame construction with a shallow pitched coated seam panel roof and clad walls with facing brickwork and rendered panels. Externally to the rear of the Property there is a staff car park. Upon the inspection it was apparent that the tenant's utilised the majority of the space within the Property.
 Building Assessment Asbestos registers/management plans are not required for buildings built on or after 2000 (subject to any knowledge of old equipment or brownfield content).
 Surrounding Infrastructure The Property is located at a junction between Ratton Street and Upper Huntbach Street, within the town centre of Hanley. With regards to accessibility, the Property is located just 0.9 miles to the west of the A52 and 1.4 miles to the south-east of the A53. Stoke-On-Trent Railway Station is located just 1.7 miles to the south of the Property and offers links to Manchester Piccadilly, Birmingham Grand Central and London Euston.
 Site Area (acres) 0.32
 Net Internal Area (sq ft) 21,540
 Year of Completion 2007

LEGAL

Tenure Freehold
 Planning / Zoning The Property is under the jurisdiction of the City of Stoke-on Trent Council. The Property is not listed or situated within a conservation or a green belt.

TENANCY

Gross Current Rent (pa) £209,815
 Net Current Rent (pa) £209,815
 Weighted Average Unexpired Lease Term ("WAVULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £204,500
 Gross Value **£2,788,888**
 Capex Allowance £0.00
 Market Value **£2,739,576** Net of purchasers costs at 1.80%
 Initial Yield 7.52%
 Equivalent Yield 6.67%
 Reversionary Yield 7.33%
 Direct Comparison Rate (£/ sq ft) **£127** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - DISCOVERY HOUSE, STORNOWAY, SCOTLAND, HS1 2BA

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	85
Property Address	Discovery House, 2 Castle Street, Stornoway, HS1 2BA

PROPERTY PARTICULARS

Date of Inspection	31st July 2019
Type of Property	Office
Brief Description	The Property comprises a three-storey former bank property of framed construction with brick and blockwork walls, rendered externally. The roof has two pitched bays, surfaced with natural slate with a flat section over the central core with mineral felt overlay. Internally the Property comprises cellular office space with concrete floors, plastered painted walls and suspended tiled ceilings. There are approximately 13 external car parking spaces to the front of the Property.
Building Assessment	The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.
Surrounding Infrastructure	The Property sits adjacent to Stornoway Harbour at the corner of South Beach and Castle Street on the edge of the town centre. Stornoway is the principal town on the Isle of Lewis, an island forming part of the Outer Hebrides located to the north west of Scotland. The town is situated to the centre of the island and has a population of approximately 6,200 (2011 Census) and is the administrative centre for Western Isle Council (Comhairle nan Eilean Siar). A number of licenced leisure properties lie close to the Property, together with retail units and a derelict hotel adjoining to the west. The main ferry terminal linking to mainland Scotland is a short distance east.
Site Area (acres)	0.10
Net Internal Area (sq ft)	7,276
Year of Completion	1957

LEGAL

Tenure	Heritable (equivalent to English Freehold)
Planning / Zoning	Planning policies for the area are contained within the Outer Hebrides Local Development Plan, adopted November 2018. There are no outstanding planning applications for the Property. Planning consent was granted in October 2017 for the erection of new signage on the building. The Property is located within a conservation area and there are no other current land uses assigned to the Property.

TENANCY

Gross Current Rent (pa)	£93,259
Net Current Rent (pa)	£93,259
Weighted Average Unexpired Lease Term ("WAVULT") to Break	3.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancy agreement		
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£87,250		
Gross Value	£1,137,961		
Capex Allowance	£0.00		
Market Value	£1,117,840	Net of purchasers costs at	1.80%
Initial Yield	8.18%		
Equivalent Yield	7.02%		
Reversionary Yield	7.65%		
Direct Comparison Rate (£/ sq ft)	£154	Disposal marketing period	9-12 months

EXECUTIVE SUMMARY - ST JOHN STREET, STRANRAER, SCOTLAND, DG9 7EL

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 86
 Property Address 12 St John Street, Stranraer, DG9 7EL

PROPERTY PARTICULARS

Date of Inspection 9th August 2019
 Type of Property Office
 Brief Description The Property comprises a two-storey mid terraced office building of steel framed construction with cavity brick and block walls, rendered externally, beneath a profiled metal sheet covered pitched roof. Internally, the Property provides open plan offices with private rooms created through demountable partitions. Floors are of concrete and timber with a steel staircase. Ceilings are of suspended tiles or plasterboard. There is shared parking at the rear of the building for approximately 50 vehicles.
 Building Assessment The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.
 Surrounding Infrastructure Stranraer is the second largest town in Dumfries & Galloway with a population of approximately 10,851 (2011 Census). Two ferry ports lie to the north of the town connecting Scotland with Northern Ireland and Ireland. Stranraer is accessible via the A77 which runs northwards to Ayr, whilst the A75 travels eastwards connecting the town with Dumfries via Newton Stewart. There are regular rail services to Glasgow, Kilmarnock and Ayr. The Property lies to the east of the town centre, within a mixed commercial and residential location. Stranraer station lies to the south east whilst adjacent properties comprise retail units and a car park.
 Site Area (acres) 0.09
 Net Internal Area (sq ft) 6,402
 Year of Completion 1960's

LEGAL

Tenure Heritable (equivalent to English Freehold)
 Planning / Zoning The Property lies in Dumfries and Galloway and is covered by policies laid out in the Dumfries and Galloway Local Development Plan, adopted September 2014. We have been unable to find any details for recent or pending planning applications.

TENANCY

Gross Current Rent (pa) £65,646
 Net Current Rent (pa) £65,646
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% Let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancy agreement
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019.
 Market Rent (Gross) (pa) £64,000
 Gross Value **£725,229**
 Capex Allowance £0.00
 Market Value **£712,406** Net of purchasers costs at 1.80%
 Initial Yield 9.08%
 Equivalent Yield 7.93%
 Reversionary Yield 8.85%
 Direct Comparison Rate (£/ sq ft) **£101** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - JOHN STREET, SUNDERLAND, NORTH EAST, SR1 1QT

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 87
 Property Address 60-66 John Street, Sunderland, SR1 1QT

PROPERTY PARTICULARS

Date of Inspection 31st July 2019
 Type of Property Office
 Brief Description The Property comprises a two-storey office building of frame construction with brick cladding beneath a flat roof. Internally, the Property provides open plan accommodation in the majority and the specification includes suspended ceilings, strip fluorescent and spot lighting, comfort cooling, painted and plastered walls, metal frame double glazed windows and raised accessed floors incorporating floors boxes and carpeted floor coverings. Access to the first floor is via three separate stairwells and a 10 person (800kg) passenger lift. Ancillary accommodation includes ladies, gents and disabled WC at both ground and first floor (note no disabled WC on the first floor). Externally, there is a shared service yard to the rear.

Building Assessment The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.

Surrounding Infrastructure Sunderland is located approximately 15 miles south east of Newcastle-Upon-Tyne and 28 miles north of Middlesbrough. The city benefits from good road communications with the A19 providing dual carriageway access to Middlesbrough to the south, leading directly onto the A1 north of Newcastle. The Property is situated within the city centre to the east of The Bridges Shopping Centre in what is a mixed use area. Surrounding occupiers include Nando's, Pearson Assessment, Darke Cycles and Fatso's.

Site Area (acres) 0.50
 Net Internal Area (sq ft) 17,894
 Year of Completion Late 1970's

LEGAL

Tenure Freehold
 Planning / Zoning The Property is situated in an area covered by the Sunderland Unitary Development Plan. Under the Plan, the Property is unallocated (white land) but within an existing conservation area. In respect of the planning history, there are a number of historic applications, the most relevant of which was 90/00030/90 in respect of a change of use from retail store to public offices on behalf of the Employment Service as a combined Jobcentre/unemployment benefit office. The Planning history does not confirm if a decision was made, however given that the Property has been used as a Jobcentre for some time, we have assumed the Property benefits from the appropriate consent.

TENANCY

Gross Current Rent (pa) £143,151
 Net Current Rent (pa) £143,151
 Weighted Average Unexpired Lease Term ("WAULT") to Break 1.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £143,000
 Gross Value **£1,431,510**
 Capex Allowance £0
 Market Value **£1,405,000** Net of purchasers costs at 1.80%
 Initial Yield 10.00%
 Equivalent Yield 8.65%
 Reversionary Yield 9.99%
 Direct Comparison Rate (£/ sq ft) **£79** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - OLDWAY HOUSE, SWANSEA, WALES, SA6 8BT

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 88
 Property Address Oldway House, Clase Road, Morriston, Swansea, SA6 8BT

PROPERTY PARTICULARS

Date of Inspection 26th July 2019
 Type of Property Office
 Brief Description The Property is a three-storey building which provides two open plan office wings and a central service core. It is clad with a mix of brick and glazed elevations underneath a flat roof. There is a surface level car park to the west of the Property for approximately 20 vehicles.
 Building Assessment The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.
 Surrounding Infrastructure The Property is located in Swansea, one of South Wales' principal cities with Cardiff 40 miles to the east. The city is located some 6 miles south of the M4 motorway between Junctions 44 and 47. The Property is on the corner of Clase Road and Glantawe Street circa 4 miles north of Swansea city centre. The surrounding area predominantly consists of office and retail occupiers.
 Site Area (acres) 0.40
 Net Internal Area (sq ft) 14,575
 Year of Completion 1970's

LEGAL

Tenure Freehold
 Planning / Zoning The Property falls within the planning authority of Swansea City Council and is covered by the City and County of Swansea Unitary Development Plan. The Property fall within a 'Secondary Retail Core'. We have assumed that the Property has planning consent for its current use. All previous planning applications against the Property have been granted.

TENANCY

Gross Current Rent (pa) £104,611
 Net Current Rent (pa) £104,611
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancy
 Valuation Approaches Primary - Income Capitalisation
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £87,500
 Gross Value £1,273,573
 Capex Allowance £0.00
 Market Value £1,251,054 Net of purchasers costs at 1.80%
 Initial Yield 8.22%
 Equivalent Yield 6.49%
 Reversionary Yield 6.88%
 Direct Comparison Rate (£/ sq ft) £86 Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - HIGH STREET, SWANSEA, WALES, SA1 1LS

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 89
 Property Address 37-38 High Street, Swansea, SA1 1LS

PROPERTY PARTICULARS

Date of Inspection 1st August 2019
 Type of Property Office
 Brief Description The Property comprises a 1970's office building of concrete frame construction arranged over basement, ground and two upper floors, accommodating a Jobcentre Plus on the ground floor and offices above, whilst the basement comprises further office accommodation.
 Building Assessment The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.
 Surrounding Infrastructure Swansea is the second largest city in Wales and has an Urban Area population in the region of 270,000. It is a major industrial and commercial centre and is situated approximately 42 miles north west of Cardiff, 85 miles west of Bristol and 190 miles west of London. The city has good road communications with the M4 motorway passing four miles to the north of Swansea, with access available from Junctions 44 to 47. Various other 'A' roads link Swansea to a substantial catchment area, including the holiday area of the Gower Peninsula to the south west of the city and to Port Talbot both linked by the A483 / A484. The Property is located on the west side of High Street (B44890). The immediate surrounding area is a mixture of retail, office and residential.
 Site Area (acres) 0.20
 Net Internal Area (sq ft) 19,609
 Year of Completion 1970's

LEGAL

Tenure Freehold
 Planning / Zoning The Property falls within the planning authority of Swansea City Council and is covered by the City and County of Swansea Unitary Development Plan. The Property fall within a 'Retail Core'. We have assumed that the Property has planning consent for its current use. All previous applications against the Property have been granted.

TENANCY

Gross Current Rent (pa) £188,006
 Net Current Rent (pa) £188,006
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies
 Valuation Approaches Primary - Income Capitalisation
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £166,500
 Gross Value **£2,199,271**
 Capex Allowance £0.00
 Market Value **£2,160,384** Net of purchasers costs at 1.80%
 Initial Yield 8.55%
 Equivalent Yield 7.03%
 Reversionary Yield 7.57%
 Direct Comparison Rate (£/ sq ft) **£110** Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - SPRING GARDENS HOUSE, SWINDON, SOUTH WEST, SN1 2HY

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 90
 Property Address Spring Gardens House, Princes Street, Swindon, SN1 2HY

PROPERTY PARTICULARS

Date of Inspection 26th July 2019
 Type of Property Office
 Brief Description Spring Gardens House is a 1970s office building arranged over nine floors, accommodating a Jobcentre Plus on the ground floor and offices above. The Property is of concrete framed construction set under flat roofs with concrete panelled elevations. Externally, there is a surface car parking area for approximately 70 vehicles situated to the side and rear of the buildings.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

A Groundsure Siteguard survey was undertaken, dated 14 August 2017, which concluded that the Property was 'In Need of Further Assessment'. A phase 1 Environmental Due Diligence Report was subsequently prepared by Messrs Roberts Environmental Ltd, dated July 2018. This concludes that 'Based on the information contained within this report, the site represents a low risk with regard to environmental liabilities for the continued use. With regard to environmental considerations the site is considered suitable for purchase.' As such we have not made an allowance for any liabilities in this regard.

Surrounding Infrastructure Swindon is medium sized town, with a population of approximately 155,500, located in Wiltshire, at the western end of the 'Thames Valley Corridor'. The town is approximately 85 miles west of central London, 24 miles north west of Newbury, 30 miles south east of Gloucester, 36 miles west of Reading and 38 miles east of Bristol. The Property is situated on Princes Street in the centre of Swindon, close to the town's main leisure and retail pitches, approximately one mile south of the train station. Spring Gardens House is situated between a recently developed Travelodge and Jurys Inn, with an 850 space car park opposite. Other surrounding occupiers include retail and office users.

Site Area (acres) 0.78
 Net Internal Area (sq ft) 47,918
 Year of Completion 1970's

LEGAL

Tenure Freehold
 Planning / Zoning The Property falls within the planning authority of Swindon Borough Council and is covered by the Swindon Borough Local Plan 2026. The Property falls within the Central Area Action Plan SD2 which aims to provide employment land and floorspace to support planned growth. We assume this will have no material impact on the value. The last planning application on the Property was submitted in 2001 and granted.

TENANCY

Gross Current Rent (pa) £617,373
 Net Current Rent (pa) £617,373
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancy
 Valuation Approaches Primary - Income Capitalisation.
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £671,000
 Gross Value **£7,948,036**
 Capex Allowance £0.00
 Market Value **£7,807,501** Net of purchasers costs at 1.80%
 Initial Yield 7.77%
 Equivalent Yield 7.42%
 Reversionary Yield 8.44%
 Direct Comparison Rate (£/ sq ft) **£163** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - BRENDON HOUSE, TAUNTON, SOUTH WEST, TA1 3RL

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 91
 Property Address Brendon House, Upper High Street, Taunton, TA1 3RL

PROPERTY PARTICULARS

Date of Inspection 26th July 2019
 Type of Property Office
 Brief Description Brendon House comprises a 1970s, detached five-storey office building. The building is of reinforced concrete frame construction, with brick and concrete panel elevations and aluminium framed, double-glazed windows set under a flat roof. The Property has a single storey extension with predominately glazed elevations and a low pitched roof. Internally, the Property benefits from rectangular floor plates, solid carpeted floors, and a central core with a stairwell and lift. A surface car park is situated to the front and the rear of the building with space for approximately 75 cars.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure The Property is situated within Taunton town centre, on the edge of the prime retail core. The Property is bounded to the south by Upper High Street and Temple Methodist Church, whilst to the north is one of the main town centre car parks. There are retail units to the east, whilst to the west are offices (accessed via The Crescent) and a former large office building, Ladysmith House, which now appears to be in residential use.

Site Area (acres) 0.38
 Net Internal Area (sq ft) 41,750
 Year of Completion 1970

LEGAL

Tenure Freehold
 Planning / Zoning The Property falls within the planning jurisdiction of Taunton Deane Borough Council and is covered by the Taunton Deane Adopted Core Strategy 2011 - 2028. We have been unable to ascertain which policies relate directly to the Property. There are no previous or current planning applications against the Property.

TENANCY

Gross Current Rent (pa) £381,723
 Net Current Rent (pa) £381,723
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancy
 Valuation Approaches Primary - Income Capitalisation
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £352,000
 Gross Value **£5,660,322**
 Capex Allowance £0.00
 Market Value **£5,560,238** Net of purchasers costs at 1.80%
 Initial Yield 6.74%
 Equivalent Yield 5.77%
 Reversionary Yield 6.22%
 Direct Comparison Rate (£/ sq ft) **£133** Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - THISTLE HOUSE, TONYPANDY, WALES, CF40 2EP

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	92
Property Address	Thistle House, Llwynypia Road, Tonypandy, CF40 2EP

PROPERTY PARTICULARS

Date of Inspection	30th July 2019
Type of Property	Office
Brief Description	Thistle House comprises a three-storey, purpose-built office building with a secure surface level car park. The Property benefits from passenger lift access to the offices on the upper floors.
Building Assessment	The report identifies there has been no sight of an asbestos documentation for the Property confirming the presence whether any asbestos containing materials (ACMs) existing within the building. Given the anticipated age of the Property and construction utilised we cannot rule out that ACMs may be present. We have not made any allowance for this in reaching our opinion of Market Value.
Surrounding Infrastructure	Tonypandy is a well-established market town located in the Rhondda Valley, 17 miles north west of Cardiff. The town is well connected, being linked to the M4 motorway via the A470, and has rail links to the National Rail network. The Property occupy a prominent position on the principal thoroughfare to the north of Tonypandy town centre, approximately 1 mile north west of the station. Surrounding uses are predominantly commercial.
Site Area (acres)	0.23
Net Internal Area (sq ft)	14,650
Year of Completion	1980's

LEGAL

Tenure	Freehold
Planning / Zoning	The Property falls within the planning authority of Rhondda Cynon Taf County Borough Council and is covered by the Local Development Plan 2006 - 2021. The last application was submitted in 2002 in terms of an internal fitout. The Property is allocated against policy NSA2 which seeks to support and reinforce the role of Tonypandy as a key settlement and promote the beneficial re-use of vacant commercial space.

TENANCY

Gross Current Rent (pa)	£112,044
Net Current Rent (pa)	£112,044
Weighted Average Unexpired Lease Term ("WAULT") to Break	3.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let on two leases to the Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancy		
Valuation Approaches	Primary - Income Capitalisation		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£88,000		
Gross Value	£1,220,507		
Capex Allowance	£0.00		
Market Value	£1,198,926	Net of purchasers costs at	1.80%
Initial Yield	9.17%		
Equivalent Yield	6.92%		
Reversionary Yield	7.20%		
Direct Comparison Rate (£/ sq ft)	£82	Disposal marketing period	12-18 months

EXECUTIVE SUMMARY - COTSWOLD HOUSE, TORQUAY, SOUTH WEST, TQ2 5UX

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	93
Property Address	Cotswold House, Warren Road, Torquay, TQ2 5UX

PROPERTY PARTICULARS

Date of Inspection	29th July 2019
Type of Property	Office
Brief Description	The Property comprises a purpose-built office building of concrete frame construction. It is clad with concrete panels and has steel frame windows with a flat, multi-level roof. The majority of the building is three-storey but there is a section with a further three-storeys. There is surface level car parking to the front of the Property, whilst part of the ground floor comprises a car park with a total of approximately 35 spaces.
Building Assessment	We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a low risk of asbestos blight with a low to medium potential future landlord's liability for asbestos removal/management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
Surrounding Infrastructure	Torquay is a seaside town located in Devon and is part of the unitary authority area of Torbay. It is situated 18 miles south of Exeter and 28 miles north east of Plymouth and 158 miles south west of London. The town centre is located around eight miles south of the South Devon Highway (A380) which links to Newton Abbot, Exeter and the M5 motorway to the north. Torquay is also located five miles north of the A385 which links to Tones, Dartmoor national Park and the Devon Expressway (A38). The Property is located on the west side of Warren Road, whilst the immediate surrounding area is a mixture of retail, residential and hotels.
Site Area (acres)	0.64
Net Internal Area (sq ft)	21,895
Year of Completion	1970's

LEGAL

Tenure	Freehold
Planning / Zoning	The Property falls within the planning authority of Torbay Borough Council and is covered by the Torbay Local Plan 2012-2030. The Property falls within the Shopping and Town Centres area and within the Torbay Conservation area. We have assumed this will have no material affect on value. All previous planning applications against the Property have been granted.

TENANCY

Gross Current Rent (pa)	£206,540
Net Current Rent (pa)	£206,540
Weighted Average Unexpired Lease Term ("WAVULT") to Break	8.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancy		
Valuation Approaches	Primary - Income Capitalisation		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£164,000		
Gross Value	£3,308,500		
Capex Allowance	£0.00		
Market Value	£3,250,000	Net of purchasers costs at	1.80%
Initial Yield	6.24%		
Equivalent Yield	5.18%		
Reversionary Yield	4.96%		
Direct Comparison Rate (£/ sq ft)	£148	Disposal marketing period	9-12 months

EXECUTIVE SUMMARY - HILDEN HOUSE, WARRINGTON, NORTH WEST, WA1 1LA

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 94
 Property Address Hilden House, Winmarleigh Street, Warrington, WA1 1LA

PROPERTY PARTICULARS

Date of Inspection 5th August 2019
 Type of Property Office
 Brief Description The Property comprises a detached office building which is formed over ground and four upper floors. The Property is of framed construction with brick elevations incorporating metal framed windows, formed beneath a flat roof. Internally, there is a central core which divides the rectangular north wing from the 'L' shaped south wing. The accommodation largely provides open plan office accommodation with supporting cellular meeting rooms. There are WC on each floor within the service core, as well as two passenger lifts. The accommodation has been fitted out to provide acoustic tile suspended ceilings, recessed lighting, carpeted floors and recessed air conditioning cassettes. Externally, there is a surfaced car park with approximately 60 marked bays.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a medium risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

The Property has been identified as being of an age and construction nature where HAC (and/or chlorides) may potentially affect the structural frame where precast concrete beams have been used in the upper floor construction. The Due Diligence Reports provided do not provide any further information in this regard, allow for any capital expenditure liability for the Landlord in this regard, or provide further detail relating to future liabilities. Therefore in reaching our opinion of Market Value we have not made any allowance in this regard.

Surrounding Infrastructure The Property is situated on Winmarleigh Street in Warrington town centre. Winmarleigh Street connects with Sankey Street in the north, which in turn connects to the A57 (Liverpool Road). Hilden House lies to the south west of Warrington's traditional retail core. Surrounding property is of mixed use. There are a number of office buildings nearby, including Bank Quay House, a multi-let office building which lies adjacent. Warrington Bank Quay railway station is 300 metres to the south of the Property.

Site Area (acres) 0.80
 Net Internal Area (sq ft) 50,841
 Year of Completion 1960s/1970s.

LEGAL

Tenure Freehold
 Planning / Zoning The Property is located within the jurisdiction of Warrington Council. The relevant planning document is the Core Strategy. The Property is situated within an area allocated under Policy CS7 - Strategic Location (Town Centre) and Policy QE8 - Historic Environment. The Property is in the Town Hall Conservation Area. All previous planning applications have been granted.

TENANCY

Gross Current Rent (pa) £560,215
 Net Current Rent (pa) £560,215
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to the Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value - subject to the existing occupational lease
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £508,000
 Gross Value £7,211,015
 Capex Allowance £0
 Market Value £7,083,512 Net of purchasers costs at 1.80%
 Initial Yield 7.77%
 Equivalent Yield 6.52%
 Reversionary Yield 7.04%
 Direct Comparison Rate (£/ sq ft) £139 Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - LOTHERSDALE HOUSE, WELLINGBOROUGH, MIDLANDS, NN8 4TA

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 95
 Property Address Lotersdale House, West Villa Road, Wellingborough, NN8 4TA

PROPERTY PARTICULARS

Date of Inspection 30th July 2019
 Type of Property Office
 Brief Description The Property comprises a four-storey purpose-built office block, dating from the 1970's and is of concrete framed construction with a flat roof. The elevations are constructed with facing brick masonry walls and aluminium framed windows. The Property has approximately 60 car parking spaces to the front elevation.
 Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
 Surrounding Infrastructure Located 13 miles (21 km) north east of Northampton, Wellingborough is a historic market town 8 miles (13 km) south of Kettering. Wellingborough is situated on the A45, 30 miles (48 km) to the north east of Junction 15 of the M1 motorway. Central London is 70 miles (112 km) to the south of Wellingborough. The town has good communications with rail times to London St Pancras in under 1 hour. The Property is situated at the junction of West Street, and West Villa Road, just to the north of the pedestrianised town centre. The surrounding area is a mixture of semi detached houses and low rise residential apartment blocks.
 Site Area (acres) 1.17
 Net Internal Area (sq ft) 32,113
 Year of Completion 1970's

LEGAL

Tenure Freehold
 Planning / Zoning The Property lies within the Borough Council of Wellingborough. We have conducted online planning searches which have revealed that the Property has had two previous planning applications, which have been granted. There are no other planning allocations assigned to this Property.

TENANCY

Gross Current Rent (pa) £265,055
 Net Current Rent (pa) £265,055
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancies but otherwise with vacant possession
 Valuation Approaches Primary - Income Capitalisation / Secondary - Direct Comparison
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £241,000
 Gross Value **£4,091,942**
 Capex Allowance £0.00
 Market Value **£4,019,589** Net of purchasers costs at 1.80%
 Initial Yield 6.48%
 Equivalent Yield 5.50%
 Reversionary Yield 5.89%
 Direct Comparison Rate (£/ sq ft) **£125.17** Disposal marketing period 9-12 months

EXECUTIVE SUMMARY - REGENT HOUSE, WESTON SUPER MARE, SOUTH WEST, BS23 1JH

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID 96
 Property Address Regent House, High Street, Weston Super Mare, BS23 1JH

PROPERTY PARTICULARS

Date of Inspection 26th July 2019
 Type of Property Office with retail below
 Brief Description The Property is arranged over ground, first, second, and third floors and is of concrete frame construction set under a flat roof. The ground floor retail units are incorporated into the areas demised to the DWP.

Building Assessment We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a medium risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.

Surrounding Infrastructure The Property is situated on the High Street, in the town's retail core, between the prime pitch and the Dolphin Square leisure scheme. Nearby occupiers include Nationwide and Superdrug. The Property is situated opposite the former TJ Hughes department store. There is a multi storey public car park situated to the rear of the Property.

Site Area (acres) 0.19
 Net Internal Area (sq ft) 21,704
 Year of Completion 1970s

LEGAL

Tenure Freehold
 Planning / Zoning The Property falls within the planning jurisdiction of North Somerset Council and is covered by the Core Strategy which was adopted in April 2012. The Property is covered by Policy CS29 (Weston Super Mare Town Centre); this includes the development of high quality leisure, tourist facilities and accommodation. There are no current planning applications against the Property and all previous applications were granted.

TENANCY

Gross Current Rent (pa) £212,637
 Net Current Rent (pa) £212,637
 Weighted Average Unexpired Lease Term ("WAULT") to Break 3.58 years
 Weighted Average Lease Expiry ("WALE") 8.58 years
 Tenancy(cies) 100% let on two leases to The Secretary of State for Housing, Communities and Local Government
 Overall Covenant Strength Strong - UK Government

VALUATION

Basis of Valuation Market Value – subject to existing tenancy
 Valuation Approaches Primary - Income Capitalisation
 Date of Valuation 31st August 2019
 Market Rent (Gross) (pa) £173,500
 Gross Value **£2,771,200**
 Capex Allowance £0.00
 Market Value **£2,722,200** Net of purchasers costs at 1.80%
 Initial Yield 7.68%
 Equivalent Yield 5.97%
 Reversionary Yield 6.27%
 Direct Comparison Rate (£/ sq ft) **£125** Disposal marketing period 12-18 months

EXECUTIVE SUMMARY - CROWN HOUSE, WORTHING, SOUTH EAST, BN11 1NG

Valuation prepared by
 Colliers International Valuation UK LLP
 50 George Street
 London
 W1U 7GA
www.colliers.com/uk

**INSTRUCTIONS**

Property ID	97
Property Address	Crown Buildings, High Street, Worthing, BN11 1NG

PROPERTY PARTICULARS

Date of Inspection	30th July 2019
Type of Property	Office
Brief Description	The Property is a purpose-built detached three-storey office building, plus basement containing a Jobcentre Plus, with additional offices on the first and second floors. The building was refurbished in 2005. The building is constructed of a concrete frame and has uPVC windows. There is a basement and rear surface car park providing approximately 114 parking spaces.
Building Assessment	We understand that the Asbestos Register identifies various tested and presumed Asbestos Containing Materials (ACMs) within the Property requiring management control. The report concludes that the Property is 'a generally high risk of asbestos blight with a medium potential future landlord's liability for asbestos removal / management at the point of the tenant's leasehold interest lapsing'. The reports provided do not allow for any capital expenditure liability for the Landlord in this regard, and therefore this is the approach that we have adopted in reaching our opinion of Market Value.
Surrounding Infrastructure	Worthing is a large coastal town in West Sussex at the southerly edge of the South Downs National Park. Central London lies 59 miles (95 km) north of Worthing and Brighton is 18 miles (29 km) east of Worthing. A regular train service runs from Worthing to London Victoria. The Property is situated close to the A24 in central Worthing. The surrounding area is a mix of retail and residential.
Site Area (acres)	0.77
Net Internal Area (sq ft)	31,503
Year of Completion	1960's

LEGAL

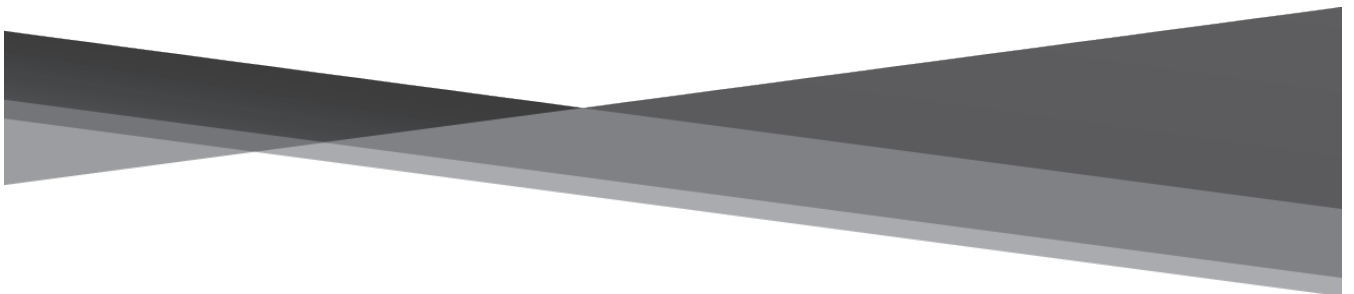
Tenure	Freehold
Planning / Zoning	The Property lies within Adur and Worthing Council. We have conducted an online search for planning records and applications related to the Property and we have been unable to locate any material applications. As far as we are aware, under current planning policy documentation, this Property is not allocated.

TENANCY

Gross Current Rent (pa)	£326,711
Net Current Rent (pa)	£326,711
Weighted Average Unexpired Lease Term ("WAULT") to Break	8.58 years
Weighted Average Lease Expiry ("WALE")	8.58 years
Tenancy(cies)	100% let to The Secretary of State for Housing, Communities and Local Government
Overall Covenant Strength	Strong - UK Government

VALUATION

Basis of Valuation	Market Value – subject to existing tenancies but otherwise with vacant possession		
Valuation Approaches	Primary - Income Capitalisation / Secondary - Direct Comparison		
Date of Valuation	31st August 2019		
Market Rent (Gross) (pa)	£315,000		
Gross Value	£6,209,800		
Capex Allowance	£0.00		
Market Value	£6,100,000	Net of purchasers costs at	1.80%
Initial Yield	5.26%		
Equivalent Yield	5.24%		
Reversionary Yield	5.07%		
Direct Comparison Rate (£/ sq ft)	£194	Disposal marketing period	6-9 months



Colliers International Valuation UK LLP
Valuation & Advisory Services
50 George Street
London
W1U 7GA

www.colliers.com/uk

Valuation Report.

Project Gemstones

Prepared for Elite Commercial REIT Management Pte. Ltd (as
manager of Elite Commercial REIT) and Perpetual (Asia) Limited
(in its capacity as trustee of Elite Commercial REIT)
Valuation date: 31 August 2019

Important Notice to all readers of this report

Unless you are the Client named within this report, or have been explicitly identified by us as a party to whom we owe a duty of care and who is entitled to rely on this report, Knight Frank LLP does not owe or assume any duty of care to you in respect of the contents of this report and you are not entitled to rely upon it.

**Connecting people &
property, perfectly.**

Perpetual (Asia) Limited
(in its capacity as Trustee of Elite Commercial REIT)
8 Marina Boulevard
#05-02, Marina Bay Financial Centre
Singapore 018981

Elite Commercial REIT Management Pte. Limited
(as manager of Elite Commercial REIT)
9 Temasek Boulevard
#17-01 Suntec Tower 2
Singapore 038989

For the attention of Mr Jonathan Edmunds
Email: jonathanedmunds@elitepartnerscapital.com
Tel: +65 6955 9999

Our ref: I:1074842

Date of issue: 06 January 2020

Dear Sirs

Valuation Report – Portfolio of 97 Properties located across United Kingdom

Further to your instructions, we are pleased to provide our Valuation Report in respect of the above property. If you have any queries regarding this report, please let us know as soon as possible.

Signed for and on behalf of Knight Frank LLP



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This report has been reviewed, but not undertaken, by:



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Knight Frank LLP is a limited liability partnership registered in England with registered number OC305934.
Our registered office is 55 Baker Street, London, W1U 8AN where you may look at a list of members' names.

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Appendices

- Appendix 1 General Terms of Business for Valuation Services
- Appendix 2 Portfolio Analysis Sheet
- Appendix 3 Individual Property Reports

Executive summary

This Executive summary is a brief overview of our Valuation Report and must not be relied upon in isolation. It is intended to be read in conjunction with the whole report and is subject to any assumptions, caveats and comments stated within the body of this report.

Location	The portfolio comprises 97 office buildings throughout the United Kingdom. The portfolio is geographically diversified with 20% of the aggregate value located in London and the South East, 11% in the South West, 7% in the Midlands, 1% in Yorkshire, 5% in the North East, 23% in the North West, 25% in Scotland and 8% in Wales.
Areas	2,556,046 sq ft. We refer you to the individual reports in Appendix 3 for the individual breakdown of floor areas per property.
Tenure	All the assets are held freehold or Heritable (Scottish equivalent of Freehold) with the exception Parc Menai, Bangor, LL57 4FD (property reference: 8) which is held long leasehold for term of 250 years from 20 May 2005 at a peppercorn rent. The freehold is owned by The National Assembly of Wales.
Valuation considerations	• A portfolio of 97 office buildings providing a total floor area of 2,556,046 sq ft. • Total net income across the portfolio of £23,294,134 per annum, equating to an average rent of £9.11 per sq ft. • The majority of the Portfolio (over 99%) is let to The Secretary of State for Housing, Communities and Local Government for a term of 10 years with 12 of the Properties (27% of the current income) having no break options, 84 of the Properties (71% of the current income) have a break in the 5th year and the remaining 2 properties (2% of the current income) have a break in the third year. • Weighted average unexpired lease term of 8.56 years to expiry and 4.90 years to break. • The Secretary of State for Housing, Communities and Local Government leases are subject to 5 yearly rent reviews linked to the Consumer Price Index (CPI) with a cap and collar of 1.00% - 5.00% pa. • Glasgow Benefits Centre, Northgate, 96 Milton Street, Glasgow, G4 0DXX (property reference: 44) is the largest asset by value at 11% whilst the top 10 assets total £116,035,000 or 39% of the aggregate portfolio value. • Low average capital value per property of £3,093,454.
Valuation date	31 August 2019
Aggregate (gross) Current Rent)	£23,294,134 per annum (£9.11 per sq ft) (Twenty Three Million, Two Hundred and Ninety Four Thousand, One Hundred and Thirty Four Pounds per annum)

Aggregate (gross) Market rent	£22,517,921 per annum (£8.81 per sq ft) (Twenty Two Million, Five Hundred and Seventeen Thousand, Nine Hundred and Twenty One Pounds per annum)
Aggregate Market Value on the Special Assumption of SPV purchasers costs of 1.80%	£300,065,000 (Three Hundred Million and Sixty Five Thousand Pounds)

1. Terms of engagement

Engagement of Knight Frank LLP

- 1.1 This valuation report (the “Valuation”) has been prepared in accordance with our Terms of Engagement letter dated 8 July 2019 and our General Terms of Business for Valuation Services (together the “Agreement”). A copy of our General Terms of Business for Valuation Services is attached at Appendix 1 (along with your original instruction for reference purposes).

Client

- 1.2 We have been instructed to prepare the Valuation by Elite Partners Capital Pte Ltd (as manager of Elite Commercial REIT) and Perpetual (Asia) Limited (in its capacity as trustee of Elite Commercial REIT) (the “Client”).

Valuation standards

- 1.3 This valuation has been undertaken in accordance with RICS Valuation - Global Standards 2017, which incorporate the International Valuation Standards, and the RICS UK National Supplement effective from January 2019. References to the “Red Book” refer to either or both of these documents, as applicable. As required by the Red Book, some key matters relating to this instruction are set out below.

Independence and expertise

Disclosure of any conflicts of interest

- 1.4 We confirm that we do not have any material connection or involvement giving rise to a conflict of interest and are providing an objective and unbiased valuation.

Valuer and expertise

- 1.5 The valuer, on behalf of Knight Frank LLP, with the responsibility for this report is Michael Crowe MRICS, RICS Registered Valuer. Parts of this valuation have been undertaken by additional valuers as listed on our file.
- 1.6 We confirm that the valuer and additional valuers meet the requirements of the Red Book, having sufficient current knowledge of the particular market and the skills and understanding to undertake the valuation competently.
- 1.7 We are appointed as your valuation advisors; our role is limited to providing property valuation services in accordance with the Red Book and the terms of this Agreement.
- 1.8 For the avoidance of doubt, we are not acting as an “External Valuer” for the purposes of Directive 2011/16/EU and/or any implementing legislation thereof (including, but not limited to, the Alternative Investment Fund Managers Regulations 2013) (“AIFMD”). We shall not perform the valuation function referred to in Article 19 of AIFMD for the Fund, and, we are not responsible for making the final determination of the value of the Property nor for the calculation of the Net Asset Value of the Fund.
- 1.9 This report has been vetted as part of Knight Frank LLP’s quality assurance procedures.

Use of this Valuation

Purpose of valuation

- 1.10 This Valuation is provided solely for the purpose of inclusion within the Prospectus and any supplementary prospectus which is to be lodged with, and registered by, the Monetary Authority of Singapore in connection with the IPO and listing on the SGX as well as any marketing materials in connection with the IPO (the "Purpose") and in accordance with clause 4.1 of our General Terms may not be used for any other purpose without our express written consent.

Reliance

- 1.11 This Valuation has been prepared for the Client only.
- 1.12 No other person is entitled to rely on the Valuation for any purpose. We accept no liability to anyone for any improper or unauthorised reliance on this Valuation.

Disclosure & publication

- 1.13 The Valuation has been prepared for the Client and in accordance with the Agreement which governs its purpose and use. As stated in the Agreement, this Valuation is confidential and must not be disclosed to any person other than the Client without our express written consent. Nor may the whole nor any part of this valuation nor any reference thereto may be included in any prospectus, listing particulars, published document, circular or statement nor published in any way without our prior written approval of the form or context in which it may appear.

Limitations on liability

- 1.14 Knight Frank LLP's total liability for any direct loss or damage (whether caused by negligence or breach of contract or otherwise) arising out of or in connection with this Valuation is limited in accordance with the terms of the Agreement. Knight Frank LLP accepts no liability for any indirect or consequential loss or for loss of profits.
- 1.15 We confirm that we hold adequate and appropriate PII cover for this instruction.
- 1.16 No claim arising out of or in connection with this Valuation may be brought against any member, employee, partner or consultant of Knight Frank LLP. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank LLP.
- 1.17 Nothing in this Valuation shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law.

Scope of work

Information provided to us which we have relied upon

- 1.18 In this report, we have been provided with the following information by you, your advisors and other third parties and have relied upon this information as being materially correct in all aspects.
- 1.19 In particular, we detail the following:

- Real Estate Report relating to the Hayhill Portfolio prepared by Eversheds Sutherland (International) LLP 2019, undated.
- Independent Market Research report prepared by JLL dated October 2019.
- Leases for all 97 assets.
- Property Info (for Valuers) schedule supplied by Elite Partners Capital Ltd detailing NIA floor and site areas.
- The Hayhill Portfolio Due Diligence database (KF) supplied by Elite Partners Capital Ltd.
- The Hayhill Portfolio marketing brochure dated February 2018 prepared by CBRE.
- Technical Due Diligence Reports prepared by Jones Hargreaves (UK) Limited dated June/July 2018 on 24 assets.
- External Building Appraisal Reports prepared by Jones Hargreaves (UK) Limited dated June/July 2018 on 28 assets.
- Title Assessment Reports prepared by Jones Hargreaves (UK) Limited dated June/July 2018 on 46 assets.
- Phase 1 Environmental Due Diligence Report prepared by Roberts Environmental Ltd dated July 2018 on 8 assets.
- Groundsure Reports on all assets dated August 2017.
- Energy Performance Certificates on all assets.

1.20 In the absence of any documentation or information provided, we have had to rely solely upon our own enquiries as outlined in this report. Any assumptions resulting from lack of information are also set out in the relevant section of this report.

Investigations carried out by us

1.21 In carrying out this Valuation, we have undertaken verbal, web based enquiries referred to in the relevant sections of this report. We have relied upon this information as being accurate and complete.

2. The Properties

- 2.1 We valued a total of 97 properties within England, Scotland and Wales.
- 2.2 We were instructed to inspect the Properties within the portfolio internally, as well as externally.

The Portfolio

- 2.3 The details of the properties within the Portfolio are set out in the individual property reports, attached at Appendix 3.

Location

- 2.4 The Portfolio is geographically diversified across the United Kingdom with 20% of current gross income generated in London and the South East, 11% in the South West, 7% in the Midlands, 1% in Yorkshire, 5% in the North East, 23% in the North West, 25% in Scotland and 8% in Wales.
- 2.5 A breakdown of the number of assets and current income by region is shown as follows:

Table 1: The Summary of Values

Property	No of Assets	Total Gross Income pa	% of Total Gross Income pa
London	2	£499,552	2.14%
South East	14	£4,232,482	18.17%
South West	9	£2,453,625	10.53%
Midlands	9	£1,591,175	6.83%
Yorkshire and Humber	4	£269,687	1.16%
North East	9	£1,211,274	5.20%
North West	16	£5,342,921	22.94%
Scotland	20	£5,902,771	25.34%
Wales	14	£1,790,647	7.69%
Aggregate totals	97	£23,294,134	100.00

Source: Knight Frank

Site

Site plan

- 2.6 We have been supplied with individual site areas by the Client, which are set out in the individual property reports attached. The aggregate site area for the Portfolio is 47.18 hectares (116.58 acres).

Accommodation

Measurement

- 2.7 As agreed with the Client, we have relied upon floor areas provided to us. No further verification has been undertaken.
- 2.8 A breakdown of floor areas by tenancy is provided in the individual property reports.

Services

- 2.9 No tests have been undertaken on any of the services.
- 2.10 We have assumed for the purposes of this valuation that mains gas, water, electricity, drainage and telecommunications are all available to the properties within the portfolio.

Legal title

Land register searches

- 2.11 We do not undertake searches or inspections of any kind (including web based searches) for title or price paid information in any publicly available land registers, including the Land Registry for England & Wales, Registers of Scotland and Land & Property Services in Northern Ireland.

Sources of Information

- 2.12 We have been provided with a draft Real Estate Report undated, prepared by Eversheds Sutherland (International) LLP 2019, on which we have relied. We confirm that the properties valued, are the properties described in the Reports on Title. We also confirm that we have taken the Reports on Title into account in arriving at our valuation and that there is nothing contained within the Reports on Title that would cause us to alter our valuation report.
- 2.13 In our valuation, we have assumed a good and marketable title and that all documentation is satisfactorily drawn.

Tenure

- 2.14 The tenure of the properties is set out in the individual property reports attached at Appendix 3.
- 2.15 All the assets are held freehold or Heritable (Scottish equivalent of Freehold) with the exception Parc Menai, Bangor, LL57 4FD (property reference: 8) which is held long leasehold for term of 250 years from 20 May 2005 at a peppercorn rent. The freehold is owned by The National Assembly of Wales.

Covenants

- 2.16 We have assumed that the properties are not subject to any unusual or onerous covenants, restrictions, encumbrances or outgoings.

Tenancies

Tenancy information

- 2.17 We have been provided with the tenancy information by the Client and have relied on that information as being correct. In addition, we have seen copies of the occupational leases, which we are informed, are typical within the property.
- 2.18 The portfolio is multi-tenanted on full repairing and insuring terms as set out in the individual property reports, which are attached at Appendix 3. The total of passing rents is £23,294,134 per annum.
- 2.19 The majority of the Portfolio is let to The Secretary of State for Housing, Communities and Local Government for a term of 10 years with 12 of the Properties (27% of the current income) have no break options, 84 of the Properties (71% of the current income) have a break in the 5th year and the remaining 2 properties (2% of the current income) have a break in the third year.

The DWP Estate

- 2.20 In 2018, the government reported that the DWP's holdings were split between 808 Jobcentres and Medical Examination Centres and some 121 offices. Total floor space amounted to 1.43m sq m, split 60%/40% between Jobcentres and offices.
- 2.21 The 2017/2018 period was one of significant change within the DWP estate. The Private Sector Resource Initiative for Management of the Estate (PRIME) contract with Telereal Trillium came to an end, and new tenure and occupation arrangements have been set up for leasing and management. This also involved a significant consolidation and rationalisation programme, including a move towards co-location – which saw local authorities, departments and other services moving into shared public buildings or hubs.
- 2.22 As part of this programme, DWP increased the number of Jobcentres co-located with local authorities and vacated 149 operational buildings. As its Strategic Asset Management Plan states: "The Department's footprint is now more closely matched to its requirements". While it states that further rationalisation is anticipated, the scale appears to be minor compared to the recent changes. It anticipates a reduction in the number of buildings from 808 in 2018 to 781 in March 2021 and 770 in March 2023 – a reduction of just 38 buildings, or 4.7% by count, over a five-year period.
- 2.23 DWP Services are provided through various front-of-house and back office locations, many of which are featured in this portfolio. They are generally centrally located in town centres or in other densely populated areas and are close to public transport and other amenities.

Condition

Scope of inspection

- 2.24 We have not undertaken a building or site survey of the properties.
- 2.25 During our inspection, we did not inspect any inaccessible areas. We are unable to confirm whether the properties are free from urgent or significant defects or items of disrepair.

Comments

- 2.26 Apart from any matters specifically referred to in the individual property reports, we have assumed that the properties are in sound order and free from structural faults, rot, infestation or other defects, and that the services are in a satisfactory condition.
- 2.27 During our inspection, no major defects or serious items of disrepair were noted which would be likely to give rise to a substantial capital expenditure in the foreseeable future or which fall outside the scope of the normal annual maintenance programme.

Environmental considerations

Flooding

- 2.28 We have used the website of the Environment Agency's Indicative Floodplain Maps to provide a general overview of lands in natural floodplains and therefore potentially at risk of flooding from rivers or the sea. The maps use the best information currently available, based on historical flood records and geographical models. They indicate where flooding from rivers, streams, watercourses or the sea is possible.
- 2.29 We understand that Ashington, Banbury, Bognor Regis, Bridgend, Burnley, Burton on Trent, Derby, Fleetwood, Grantham, Haverfordwest, Hexham, Houghton Le Spring, Lancaster, Manchester, Northallerton, Nottingham, Porth, Swansea, Warrington are identified as being at high risk of flooding.

Contamination

- 2.30 Investigations into environmental matters would usually be commissioned from suitably qualified environmental specialists. Knight Frank LLP is not qualified to undertake scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination.
- 2.31 We have been provided with and relied upon a Phase 1 Environmental Due Diligence Report prepared by Roberts Environmental Ltd dated July 2018 on 8 assets. The conclusions of the Reports are referred to in individual reports.
- 2.32 We understand from the Real Estate Report prepared by Eversheds Sutherland (International) LLP 2019, that a diesel spill at the property known as Peel Park, Blackpool (property reference: 13) has been cleaned up. Further we understand that both the Environment Agency and the Local Authority are content with the level of remediation that has been carried out.
- 2.33 Subject to the above, while carrying out our valuation inspection, we have not been made aware of any uses conducted at the properties that would give cause for concern as to possible environmental contamination. Our valuation is provided on the assumption that the properties are unaffected.

Asbestos

- 2.34 Since 1999, the use within a building of asbestos containing materials (ACMs) has been banned. These are commonly found although are often in areas not visible from an inspection of the surface elements. While these can be sealed in place, public alarm is such that their removal and safe disposal is the more likely course of action and this can be particularly expensive. Removal and disposal will require

specialist advice. Knight Frank LLP does not specifically inspect for ACMs. We have assumed that no ACMs are contained within the properties within the portfolio.

Sustainability

Sustainability

- 2.35 The issue of sustainability is becoming increasingly important to participants in the property market. There is a general expectation that buildings that minimise environmental impact through all parts of the building life cycle and focus on improved health for their occupiers may retain value over a longer term than those that do not.
- 2.36 The Government has set itself a target to reduce CO₂ emissions by 80% by 2050. With property representing around 50% of total emissions, the sector has become an obvious target for legislation. It is likely that, as we move towards 2050, energy efficiency legislation for property will become increasingly stringent.

EPCs

- 2.37 All properties within the UK require an Energy Performance Certificate (EPC) when bought, sold, built or rented. An EPC measures the asset rating of a building in relation to its energy performance.
- 2.38 The Energy Act 2011 introduced legislation that has made it unlawful to rent a property which has an "F or G" energy efficiency rating. This minimum energy efficiency rating could be made more stringent in the future.
- 2.39 Additionally, residential landlords are not be able to unreasonably refuse consent for certain types of energy efficiency improvements.
- 2.40 We have been provided with EPCs, where available, for the properties and the ratings are set out in the individual property reports.
- 2.41 From a value perspective, sustainability is likely to be a long term issue and its relative importance will change over time. Our valuation provides our opinion of value at the valuation date based on market related factors at that date.

Planning

Sources of planning information

- 2.42 We have assumed that the Properties have been constructed in full compliance with all statutory and local authority requirements including building, fire and health and safety regulations and are not subject to any outstanding statutory notices as to their construction, use or occupation. Unless we have been advised to the contrary, we have further assumed that the existing use of the Properties is duly authorised or established and that no adverse planning conditions or restrictions apply.

Highways and access

Highways

- 2.43 We have endeavoured to make verbal enquiries of relevant Highways Authorities for the properties.

- 2.44 We have assumed that there are no current highway proposals in the immediate vicinity likely to have a detrimental effect upon the properties within the foreseeable future.

Access

- 2.45 In reporting our opinion of value, we have assumed that there are no third party interests between the boundary of the properties and the adopted highways and that accordingly the properties have unfettered vehicular and pedestrian access.

Rating assessments

Rateable value

- 2.46 On the 1st April 2017, a new rating list came into force. We have made enquiries of the VOA website and the entries appearing in the 2017 Rating List are set out in the individual property reports.
- 2.47 The actual liability may be subject to upwards or downwards phasing in respect of which regulations are made from time to time. We have not investigated the amount actually payable in respect of the properties.
- 2.48 The standard rating multiplier for the financial year ending 31 March 2020 is 50.4 pence in the pound (although this reduces to 49.1 pence in the pound for rateable values below £51,000 but increases by 2 pence for all properties within Greater London with a rateable value above £70,000) and a further 0.5 pence for all properties in the City of London.

Statutory licences & certificates

Fire safety

- 2.49 It is a requirement for a fire safety risk assessment to be carried out and for a fire management plan to be maintained. These requirements, which were introduced in 2006, replace the previous requirement for a Fire Certificate. We have not viewed any such documents relating to the Portfolio and have assumed for the purposes of our valuation that the relevant requirements have been fully complied with.

Access for disabled persons

- 2.50 Disability discrimination legislation provides that the majority of organisations must make provision for disabled persons to have access to the goods and services they provide. This may require an access audit of a property to be undertaken and for specific arrangements relating to physical aspects of the building. We have not been provided with any information in this respect and our valuation has been undertaken on the assumption that the properties are either fully compliant or capable of being made fully compliant at no significant additional cost with all relevant disability access requirements.

3. Valuation

Methodology

- 3.1 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

Investment method

- 3.2 Our valuation has been carried out using the comparative and investment methods. In undertaking our valuation of the properties, we have made our assessment on the basis of a collation and analysis of appropriate comparable investment and rental transactions, together with evidence of demand within the vicinity of the subject properties. With the benefit of such transactions, we have then applied these to the properties, taking into account size, location, terms, covenant and other material factors.

Portfolio considerations

- 3.3 A portfolio of 97 office buildings providing a total floor area of 2,556,046 sq ft.
- 3.4 Located across the United Kingdom with 20% of current gross income generated in London and the South East, 11% in the South West, 7% in the Midlands, 1% in Yorkshire, 5% in the North East, 23% in the North West, 25% in Scotland and 8% in Wales.
- 3.5 Total net income across the portfolio of £23,294,134 per annum, equating to an average rent of £9.11 per sq ft.
- 3.6 The majority of the Portfolio (over 99%) is let to The Secretary of State for Housing, Communities and Local Government for a term of 10 years with 12 of the Properties (27% of the current income) having no break options, 84 of the Properties (71% of the current income) have a break in the 5th year and the remaining 2 properties (2% of the current income) have a break in the third year.
- 3.7 Weighted average unexpired lease term of 8.56 years to expiry and 4.90 years to break.
- 3.8 The Secretary of State for Housing, Communities and Local Government leases are subject to 5 yearly rent reviews linked to the Consumer Price Index (CPI) with a cap and collar of 1.00% - 5.00% pa.
- 3.9 Glasgow Benefits Centre, Northgate, 96 Milton Street, Glasgow, G4 0DXX (property reference: 44) is the largest asset by value at 11% whilst the top 10 assets total £116,035,000 or 39% of the aggregate portfolio value.
- 3.10 Low average capital value per property of £3,093,454.

Valuation bases

Market Value

- 3.11 Market Value is defined within RICS Valuation – Global Standards as:

- 3.12 “The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”
- 3.13 No allowance has been made for expenses of realisation or for any taxation which might arise, and our valuations are expressed exclusive of any Value Added Tax that may become chargeable.
- 3.14 As instructed by the Client, our valuations reflect purchasers costs of 1.80% and excludes any liability for UK Stamp Duty payable at the valuation date.

Portfolios

- 3.15 In a valuation of a property portfolio, we have valued the individual properties separately and we have assumed that the individual properties have been marketed in an orderly way.

Market Rent

- 3.16 The basis of valuation for our opinion of rental value is Market Rent. This is defined in RICS Valuation – Global Standards as:
- 3.17 “The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

Valuation date

Valuation date

- 3.18 The valuation date is 31 August 2019.

Market Value

Assumptions

- 3.19 Our valuation is necessarily based on a number of assumptions, which have been drawn to your attention in our Terms of Engagement letter and within this report.

Special assumptions

- 3.20 As instructed by with you, our valuation is also undertaken the following special assumptions:-

- 3.21 A special assumption that the Properties are valued on the basis of SPV purchasers costs of 1.80%.

Market Value on Special Assumption

- 3.22 We are of the opinion that the aggregate Market Value on the special assumption of SPV purchasers costs of the freehold, heritable (Scottish equivalent of freehold) and long leasehold interests in the Properties, subject to the existing tenancies, as at the valuation date is:

£300,065,000 (Three Hundred Million and Sixty Five Thousand Pounds).

- 3.23 Our opinions of value are summarised in the table below:

Table 2: Summary of Values

Property	Market Value	Current Rent	Market Rent
London (2 assets)	£8,185,000	£499,552	£499,552
South East (14 assets)	£61,935,000	£4,232,482	£4,216,897
South West (9 assets)	£29,190,000	£2,453,625	£2,242,360
Midlands (9 assets)	£19,525,000	£1,591,175	£1,570,077
Yorkshire and Humber (4 assets)	£2,725,000	£269,687	£256,855
North East (9 assets)	£11,265,000	£1,211,274	£1,091,178
North West (16 assets)	£71,570,000	£5,342,921	£5,311,538
Scotland (20 assets)	£75,995,000	£5,902,771	£5,658,436
Wales (14 assets)	£19,675,000	£1,790,647	£1,671,028
Aggregate totals (97 assets)	£300,065,000	£23,294,134	£22,517,921

Source: Knight Frank

Valuation analysis

3.24 The table below sets out yield profile of the portfolio as a whole:

Table 3:

Net Initial	7.76%	
Reversionary	7.38%	(1 April 2028)
Equivalent (Nominal)	7.41%	
True Equivalent (Quarterly in Advance)	7.77%	

Source: Argus Investor

Market Rent

3.25 We are of the opinion the aggregate Market Rent of the Properties, as at the valuation date, is:

3.26 **£22,517,921 per annum (Twenty Two Million, Five Hundred and Seventeen Thousand, Nine Hundred and Twenty One Pounds per annum).**

Appendix 1 General Terms of Business for Valuation Services

General Terms of Business for Valuation Services

Important Notice

If you have any queries relating to this Agreement please let us know as soon as possible and in any event before signing the Letter and/or giving us instructions to proceed.

Your instructions to proceed (howsoever received, whether orally or in writing) will constitute your offer to purchase our services on the terms of the Agreement.

Accordingly, our commencement of work pursuant to your instructions shall constitute acceptance of your offer and as such establish the contract between us on the terms of the Agreement.

These General Terms of Business (the “General Terms”) and our engagement letter (the “Letter”) together form the agreement between you and us (the “Agreement”). References to “you”, “your” etc. are to persons or entities who are our client and, without prejudice to clauses 3 and 4 below, to any persons purporting to rely on our Valuation.

Unless the context otherwise requires, all other terms and expressions used but not defined herein shall have the meaning ascribed to them in the Letter.

When used herein or in the Letter, the term “Valuation” shall mean any valuation report, supplementary report or subsequent/update report, produced pursuant to our engagement and any other replies or information we produce in respect of any such report and/or any relevant property. Any words following the terms “including”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

All of the terms set out in these General Terms shall survive termination of the Agreement.

1. Knight Frank

- 1.1 Knight Frank LLP (“Knight Frank”, “our”, “us”, “we”) is a limited liability partnership with registered number OC305934; this is a corporate body which has *members* and not *partners*.
- 1.2 Our registered office is at 55 Baker Street, London W1U 8AN where a list of members may be inspected.
- 1.3 Any representative of Knight Frank described as *partner* is either a member or an employee of Knight Frank and is not a partner in a partnership. The term *partner* has been retained because it is an accepted way of referring to senior professionals. The term “**Knight Frank Person**” shall, when used herein, mean any member, employee, “partner” or consultant of Knight Frank.
- 1.4 Our VAT registration number is 238 5156 53.
- 1.5 The details of our professional indemnity insurance specified in the Provision of Services Regulations 2009 will be provided to you on request by Natalie Jordan, Partner, Secretariat & Pensions.
- 1.6 Knight Frank is registered for regulation in the United Kingdom by the Royal Institution of Chartered Surveyors (“RICS”). Any Valuation provided by us may be subject to monitoring under RICS Valuer Registration. In accordance with our obligations it may be necessary to disclose valuation files to RICS. By instructing us you give us your permission to do so. Where possible we will give you prior notice before making any such disclosure, although, this may not always be possible. We will use reasonable endeavours to limit the scope of any such disclosure and to ensure any disclosed documents are kept confidential.
- 1.7 Valuations will be carried out in accordance with the relevant edition of the RICS valuation standards, the RICS Red Book (the “**Red Book**”), by valuers who conform to its requirements and with regard to relevant statutes or regulations.

- 1.8 As required by RICS, a copy of our complaints procedure is available on request.

2. Governing law and jurisdiction

- 2.1 The Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation or any Valuation shall be governed by and construed in accordance with English law.

- 2.2 The courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Agreement or its subject matter or formation or any Valuation. This will apply wherever the relevant property or the client, or any relevant third party, is located or the service is provided.

3. Limitations on liability

- 3.1 Subject to clause 3.8, our maximum total liability in connection with or arising out of this Agreement and/or its subject matter and/or the Valuation is limited to the higher of £250,000 or fifty times our fee as set out in the Letter.
- 3.2 Subject to clause 3.8, we will not be liable for any loss of profits or for indirect or consequential loss.
- 3.3 Our liability to you shall be reduced to the extent that we prove that we would have been able to claim a contribution pursuant to the Civil Liability (Contribution) Act 1978 from one or more of the other professionals instructed by you in relation to any relevant property and/or the Purpose (and in each case if, as a result of an exclusion or limitation of liability in your agreement with such professional, the amount of such contribution would be reduced, our liability to you shall be further reduced by the amount by which the contribution we would be entitled to claim from such professional is reduced).
- 3.4 Subject to clause 3.8, any limitation on our liability will apply however such liability is or would otherwise have been incurred, whether in contract, tort (including negligence), for breach of statutory duty, or otherwise.
- 3.5 Except as set out in clauses 3.6 and 4.7 and 4.8 below no third party shall have any right to enforce any of the terms of this Agreement, whether under the Contracts (Rights of Third Parties) Act 1999 or otherwise.
- 3.6 No claim arising out of or in connection with this Agreement may be brought against any Knight Frank Person. Those individuals will not have a personal duty of care to you or any other person and any such claim for losses must be brought against Knight Frank. Any Knight Frank Person may enforce this clause under the Contracts (Rights of Third Parties) Act 1999 but the terms of this Agreement may be varied by agreement between the client and Knight Frank at any time without the need for any Knight Frank Person to consent.
- 3.7 No claim, action or proceedings arising out of or in connection with the Agreement and/or any Valuation shall be commenced against us after the expiry of the earlier of (a) six years from the Valuation

- Date (as set-out in the relevant Valuation) or (b) any limitation period prescribed by law.
- 3.8 Whether or not specifically qualified by reference to this clause, nothing in the Agreement shall exclude or limit our liability in respect of fraud, or for death or personal injury caused by our negligence or negligence of those for whom we are responsible, or for any other liability to the extent that such liability may not be so excluded or limited as a matter of applicable law.
4. **Purpose, reliance and disclosure**
- 4.1 The Valuation is prepared and provided solely for the stated purpose. Unless expressly agreed by us in writing, it cannot be relied upon, and must not be used, for any other purpose and, subject to clause 3.8, we will not be liable for any such use.
- 4.2 Without prejudice to clause 4.1 above, the Valuation may only be relied on by our Client. Unless expressly agreed by us in writing the Valuation may not be relied on by any third party and we will not be liable for any such purported reliance.
- 4.3 Subject to clause 4.4 below, the Valuation is confidential to our Client and must not be disclosed, in whole or in part, to any third party without our express written consent (to be granted or withheld in our absolute discretion). Subject to clause 3.8, no liability is accepted to any third party for the whole or any part of any Valuation disclosed in breach of this clause.
- 4.4 Notwithstanding any statement to the contrary in the Agreement, you may disclose documents to the minimum extent required by any court of competent jurisdiction or any other competent judicial or governmental body or the laws of England.
- 4.5 Neither the whole nor any part of the Valuation and/or any reference thereto may be included in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any website) without our prior written consent and approval of the form and context in which it may appear.
- 4.6 Where permission is given for the publication of a Valuation neither the whole nor any part thereof, nor any reference thereto, may be used in any publication or transaction that may have the effect of exposing us to liability for actual or alleged violations of the Securities Act 1933 as amended, the Securities Exchange Act of 1934 as amended, any state Blue Sky or securities law or similar federal, state provincial, municipal or local law, regulation or order in either the United States of America or Canada or any of their respective territories or protectorates (the "**Relevant Securities Laws**"), unless in each case we give specific written consent, expressly referring to the Relevant Securities Laws.
- 4.7 You agree that we, and/or any Knight Frank Person, may be irreparably harmed by any breach of the terms of this clause 4 and that damages may not be an adequate remedy. Accordingly, you agree that we and/or any Knight Frank Person may be entitled to the remedies of injunction or specific performance, or any other equitable relief, for any anticipated or actual breach of this clause.
- 4.8 You agree to indemnify and keep fully indemnified us, and each relevant Knight Frank Person, from and against all liabilities, claims, costs (including legal and professional costs), expenses, damages and losses arising from or in connection with any breach of this clause 4 and/or from the actions or omissions of any person to whom you have disclosed (or otherwise caused to be made available) our Valuation otherwise than in accordance with this clause 4.
5. **Knight Frank network**
- 5.1 Knight Frank LLP is a member of an international network of independent firms which may use the "Knight Frank" name and/or logos as part of their business name and operate in jurisdictions outside the United Kingdom (each such firm, an "**Associated Knight Frank Entity**").
- 5.2 Unless specifically agreed otherwise, in writing, between you and us: (i) no Associated Knight Frank Entity is our agent or has authority to enter into any legal relations and/or binding contracts on our behalf; and (ii) we will not supervise, monitor or be liable for any Associated Knight Frank Entity or for the work or actions or omissions of any Associated Knight Frank Entity, irrespective of whether we introduced the Associated Knight Frank Entity to you.
- 5.3 You are responsible for entering into your own agreement with any relevant Associated Knight Frank Entity.
- 5.4 This document has been originally prepared in the English language. If this document has been translated and to the extent there is any ambiguity between the English language version of this document and any translation thereof, the English language version as prepared by us shall take precedence.
6. **Severance**
If any provision of the Agreement is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable and, to the greatest extent possible, achieves the intended commercial result of the original provision. If express agreement regarding the modification or meaning or any provision affected by this clause is not reached, the provision shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision shall be deemed deleted. Any modification to or deletion of a provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.
7. **Entire agreement**
- 7.1 The Agreement, together with any Valuation produced pursuant to it (the Agreement and such documents together, the "**Contractual Documents**") constitute the entire agreement between you and us and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between you and us, whether written or oral, relating to its subject matter.
- 7.2 Subject to clause 3.8 above, you agree that in entering into the Agreement you do not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not expressly set out in the Contractual Documents. You further agree that you shall have no claim for innocent or negligent misrepresentation based on any statement set out in the Contractual Documents.
- 7.3 The Letter and these General Terms shall apply to and be incorporated in the contract between us and will prevail over any inconsistent terms or conditions contained or referred to in your communications or publications or which would otherwise be implied. Your standard terms and conditions (if any) shall not govern or be incorporated into the contract between us.
- 7.4 Subject to clause 3.8 and clause 6, no addition to, variation of, exclusion or attempted exclusion of any of the terms of the Contractual Documents will be valid or binding unless recorded in writing and signed by duly authorised representatives on behalf of the parties.
8. **Assignment**
You shall not assign, transfer, mortgage, charge, subcontract, declare a trust over or deal in any other manner with any of the rights and obligations under the Agreement without our prior written consent (such consent to be granted or withheld in our absolute discretion).
9. **Force majeure**
Neither party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure results from events, circumstances or causes beyond its reasonable control.

10. Our fees

10.1 Without prejudice to clause 10.3 below, you become liable to pay our fees upon issuance of the Valuation. For the avoidance of doubt, unless expressly agreed otherwise in writing, the payment of our fees is not conditional on any other events or conditions precedent.

10.2 If any invoice remains unpaid after 30 days of the date on which it is presented, we reserve the right to charge interest, calculated daily, from the date when payment was due until payment is made at 4% above the then prevailing bank base rate of National Westminster Bank PLC or (if higher) at the rate provided for under the Late Payment of Commercial Debts (Interest) Act 1998 and its regulations (if applicable).

10.3 If we should find it necessary to use legal representatives or collection agents to recover monies due, you will be required to pay all costs and disbursements so incurred.

10.4 If before the Valuation is concluded you end this instruction, we will charge abortive fees (calculated on the basis of a proportion of the total fee by reference to reasonable time and expenses incurred), with a minimum charge of 50% of the full fee if we have already inspected the property (or any property, if the instruction relates to more than one).

10.5 If you delay the instruction by more than 30 days or materially alter the instruction so that additional work is required at any stage or if we are instructed to carry out additional work that we consider (in our reasonable opinion) to be either beyond the scope of providing the Valuation or to have been requested after we have finalised our Valuation (including, but not limited to, commenting on reports on title), we will charge additional fees for this work. Such additional fees will be calculated on the basis of a proportion of the total fee by reference to reasonable time and expenses incurred.

10.6 Where we agree to accept payment of our fees from a third party, such fees remain due from you until payment is received by us.

11. Anti-bribery, corruption & Modern Slavery

11.1 We agree that throughout the term of our appointment we shall:

- (a) comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010, (the "Relevant Requirements");
- (b) not engage in any activity, practice or conduct which would constitute an offence under sections 1,2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;
- (c) maintain anti-bribery and anti-corruption policies to comply with the Relevant Requirements and any best practice relating thereto; and
- (d) promptly report to you any request or demand for any undue financial or other advantage of any kind in connection with the performance of our services to you.

11.2 We take all reasonable steps to ensure that we conduct our business in a manner that is consistent with our Anti-slavery Policy and comply with applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force including the Modern Slavery Act 2015

12. Portfolios

Properties comprising a portfolio, unless specifically agreed with you otherwise, will be valued separately and upon the assumption that the properties have been marketed individually and in an orderly manner.

13. Land Register inspection and searches

We are not required to undertake searches or inspections of any kind (including web based searches) for title or price paid information in any publicly available land registers, including the Land Registry for England & Wales, Registers of Scotland and Land & Property Services in Northern Ireland.

14. Title and burdens

We will assume, unless specifically informed and stated otherwise, that each property has good and marketable title and that all documentation is satisfactorily drawn and that there are no unusual outgoing, planning proposals, onerous restrictions or local authority intentions which affect the property, nor any material litigation pending.

15. Disposal costs and liabilities

No allowance is made in our Valuation for expenses of realisation or for taxation which may arise in the event of a disposal and our Valuation is expressed as exclusive of any VAT that may become chargeable. Properties are valued disregarding any mortgages or other charges.

16. Sources of information

We rely upon the information provided to us, by the sources listed, as to details of tenure and tenancies, planning consents and other relevant matters, as summarised in our Valuations. We assume that this information is complete and correct.

17. Identity of property to be valued

We will exercise reasonable care and skill (but will not have an absolute obligation to you) to ensure that the property, identified by the property address in your instructions, is the property inspected by us and contained within our valuation report. If there is ambiguity as to the property address, or the extent of the property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

18. Boundaries

Plans accompanying Valuations are for identification purposes only and must not be relied upon to define boundaries, title or easements. The site is identified or outlined by reference to information given to us and/or our understanding of the extent of the site.

19. Planning, highway and other statutory regulations

19.1 Enquiries of the relevant Planning and Highways Authorities in respect of matters affecting properties, where considered appropriate, are normally only obtained verbally or from a Local Authority web site, and this information is given to us, and accepted by us, on the basis that it should not be relied upon. Written enquiries can take several weeks for a response and incur charges. We recommend that formal written enquiries should be undertaken by your solicitors who should also confirm the position with regard to any legal matters referred to in our Valuations.

19.2 We assume that properties have been constructed, or are being constructed, and are occupied or used in accordance with the appropriate consents and that there are no outstanding statutory notices.

19.3 We assume that the premises comply with all relevant statutory requirements including fire and building regulations.

20. Property insurance

Our Valuation assumes that each property would, in all respects, be insurable against all usual risks including terrorism, ground instability, flooding and rising water table at normal, commercially acceptable premiums.

21. Building areas and age

Where so instructed, areas provided from a quoted source will be relied upon. Any dimensions and areas measured on location or from plan are calculated in accordance with or by reference to the current RICS Code of Measuring Practice and are quoted to a reasonable approximation, with reference to their source. Where the age of the building is estimated, this is for guidance only.

22. Structural condition

Building, structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers and fall outside the normal remit of a valuation. Since we will not have carried out any of these

investigations (except where we separately agree in writing and are instructed to do so), we are unable to report that any property is free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. We do reflect the contents of any building survey report provided to us in advance, or any defects or items of disrepair of which we are advised or which we note during the course of our valuation inspections but otherwise assume properties to be free from defect.

23. Ground conditions

Unless informed otherwise in writing, we assume there to be no adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon.

24. Environmental issues

24.1 Investigations into environmental matters by suitably qualified environmental specialists would usually be commissioned by most responsible purchasers or chargees of higher value properties or where there was any reason to suspect contamination or a potential future liability (whether following review of the environmental searches which should always be carried out by any purchaser/chargee or their legal advisors, or for other reasons). Furthermore, such investigation would be pursued to the point at which any inherent risk was identified and quantified before a purchase proceeded. Where we are provided with the conclusive results of such investigations, on which we are instructed to rely, these will be reflected in our Valuations with reference to the source and nature of the enquiries. We would endeavour to point out any obvious indications or occurrences known to us of harmful contamination encountered during the course of our valuation enquiries.

24.2 However, we are not environmental specialists and therefore we do not carry out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination or any other environmental searches. If we are not provided with the results of appropriate investigations as outlined above and where there is no obvious indication of harmful contamination, our Valuation will be provided on the assumption that the relevant property is unaffected. Where we are informed that contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the Valuation will be qualified by reference to appropriate sections of the Red Book.

25. Minerals, timber, airspace etc.

Unless specifically agreed otherwise in writing and so stated within the main body of the relevant Valuation, we do not value or attempt to value or take into account any potential income stream or other beneficial or detrimental effect or other factor relating to undiscovered or unquantified mineral deposits, timber, airspace, sub-ground space or any other matter which would not be openly known in the market and considered to have value.

26. Legal advice

26.1 We are appointed to provide valuation opinion(s) in accordance with our professional duties as surveyors. The scope of our service is limited accordingly. We are not qualified legal practitioners and we do not provide legal advice and any statements made by us, or advice given, in a legal context should be construed accordingly.

26.2 Where appropriate we will liaise with your legal advisors. However, we accept no responsibility for any work carried out by them and we will not be liable for anything contained in legal documentation prepared by them.

26.3 Where we consider it is necessary for the provision of the Valuation and/or specifically agree to do so, and any additional fees we require for this work are agreed, we will read legal documents (including

leases, licences etc.), however, (save for any comment concerning the impact of our interpretation of such documents on value) our interpretation of such documents cannot be relied upon to be legally correct. Where we do interpret legal documents, we will, for the purposes of providing our Valuation, assume our interpretation to be correct.

27. Covenant

We reflect our general appreciation of potential purchasers' likely perceptions of the financial status of tenants. However, we do not carry out detailed investigations as to the financial standing of the tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are no significant arrears of payment and that they are capable of meeting their obligations under the terms of leases and agreements.

28. Loan security

Where instructed to comment on the suitability of property as a loan security we are only able to comment on any inherent property risk. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

29. Build cost information

In the provision of valuation services we do not hold ourselves out to have expertise in assessing build costs. Where our instruction requires us to have regard to build cost information, for example in the valuation of properties with development potential, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. The Valuation will be stated to have been arrived at in reliance upon the build cost information supplied to us by you. In the absence of any build cost information supplied to us, we may have regard to published build cost information. Build costs produced using this approach must be assumed to be unreliable or inaccurate; any reliance which can be placed upon our Valuation in these circumstances is severely restricted. Specialist professional advice on the build costs should be sought by you. If you subsequently obtain specialist build cost advice, we recommend that we are instructed to review our Valuation.

30. Reinstatement assessments

A reinstatement assessment for insurance purposes is a specialist service and we recommend that separate instructions are issued for this specific purpose. If an indication is required as a check against the adequacy of existing cover this should be requested and will be so stated in the body of the relevant Valuation. Any indication given is provided for guidance only and must not be relied upon as the basis for insurance cover. In any event, our reinstatement assessment should be compared with the owner's and if there is a material difference, then a full reinstatement valuation should be reconsidered.

31. Comparable evidence

Where comparable evidence information is included in our Valuation, this information is often based upon our oral enquiries and its accuracy cannot always be assured, or may be subject to undertakings as to confidentiality. However, such information would only be referred to where we had reason to believe it or where it was in accordance with our expectation. In addition, we have not inspected comparable properties.

32. Valuation bases

Valuations are carried out on a basis appropriate to the purpose for which they are intended and in accordance with the relevant definitions, commentary and assumptions contained in the Red Book. The basis of valuation will be agreed with you and specified in the Letter and in the relevant Valuation.

33. Data Protection

33.1 For the purposes of this clause "Data Protection Legislation" means: (i) unless and until the General Data Protection Regulation ((EU)

2016/679) ("GDPR") is no longer directly applicable in the UK, the GDPR and any national implementing laws, regulations and secondary legislation, as amended or updated from time to time, in the UK and then (ii) any successor legislation to the GDPR or the Data Protection Act 1998. The terms "Personal Data", "Data Processor" and "Data Subject" shall have the meanings ascribed to them in the Data Protection Legislation.

- 33.2 You and we shall comply with applicable requirements of the Data Protection Legislation.
- 33.3 Without prejudice to the generality of the foregoing, you will not provide us with Personal Data unless the Agreement requires the use of it, and/or we specifically request it from you. By transferring any Personal Data to us you warrant and represent that you have

the necessary authority to share it with us and that the relevant Data Subjects have been given the necessary information regarding its sharing and use.

- 33.4 We may transfer Personal Data you share with us to other Associated Knight Frank Entities and/or group undertakings. Some of these recipients may be located outside of the European Economic Area. We will only transfer such Personal Data where we have a lawful basis for doing so and have complied with the specific requirements of the Data Protection Legislation.
- 33.5 Full details of how we use Personal Data can be found in our Privacy Statement at <http://www.knightfrank.com/legals/privacy-statement>.

Appendix 2 Portfolio Analysis Sheet

Project Gemstones - Special Assumption of SPV purchasers costs
Valuation as at
31/08/2019



Property Code	Town	Property Address	Tenure	Area (sq ft)	UXT	Net Rent Contracted (£pa)	Net Rent Deemed (£pa)	ERV (£pa)	ERV (£/sq ft)	IV % (Contracted)	IV % (Deemed)	EY %	RY %	CV (£/sq ft)	CV
Office															
P001	Aberdare	Crown Buildings, Greenbach Street, Aberdare, CF44 7HU	FH	24,290	3.58	£102,662	£102,662	£102,662	£4.23	9.00%	9.00%	9.00%	9.00%	£46.11	£1,120,000
P002	Abertherry	Crown Buildings, Portland Street, Abertherry, NP13 1YF	FH	9,159	3.58	£37,117	£37,117	£37,117	£4.05	9.00%	9.00%	9.00%	9.00%	£44.22	£405,000
P003	Aldershot	South Western House, Station Road, Aldershot, GU11 1HP	FH	19,924	3.58	£164,174	£164,174	£164,174	£8.24	6.50%	6.50%	6.50%	6.50%	£124.47	£2,480,000
P004	Alfreton	Tannery House, King Street, Alfreton, DE55 7AF	FH	10,226	3.58	£86,499	£86,499	£81,908	£8.00	8.71%	8.71%	8.36%	8.24%	£95.34	£975,000
P005	Ashington	Reverdale House, Reverdale Road, Ashington, NE63 9YU	FH	23,702	3.58	£113,944	£113,944	£113,944	£4.81	8.95%	8.95%	8.95%	8.95%	£52.74	£1,250,000
P006	Ayr	Wallacetoun House, John Street, Ayr, KA8 0BX	FH	28,299	3.58	£283,747	£283,747	£283,747	£9.01	10.01%	10.01%	9.27%	8.99%	£98.41	£2,785,000
P007	Banbury	Crown Building, Southam Road, Banbury, OX16 2EX	FH	25,051	3.58	£253,085	£253,085	£237,500	£9.48	8.02%	8.02%	7.64%	7.53%	£123.75	£3,100,000
P008	Bangor	Parc Menai, Bangor, LL57 4FD	LH	31,674	3.58	£384,196	£384,196	£384,196	£12.13	7.99%	7.99%	7.99%	7.99%	£149.18	£4,725,000
P009	Bathgate	31-33 Whitburn Road, Bathgate, EH48 1HG	FH	31,484	3.58	£266,327	£266,327	£251,872	£8.00	9.34%	9.34%	8.97%	8.84%	£88.93	£2,800,000
P010	Bedford	Wyvern House, 53-57 Bromham Road, Bedford, MK40 2EH	FH	23,803	3.58	£187,741	£187,741	£187,741	£7.89	8.25%	8.25%	8.25%	8.25%	£93.90	£2,235,000
P011	Bellshill	417 Main Street, Bellshill, ML4 1HT	FH	23,512	3.58	£277,847	£277,847	£235,000	£9.99	8.27%	8.27%	7.28%	7.00%	£140.35	£3,300,000
P012	Berwick Upon Tweed	Northam House, 15 Walkergate, Berwick Upon Tweed, TD15 1DS	FH	7,766	3.58	£43,432	£43,432	£43,432	£5.59	9.48%	9.48%	9.48%	9.48%	£57.94	£450,000
P013	Blackpool	Peel Park, Brunel Way, Blackpool, FY4 5ES	FH	156,542	8.58	£1,695,000	£1,695,000	£1,695,000	£10.83	6.34%	6.34%	6.34%	6.34%	£167.69	£26,250,000
P014	Bognor Regis	Gloucester House, High Street, Bognor Regis, PO21 1HH	FH	21,254	3.58	£214,083	£214,083	£214,083	£10.07	6.73%	6.73%	6.73%	6.73%	£147.03	£3,125,000
P015	Bootle	St Martin's House, Stanley Road, Bootle, L69 9BN	FH	85,453	4.29	£387,592	£387,592	£387,592	£4.54	8.50%	8.50%	8.50%	8.50%	£52.43	£4,480,000
P016	Bridgend	Crown Buildings, Angel Street, Bridgend, CF31 4AA	FH	46,058	3.58	£376,304	£376,304	£376,304	£8.17	8.75%	8.75%	8.75%	8.75%	£91.73	£4,225,000
P017	Bristol	17-19 Kent Street, Bedminster, Bristol, BS3 3NW	FH	6,339	3.58	£95,083	£95,083	£79,000	£12.46	9.11%	9.11%	7.94%	7.57%	£161.70	£1,025,000
P018	Bristol	Lodge House, Fishponds Road, Bristol, BS16 3HZ	FH	25,979	1.58	£366,588	£366,588	£312,500	£12.03	10.44%	10.44%	8.47%	8.90%	£132.80	£3,450,000
P019	Bristol	1 Monks Park Avenue, Horfield, Bristol, BS7 0UD	FH	10,183	8.58	£115,477	£115,477	£86,500	£8.49	6.48%	6.48%	5.45%	4.86%	£171.86	£1,750,000
P020	Burnley	Blackburn Road, Burnley, BB12 7NQ	FH	46,405	3.58	£472,113	£472,113	£170,407	£9.53	8.27%	8.27%	8.00%	8.00%	£124.99	£2,025,000
P021	Burnley	Lee-Moran House, Victoria Street, Burnley, BB11 1DD	FH	17,886	3.58	£170,407	£170,407	£170,407	£9.53	8.27%	8.27%	8.27%	8.27%	£113.22	£2,025,000
P022	Burton On Trent	Crown House, New Street, Burton On Trent, DE14 3SL	FH	45,897	3.58	£128,185	£128,185	£128,185	£2.79	8.39%	8.39%	8.39%	8.39%	£32.68	£1,500,000
P023	Bury	Silver Street, Bury, BL9 0DP	FH	9,352	3.58	£79,106	£79,106	£79,106	£8.46	7.77%	7.77%	7.77%	7.77%	£106.93	£1,000,000
P024	Bury St Edmunds	St Andrew's House, St Andrew's Street North, Bury St Edmunds, IP33 1TT	FH	28,863	3.58	£229,930	£229,930	£229,930	£7.97	7.53%	7.53%	7.53%	7.53%	£103.94	£3,000,000
P025	Caerphilly	Crown Buildings, Claude Road, Caerphilly, CF83 1WT	FH	21,000	3.58	£124,374	£124,374	£105,000	£5.00	9.89%	9.89%	8.75%	8.35%	£58.81	£1,235,000
P026	Campbelltown	40 Hall Street, Campbelltown, PA28 6BZ	FH	8,288	3.58	£59,758	£59,758	£59,758	£7.21	10.67%	10.67%	10.67%	10.67%	£66.36	£550,000
P027	Cannock	Beecroft Road, Cannock, WS11 1JR	FH	31,517	3.58	£137,015	£137,015	£137,015	£4.35	8.16%	8.16%	8.16%	8.16%	£52.35	£1,650,000
P028	Canterbury	Nutwood House, Chaucer Road, Canterbury, CT1 1ZZ	FH	27,619	8.58	£512,000	£512,000	£512,000	£18.50	5.85%	5.85%	5.85%	5.85%	£310.77	£8,600,000
P029	Chatham	Crown House, The Brook, Chatham, ME4 4LQ	FH	30,317	3.58	£432,326	£432,326	£432,326	£14.26	7.50%	7.50%	7.50%	7.50%	£186.69	£5,660,000
P030	Chippenhams	St Paul's House, Marshfield Road, Chippenhams, SN15 1LA	FH	16,207	3.58	£272,877	£272,877	£207,500	£12.80	8.94%	8.94%	7.27%	6.79%	£185.11	£3,000,000
P031	Colchester	Crown Buildings, 40 Chapel Street South, Colchester, CO2 7AZ	FH	19,152	8.58	£204,330	£204,330	£204,330	£10.67	5.82%	5.82%	5.82%	5.82%	£180.14	£3,450,000
P032	Derby	Holborn House, Wyvern Business Park, Stanier Way, Derby, DE21 6BF	FH	35,120	3.58	£452,639	£452,639	£452,639	£12.89	7.50%	7.50%	7.50%	7.50%	£168.71	£5,925,000
P033	Dingwall	3 High Street, Dingwall, IV15 9HL	FH	3,438	3.58	£30,808	£30,808	£24,000	£6.98	10.44%	10.44%	8.73%	8.13%	£84.35	£290,000
P034	Dundee	Claverhouse Industrial Park, 6 Jack Martin Way, Dundee, DD4 9FF	FH	48,269	3.58	£281,392	£281,392	£281,392	£5.82	9.58%	9.58%	8.99%	9.57%	£59.77	£2,885,000
P035	Elgin	13-21 Trinity Road, Elgin, IV30 1RU	FH	17,427	3.58	£142,946	£142,946	£142,946	£8.20	8.78%	8.78%	8.78%	8.78%	£91.81	£1,650,000
P036	Epsom	50 East Street, Epsom, KT17 1HQ	FH	8,687	3.58	£143,158	£143,158	£143,158	£16.48	5.98%	5.98%	5.98%	5.98%	£270.52	£2,350,000
P037	Easton	Hadrian House, 81 High Street, Easton, Middlesbrough, TS6 9EH	FH	24,219	3.58	£149,672	£149,672	£149,672	£6.18	9.97%	9.97%	9.97%	9.97%	£60.90	£1,475,000
P038	Falkirk	Heron House, Wellside Place, Falkirk, FK1 5SE	FH	25,454	3.58	£262,181	£262,181	£229,000	£9.00	8.85%	8.85%	8.00%	7.73%	£114.32	£2,910,000
P039	Falkirk	Parklands, Callendar Boulevard, Falkirk, FK1 1XT	FH	81,350	3.58	£683,789	£683,789	£683,789	£8.41	7.74%	7.74%	7.74%	7.74%	£106.64	£8,675,000
P040	Fleetwood	Roskell House, 11-27 Kemp Street, Fleetwood, F7 6JX	FH	5,863	3.58	£46,800	£46,800	£35,170	£6.01	11.08%	11.08%	9.06%	8.32%	£70.78	£1,415,000
P041	Folkestone	Palting House, Trinity Road, Folkestone, CT20 2RH	FH	36,566	8.58	£268,840	£268,840	£268,840	£7.35	6.52%	6.52%	6.52%	6.52%	£110.76	£4,050,000
P042	Glasgow	200 Atlas Road, Glasgow, G21 4DL	FH	49,788	3.58	£397,111	£397,111	£397,111	£7.98	8.48%	8.48%	8.48%	8.48%	£92.39	£4,600,000
P043	Glasgow	8 Coustonholm Road, Glasgow, G43 1SS	FH	36,124	3.58	£303,446	£303,446	£303,446	£8.40	8.52%	8.52%	8.52%	8.52%	£96.89	£3,500,000
P044	Glasgow	Glasgow Benefits Centre, Northgate, 96 Milton Street, Glasgow, G4 0DX	FH	137,287	8.58	£1,940,350	£1,940,350	£1,940,350	£14.13	5.85%	5.85%	5.85%	5.85%	£237.46	£32,600,000
P045	Glasgow	159-181 Pollokshaws Road, Glasgow, G41 1PU	FH	15,812	3.58	£154,722	£154,722	£154,722	£9.79	9.50%	9.50%	9.50%	9.50%	£101.19	£1,600,000
P046	Goole	Mulberry House, North Street, Goole, DN14 5RA	FH	6,202	3.58	£36,732	£36,732	£36,732	£5.92	9.02%	9.02%	9.02%	9.02%	£64.50	£400,000
P047	Grantham	Crown House, 49A Castlegate, Grantham, NG31 6SY	FH	24,962	8.58	£141,407	£141,407	£125,000	£5.01	7.22%	7.22%	6.74%	6.38%	£77.12	£1,925,000
P048	Harlow	Beaufort House, Crown Gate, Harlow, CM20 1NA	FH	28,170	3.58	£433,899	£433,899	£433,899	£15.40	7.24%	7.24%	7.24%	7.24%	£208.91	£2,885,000
P049	Hartlepool	Ward Jackson House, Wesley Square, Hartlepool, TS24 8EZ	FH	20,451	3.58	£206,550	£206,550	£184,059	£9.00	9.44%	9.44%	8.67%	8.41%	£105.13	£2,150,000
P050	Haverfordwest	16-20 Quay Street, Haverfordwest, SA61 1BH	FH	8,603	3.58	£75,000	£75,000	£60,000	£6.97	9.39%	9.39%	7.96%	7.51%	£91.25	£785,000



Project Gemstones - Special Assumption of SPV purchasers costs
Valuation as at
31/08/2019

Property Code	Town	Property Address	Tenure	Area (sq ft)	UXT	Net Rent Contracted (£/sq ft)	Net Rent Desired (£/sq ft)	ERV (£/sq ft)	W % (Contracted)	IV % (Desired)	EY %	RV %	CV (£/sq ft)	CV
P051	Hexham	St Andrews House, Haugh Lane, Hexham, NE46 3RB	FH	21,451	3.58	£241,936	£241,936	£214,510	10.00%	10.80%	9.93%	9.58%	£102.56	£2,200,000
P052	Houghton Le Spring	Broadway House, Frederick Place, Houghton Le Spring, DH4 4AH	FH	20,075	3.58	£144,085	£144,085	£144,085	10.00%	10.00%	10.00%	10.00%	£70.49	£1,415,000
P053	Hyde	Beech House, Clarendon Street, Hyde, SK14 2LP	FH	39,550	3.58	£223,037	£223,037	£223,037	8.76%	8.76%	8.76%	8.76%	£63.21	£2,500,000
P054	Ilford	564-570 High Road, Ilford, IG3 8EJ	FH	18,741	3.58	£356,394	£356,394	£356,394	6.00%	6.00%	6.00%	6.00%	£311.35	£5,835,000
P055	Ilkeston	Crown Buildings, 58 South Street, Ilkeston, DE7 8TU	FH	18,352	3.58	£112,904	£112,904	£112,904	10.08%	10.08%	10.08%	10.08%	£89.94	£1,100,000
P056	Kilmarnock	Crown Building, 12 and 14 Woodstock Street, Kilmarnock, KA1 2BN	FH	36,696	3.58	£301,762	£301,762	£220,000	10.05%	10.05%	7.92%	7.33%	£80.39	£2,950,000
P057	Lancaster	Mitre House, Church Street, Lancaster, LA1 1EQ	FH	64,597	3.58	£409,806	£409,806	£409,806	6.65%	6.65%	6.65%	6.65%	£93.66	£6,050,000
P058	Leigh	Roydale House, 2-10 Windermere Road, Leigh, WN7 1UT	FH	21,022	3.58	£118,550	£118,550	£118,550	8.32%	8.32%	8.32%	8.32%	£66.60	£1,400,000
P059	Leven	9 Waggon Road, Leven, KY8 4PT	FH	4,901	3.58	£27,637	£27,637	£27,637	9.87%	9.87%	9.87%	9.87%	£56.11	£275,000
P060	Liverpool	Hougoumont House, 29 Hougoumont Avenue, Waterloo, Liverpool, L22 0PB	FH	17,082	3.58	£105,091	£105,091	£105,091	7.65%	7.65%	7.65%	7.65%	£79.03	£1,350,000
P061	Liverpool	Springfield House, 416 Eaton Road, Liverpool, L12 3HT	FH	10,534	3.58	£104,253	£104,253	£84,500	10.50%	10.50%	9.04%	8.51%	£92.56	£975,000
P062	Llangefni	Bridge Street, Llangefni, LL77 7YJ	FH	9,601	3.58	£63,990	£63,990	£63,990	9.45%	9.45%	9.45%	9.45%	£69.26	£665,000
P063	Lowestoft	Ridgton House, Clapham Road South, Lowestoft, NR32 1RW	FH	41,656	3.58	£214,530	£214,530	£214,530	7.73%	7.73%	7.73%	7.73%	£65.42	£2,725,000
P064	Machynlleth	43-45 Maengwyn, Machynlleth, SY20 8EB	FH	3,655	3.58	£12,421	£12,421	£14,600	8.13%	8.13%	9.18%	9.56%	£41.04	£150,000
P065	Manchester	96 Wilmslow Road, Manchester, M14 5BJ	FH	20,807	3.58	£196,557	£196,557	£94,5	7.50%	7.50%	7.50%	7.50%	£123.76	£2,575,000
P066	Mexborough	Crown Buildings, Adwick Road, Mexborough, S64 0BD	FH	14,994	3.58	£61,774	£61,774	£61,774	10.11%	10.11%	10.11%	10.11%	£40.02	£600,000
P067	Montrose	Castlestead House, 4 Castle Place, Montrose, DD10 8AL	FH	4,246	3.58	£41,363	£41,363	£34,000	10.03%	10.03%	8.71%	8.25%	£95.38	£405,000
P068	Motherwell	Flemington House, 600 Windmillhill Street, Motherwell, ML1 2HN	FH	29,381	3.58	£263,779	£263,779	£235,000	10.26%	10.26%	9.45%	9.14%	£85.94	£2,535,000
P069	Newport (IOW)	Broadlands House, Staplers Road, Newport, Isle of Wight, PO30 2HX	FH	31,930	8.58	£468,311	£468,311	£468,311	6.22%	6.22%	6.22%	6.22%	£231.76	£7,400,000
P070	Northallerton	Elder House, East Road, Northallerton, DL6 1NU	FH	14,517	3.58	£94,349	£94,349	£65,0	9.04%	9.04%	9.04%	9.04%	£70.61	£1,025,000
P071	Nottingham	3 Acadia Walk, Beeston, Nottingham, NG9 2LW	FH	4,306	3.58	£57,656	£57,656	£13,39	7.81%	7.81%	7.81%	7.81%	£168.37	£725,000
P072	Pembroke Dock	Cledau Bridge Business Park, Pembroke Dock, SA72 6UP	FH	19,418	3.58	£119,460	£119,460	£119,460	9.03%	9.03%	9.03%	9.03%	£66.95	£1,300,000
P073	Peterlee	Hatfield House, St Cuthberts Road, Peterlee, SR8 1PB	FH	19,889	3.58	£107,062	£107,062	£69,612	11.07%	11.07%	8.15%	7.20%	£47.77	£950,000
P074	Pontefract	Low Hall, Market Street, Hensworth, Pontefract, WF9 4HP	FH	14,208	3.58	£76,832	£76,832	£64,000	10.78%	10.78%	9.48%	8.98%	£49.27	£700,000
P075	Port	35 Hamah Street, Port, CF39 9RB	FH	7,018	3.58	£64,763	£64,763	£49,000	9.79%	9.79%	7.98%	7.41%	£92.62	£650,000
P076	Porthcawl	Dock Street, Porthcawl, CF36 3BL	FH	3,023	3.58	£25,699	£25,699	£25,699	8.01%	8.01%	8.01%	8.01%	£104.20	£315,000
P077	Portree	Bayfield Road, Portree, Isle of Skye, IV51 9EN	FH	1,943	3.58	£24,901	£24,901	£12,82	9.98%	9.98%	9.98%	9.98%	£126.09	£245,000
P078	Preston	Duchy House, 96 Lancaster Road, Preston, PR1 1NS	FH	43,805	8.58	£244,825	£244,825	£244,825	7.52%	7.52%	7.52%	7.52%	£73.05	£3,200,000
P079	Preston	Palatine House, Lancaster Road, Preston, PR1 1NS	FH	36,257	8.58	£207,079	£207,079	£207,079	7.46%	7.46%	7.46%	7.46%	£75.16	£2,725,000
P080	Seaham	Summerlock House, Summerlock Approach, Salisbury, SP2 7RW	FH	17,136	3.58	£185,327	£185,327	£172,500	8.67%	8.67%	8.22%	8.07%	£122.55	£2,100,000
P082	Stevenage	The Forum, Stevenage, SG1 1EZ	FH	18,609	2.88	£322,522	£322,522	£322,522	12.07%	12.07%	10.00%	9.16%	£75.10	£500,000
P083	Stockport	Heron House, Wellington Street, Stockport, SK1 3BE	FH	43,271	3.58	£322,490	£322,490	£322,490	6.34%	6.34%	6.21%	6.34%	£268.69	£5,000,000
P084	Stoke On Trent	91 Upper Huntbadh Street, Hanley, Stoke-on-Trent, ST1 2BX	FH	21,540	3.58	£209,815	£209,815	£209,815	8.00%	8.00%	8.50%	8.50%	£119.55	£2,575,000
P085	Stornoway	Discovery House, 2 Castle Street, Stornoway, HS1 2BA	FH	7,276	3.58	£93,259	£93,259	£93,259	10.01%	10.01%	10.01%	10.01%	£125.76	£915,000
P086	Stranraer	12 St John Street, Stranraer, DG9 7EL	FH	6,402	3.58	£65,646	£65,646	£65,646	11.02%	11.02%	11.02%	11.02%	£91.38	£585,000
P087	Sunderland	60-66 John Street, Sunderland, SR1 1QT	FH	17,894	1.58	£143,151	£143,151	£125,258	16.07%	16.07%	12.01%	14.06%	£48.90	£875,000
P088	Swansea	Oldway House, Clase Road, Morriston, Swansea, SA6 8BT	FH	14,575	3.58	£104,611	£104,611	£87,500	10.28%	10.28%	9.04%	8.60%	£68.61	£1,000,000
P089	Swansea	37-38 High Street, Swansea, SA1 1LS	FH	19,609	3.58	£188,006	£188,006	£157,500	9.23%	9.23%	8.10%	7.74%	£101.99	£2,000,000
P090	Swindon	Spring Gardens House, Princes Street, Swindon, SN1 2HY	FH	47,918	3.58	£617,373	£617,373	£600,000	8.03%	8.03%	7.86%	7.81%	£157.56	£7,550,000
P091	Taunton	Brendon House, Upper High Street, Taunton, TA1 3RL	FH	41,790	3.58	£381,723	£381,723	£91,4	7.73%	7.73%	7.73%	7.73%	£116.17	£4,850,000
P092	Tonypandy	Thistle House, Llynypia Road, Tonypandy, CF40 2EP	FH	14,650	3.58	£112,044	£112,044	£88,000	10.01%	10.01%	8.40%	7.86%	£75.09	£1,100,000
P093	Torquay	Cotswold House, Warren Road, Torquay, TQ2 5UX	FH	21,895	8.58	£206,540	£206,540	£190,000	7.08%	7.08%	6.76%	6.51%	£130.85	£2,865,000
P094	Warrington	Hidden House, Winmarleigh Street, Warrington, WA1 1LA	FH	50,841	3.58	£560,215	£560,215	£560,215	7.75%	7.75%	7.75%	7.75%	£139.65	£7,100,000
P095	Wellingtonborough	Lothersdale House, West Villa Road, Wellingtonborough, NN8 4TA	FH	32,113	3.58	£265,055	£265,055	£265,055	8.27%	8.27%	8.27%	8.27%	£98.09	£3,150,000
P096	Weston Super Mare	Regent House, High Street, Weston Super Mare, BS23 1JH	FH	21,704	3.58	£212,637	£212,637	£212,637	8.03%	8.03%	8.03%	8.03%	£119.79	£2,600,000
P097	Worthing	Crown House, High Street, Worthing, BN11 1NG	FH	31,503	8.58	£326,711	£326,711	£130,37	6.14%	6.14%	6.14%	6.14%	£165.86	£5,225,000
Office: Sector Total				2,556,046		£23,294,134	£23,294,134	£22,517,921	7.76%	7.76%	7.41%	7.38%	£117.39	£300,065,000
Grand Total:				2,556,046		£23,294,134	£23,294,134	£22,517,921	7.76%	7.76%	7.41%	7.38%	£117.39	£300,065,000

Appendix 3 Individual Property Reports

PROPERTY NAME: Crown Buildings, Aberdare
ADDRESS: Crown Buildings, Greenbach Street, Aberdare, CF44 7HU
PROPERTY ID: 1

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	24,290 sq ft
Total Site Area:	0.08 hectares (0.19 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£102,662 pa / £4.23 psf
Market Rent (£ pa / £ psf):	£102,662 pa / £4.23 psf
Market Value:	£1,120,000
(1.8% purchasers costs)	
Yields:	
Net Initial Yield:	9.00%
Equivalent Yield:	9.00%
Reversionary Yield:	9.00%
Capital Rate (psf):	£46.11 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	19 July 2019 (full internal inspection)
Energy Performance Certificate Rating:	D84

PROPERTY

Location

- Aberdare is located within South Wales about 23 miles north of Cardiff and just south of the A465 Heads of the Valleys Road which links west to Swansea and east towards Abergavenny and Monmouth where there are dual carriageway connections to the M50.
- Junction 32 for the M4 is 19 miles south, whilst Merthyr Tydfil is about six miles to the east where there is a large out of town retail park.
- There is a dated, but popular, industrial accommodation along the A465 from Hirwaun to Ebbw Vale.
- The Property is situated within the heart of Aberdare, a traditional Valleys town, with mixed tertiary retail and high density residential. There is public car parking adjacent to the site.

Description

- The Property comprises a 1960s office building situated over ground and four upper floors of concrete frame and having concrete clad elevations under flat roof (not inspected).
- Internally, the accommodation is approached off a small reception/staff lobby, with lift and stairwell serving each floor within a central core having male and female toilets on each floor/half landing.
- The internal space provides a combination of open plan and cellular offices with carpeted solid floors, perimeter trunking, plastered and painted walls with double glazed windows under suspended ceilings with a mix of recessed spot lighting and suspended diffused strip lighting. Heating is provided by wall-mounted radiators.
- The tenant does not occupy the third floor or majority of the fourth floor where part is sub let and an element used as the staff canteen.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable/basic state of repair commensurate with its age and use.

Valuation Report prepared for Elite Commercial REIT Management Pte. Ltd (as manager of Elite Commercial REIT) and Perpetual (Asia) Limited (in its capacity as trustee of Elite Commercial REIT) | September 2019 | Confidential | www.knightfrank.com
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PROPERTY NAME: Crown Buildings, Abertillery
ADDRESS: Crown Buildings, Portland Street, Abertillery, NP13 1YF
PROPERTY ID: 2

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	9,159 sq ft
Total Site Area:	0.16 hectares (0.39 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £37,117 pa / £4.05 psf

Market Rent (£ pa / £ psf): £37,117 pa / £4.05 psf

Market Value: £405,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 9.00%

Equivalent Yield: 9.00%

Reversionary Yield: 9.00%

Capital Rate (psf): £44.22 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 19 August 2019 (external inspection only)

Energy Performance D89

Certificate Rating:

PROPERTY

Location

- Abertillery is located within South Wales, about 17 miles north of Newport and five miles south of the A465 Heads of the Valleys Road at Ebbw Vale, which links west to Swansea and east towards Abergavenny and Monmouth, where there are dual carriageway connections to the M50.
- Junction 27 of the M4 is 17 miles south, whilst Merthyr Tydfil is about 18 miles to the west, where there is a large out of town retail park. There is dated, but popular industrial accommodation along the A465 from Hirwaun to Ebbw Vale.
- The Property is situated within the heart of Abertillery, a traditional Valleys town with mixed tertiary retail and high density residential.

Description

- The Property comprises two office buildings situated over ground and first floor. One is of a traditional construction with rendered elevations under pitched tiled roof (not inspected) which has been extended to the rear, set beneath a flat roof.
- The second building, which is unoccupied, is of a framed construction with the walls being clad with concrete panels set beneath a flat roof. Due to the sloping site, this building is accessed via a steel walkway at first floor level.
- There is a small car park providing off street parking and an additional access to the rear.
- Internally, the occupied accommodation is approached off a reception/staff lobby with a stairwell to the upper floor. The internal space provides a combination of open plan and cellular offices with carpeted solid floors, perimeter trunking, plastered and painted walls with double glazed windows under suspended ceilings with recessed lighting. Heating is provided by wall mounted radiators.
- Decoration is basic.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable/basic state of repair commensurate with its age and use.

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PROPERTY NAME: South Western House, Aldershot
ADDRESS: South Western House, Station Road, Aldershot, GU11 1HP
PROPERTY ID: 3

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	19,924 sq ft
Total Site Area:	0.10 hectares (0.25 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£164,174 pa / £8.24 psf
Market Rent (£ pa / £ psf):	£164,174 pa / £8.24 psf
Market Value: (1.8% purchasers costs)	£2,480,000
Yields:	
Net Initial Yield:	6.50%
Equivalent Yield:	6.50%
Reversionary Yield:	6.50%
Capital Rate (psf):	£124.47 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	21 August 2019 (full internal inspection)
Energy Performance	C66
Certificate Rating:	

PROPERTY

Location

- Aldershot is a town in the Rushmoor district of Hampshire, England. It is situated on the north east edge of the county. The town is approximately 4 miles south of Farnborough, 3.5 miles north east of Farnham and 40 miles south west of London.
- Aldershot lies approximately 6.5 miles south of Junction 4 of the M3 and 2.1 miles north of the A31, which joins the A3 5.2 miles to the east. The A331 runs north/south and joins the M3 with the A31.
- The Property is prominently located opposite Aldershot railway station between Station Road and Arthur Street. It is a short walk from the main retail provision on High Street to the north west.
- Occupiers in the immediate vicinity include a mixture of commercial and residential (both established and new build).
- There is a large amount of public car parking adjacent to the Property although this is primarily for the station.
- The nearest alternative Jobcentre Plus is Farnborough, around 4 miles to the north.

Description

- A concrete framed building arranged over ground, first, second and third floors, with approximately 9 parking spaces to the rear accessed via an undercroft driveway through the middle of the building. External elevations are of brick and a flat roof surmounts the Property. Windows are uPVC double glazed casements.
- Internally, the Property provides a mixture of open plan and cellular space (by way of demountable partitioning). The general specification includes carpet/vinyl floor coverings, painted walls and painted/suspended tile ceilings. There is a mixture of ceiling mounted and recessed lighting.
- The Property benefits from central heating and partial air conditioning.
- The ground floor of the Property is split by the undercroft driveway. To the right of the undercroft, the ground floor is used as the reception and processing area along with private office space. To the left of the undercroft, is a private staff space including store rooms and a disused post room.
- The upper floors operate as training space as well as open planned office space.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Tannery House, Alfreton
ADDRESS: Tannery House, King Street, Alfreton, DE55 7AF
PROPERTY ID: 4

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	10,226 sq ft
Total Site Area:	0.18 hectares (0.44 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £86,499 pa / £8.46 psf

Market Rent (£ pa / £ psf): £81,808 pa / £8.00 psf

Market Value: £975,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 8.71%

Equivalent Yield: 8.36%

Reversionary Yield: 8.24%

Capital Rate (psf): £95.34 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 23 August 2019 (full internal inspection)

Energy Performance C60

Certificate Rating:

PROPERTY

Location

- The Property is located to the western periphery of Alfreton town centre. It is situated on a corner plot, to the eastern side of the A61 King Street and to the northern side of Hall Street. King Street is the main thoroughfare through Alfreton from the A38 approximately 0.5 miles south. It leads north to Chesterfield and Sheffield, eventually culminating at Junction 36 of the M1. The A38 provides access to Junction 28 of the M1 approximately 2.75 miles east.
- Hall Street accommodates a mix of users including a Tesco superstore, car sales pitch, police station, social club and residential properties. The nearest Jobcentre Plus are located in Chesterfield, Heanor and Ilkeston.
- Alfreton is a town and civil parish in the Amber Valley district of Derbyshire. The town was formerly a Norman Manor and later an Urban District. The population of the Alfreton parish was 7,971 at the 2011 Census.

Description

- The Property is detached and arranged over part single and part two storeys. It is of steel framed construction with brick cavity walls beneath curved, steel clad roofs. Elevations are brick facing incorporating uPVC framed and double glazed windows. There is a small car park with approximately 21 spaces to the rear.
- Internally the building provides an open plan public consultation area with cellular offices to the ground floor, with cellular offices, meeting room, canteen and WCs to the first floor. Internally the public and office areas have carpet or wood laminate covered floors, painted plaster walls and suspended ceilings. The WCs have vinyl floors with tiled walls, while there is dado trunking to the meeting room. Heating is by way of a gas fired boiler serving wall mounted radiators, while there is also a wall mounted comfort cooling cassette in the canteen. A passenger lift serves both floors and CCTV cameras are installed.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a good state of repair commensurate with its age and use.

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PROPERTY NAME: Reiverdale House, Ashington
ADDRESS: Reiverdale House, Reiverdale Road, Ashington, NE63 9YU
PROPERTY ID: 5

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	23,702 sq ft
Total Site Area:	0.83 hectares (2.06 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £113,944 pa / £4.81 psf

Market Rent (£ pa / £ psf): £113,944 pa / £4.81 psf

Market Value: £1,250,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 8.95%

Equivalent Yield: 8.95%

Reversionary Yield: 8.95%

Capital Rate (psf): £52.74 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 2 August 2019 (full internal inspection)

Energy Performance C74

Certificate Rating:

PROPERTY

Location

- The former mining town of Ashington is located within the county of Northumberland and is situated approximately 17 miles north of Newcastle upon Tyne, 5 miles north east of Morpeth and 9 miles north west of Blyth.
- The town has an urban area population of approximately 27,335 persons, while the district of Wansbeck, which within Ashington is situated, has a district population of approximately 61,138 persons.
- The town has reasonable road communications being situated in close proximity to the A189 Spine Road which provides access to the A19 Trunk Road and the Tyne Tunnel, and also the A1 and the national motorway network.
- The Property is accessed from Reiverdale Road which in turn links with Woodhorn Road which links with both the A197 and A196 and also with Station Road, the prime retail pitch of Ashington.
- The immediate surrounding area is characterised by low value terraced residential dwellings and secondary/tertiary retailing. A residential care home is located close to the subject.

Description

- The Property comprises a large office development comprising three adjoining and interlinking office units.
- The Property appears to be of steel frame construction with cavity brick elevations beneath a hipped and pitched tile covered roof. The windows to the property are powder coated aluminium framed.
- The Jobcentre Plus occupy a single storey unit to the front (south/south west) of the site with Audit and IT occupying a single storey building to the north of the site. The two storey element to the west of the site is currently vacant.
- The Jobcentre Plus element is fitted out in the occupiers normal style and is predominantly open plan in nature being arranged on a raised floor with a carpet covering with painted plaster walls and a suspended ceiling with recessed lights. Heating is provided by a gas fired central heating system.
- The remaining two storey element is currently vacant. The ground floor is predominantly cellular in nature and is arranged on a carpet covered solid concrete floor with painted plaster walls and a suspended ceiling with recessed fluorescent strip lights.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Wallacetoun House, Ayr
ADDRESS: Wallacetoun House, John Street, Ayr, KA8 0BX
PROPERTY ID: 6

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	28,299 sq ft
Total Site Area:	0.31 hectares (0.77 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £283,747 pa / £10.03 psf

Market Rent (£ pa / £ psf): £255,000 pa / £9.01 psf

Market Value: £2,785,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 10.01%

Equivalent Yield: 9.27%

Reversionary Yield: 8.99%

Capital Rate (psf): £98.41 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 27 August 2019 (full internal inspection)

Energy Performance D58 (Scotland)

Certificate Rating:

PROPERTY

Location

- Ayr is situated 35 miles to the south west of Glasgow, 15 miles to the south west of Kilmarnock and 4 miles to the south of Prestwick.
- The town has a population of 46,000, with Prestwick immediately to the north providing a further 15,000 and is the commercial and administrative centre for the South Ayrshire area.
- The town is situated close to the A77, which links Stranraer in the south west to Glasgow in the north east via Kilmarnock and the M77. From Glasgow there are links to the M8, which connects to Edinburgh in the east and the M74, which provides a route to Carlisle, linking with the M6 southwards. Dumfries can be reached from Ayr via the A70 and A76 trunk roads.
- The Property is situated on the south west side of John Street, on the outskirts of the town centre on the eastern side of the River Ayr. The Property is approximately a 10 minute walk from the Ayr Train and Bus Stations.
- The immediate surroundings are predominantly residential in nature, in the form of high density low value local authority housing stock. The town centre is a 5-10 minute walk to the east, on the opposite Bank of the River Ayr.

Description

- The Property comprises a 1970s three storey office building with an extension added in the 1990s.
- Mixture of concrete frame construction with panelling to the elevations and more modern steel construction with synthetic stone elevations. The roofs are a mixture of flat overlaid with mineral felt and glazed with a metal frame. The property occupies a sloping site, down-set from the road line, and provides predominantly open plan office accommodation, with elements of cellular space, generally around the perimeter.
- First floor of original part of the building is vacant and has been so for a number of years.
- Light refurbishment of part of ground floor of original building recently undertaken to accommodate new government occupier/function in this part of the building
- Surface level external car park (approximately 30 cars) to the rear accessed via Strathayr Place, with additional under-croft parking beneath the 1990s extension.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Crown Building, Banbury
ADDRESS: Crown Building, Southam Road, Banbury, OX16 2EX
PROPERTY ID: 7

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	25,051 sq ft
Total Site Area:	0.20 hectares (0.49 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £253,085 pa / £10.10 psf

Market Rent (£ pa / £ psf): £237,500 pa / £9.48 psf

Market Value: £3,100,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 8.02%

Equivalent Yield: 7.64%

Reversionary Yield: 7.53%

Capital Rate (psf): £123.75 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 23 July 2019 (full internal inspection)

Energy Performance C68

Certificate Rating:

PROPERTY

Location

- The Property is located in Banbury, an affluent commuter town located approximately 40 miles south east of Birmingham, 60 miles north west of London and 20 miles south east of Warwick. Banbury benefits from having direct access to the M40 motorway which provides links to Birmingham in the north and London to the south. There is a direct train service to London Marylebone with a fastest travel time of just over one hour.
- Banbury has a population of approximately 150,000 persons. The claimant count unemployment rate is 1.3% compared to the national average of 2.8%.
- More specifically, the property is located on Southam Road which is one of the main arterial routes into the town centre from the motorway. The northern part of Southam Road is made up of retail occupiers such as B&Q and Waitrose, whilst to the south of the subject property there are small offices, residential apartments and a number of small lock up retail / leisure units.

Description

- The Property comprises a purpose-built 1970s office building of brick construction surmounted by a flat roof, with accommodation over ground and three upper floors. There is a small tarmac surfaced car park to the rear.
- The ground floor provides a largely open plan office which is open to the public. The space has been recently fitted out and includes a suspended ceiling with metal ceiling tiles, air conditioning and recessed fluorescent lighting. The floor finish is a combination of laminate flooring and carpet.
- The offices to the first floor are a mixture of cellular and open plan accommodation. The specification comprises a suspended ceiling with recessed LG3 style lighting, ceiling fans, painted plaster walls and a carpet floor finish.
- The accommodation to the second floor is currently not in use. The specification includes a suspended ceiling with recessed CAT II lighting and a carpet floor finish.
- There is also a small staff area on the third floor.
- The building is served by a single passenger lift.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable/basic state of repair commensurate with its age and use.

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PROPERTY NAME: Parc Menai, Bangor
ADDRESS: Parc Menai, Bangor, LL57 4FD
PROPERTY ID: 8

KEY PROPERTY FACTS

Tenure:	Long Leasehold expiring 19/05/2255 at a peppercorn rent.
Total Area (NIA):	31,674 sq ft
Total Site Area:	1.19 hectares (2.95 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £384,196 pa / £12.13 psf

Market Rent (£ pa / £ psf): £384,196 pa / £12.13 psf

Market Value: £4,725,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 7.99%

Equivalent Yield: 7.99%

Reversionary Yield: 7.99%

Capital Rate (psf): £149.18 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 24 July 2019 (full internal inspection)

Energy Performance C65

Certificate Rating:

PROPERTY

Location

- The Property is located in North Wales and is 3 miles south west of Bangor. It is 60 miles to the west of Chester and 72 miles to the west of Liverpool.
- The Property is just off junction 9 of the A55 which provides access to Anglesey and to the east across North Wales and into England.
- Parc Menai is a mixed-use business park, spaciouly developed providing mainly office buildings of varying sizes.
- The building is at the northern end of Ffordd Y Parc, the pimple roadway on the park.

Description

- A two storey office building of portal frame construction is from 2006 with a central entrance and core with lifts and stairs giving access to two wings.
- The accommodation is reasonable Grade A, generally open plan and the first floor having an open ceiling. The on-site parking to the front and rear is excellent.

Tenure

- Long Leasehold. The Property is held long leasehold for 250 years from 20 May 2005 at a peppercorn rent. The freehold is owned by The National Assembly of Wales.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

Valuation Report prepared for Elite Commercial REIT Management Pte. Ltd (as manager of Elite Commercial REIT) and Perpetual (Asia) Limited (in its capacity as trustee of Elite Commercial REIT) | September 2019 | Confidential | www.knightfrank.com
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PROPERTY NAME: Whitburn Road, Bathgate
ADDRESS: 31-33 Whitburn Road, Bathgate, EH48 1HG
PROPERTY ID: 9

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	31,484 sq ft
Total Site Area:	0.47 hectares (1.15 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £266,327 pa / £8.46 psf

Market Rent (£ pa / £ psf): £251,872 pa / £8.00 psf

Market Value: £2,800,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 9.34%

Equivalent Yield: 8.97%

Reversionary Yield: 8.84%

Capital Rate (psf): £88.93 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 25 July 2019 (full internal inspection)

Energy Performance F83 (Scotland)

Certificate Rating:

PROPERTY

Location

- Bathgate is a small town in West Lothian approximately 21 miles west of Edinburgh.
- Historically associated with car manufacturing and although the town retains an industrial base, it is secondary compared to the larger town of Livingston located nearby.
- The Property is located on the south edge of the town centre opposite a town centre retail park where occupiers include B&M Bargains, Lidl, Argos, Iceland, Home Bargains and McDonalds.
- Traditional town centre located nearby to the north but provides a fairly local retail offer.

Description

- Three storey office building dating from 1960s/1970s of concrete frame construction.
- Arranged in two inter-connecting L-shaped wings with small garden in middle and car parking to side and rear.
- Ground and first floor north wings occupied by Jobcentre Plus.
- Ground and lower ground floor south wings occupied as offices – dated open plan space with solid floors, perimeter trunking and heating, uPVC double glazed windows and suspended tile ceiling with CAT II lighting.
- First floor south wing comprises offices of same specification but is vacant following closure of the DWP team previously occupying the space earlier in 2019.
- On-site parking for approximately 43 cars.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

Valuation Report prepared for Elite Commercial REIT Management Pte. Ltd (as manager of Elite Commercial REIT) and Perpetual (Asia) Limited (in its capacity as trustee of Elite Commercial REIT) | September 2019 | Confidential | www.knightfrank.com
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PROPERTY NAME: Wyvern House, Bedford
ADDRESS: Wyvern House, 53-57 Bromham Road, Bedford, MK40 2EH
PROPERTY ID: 10

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	23,803 sq ft
Total Site Area:	0.22 hectares (0.55 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £187,741 pa / £7.89 psf

Market Rent (£ pa / £ psf): £187,741 pa / £7.89 psf

Market Value: £2,235,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 8.25%

Equivalent Yield: 8.25%

Reversionary Yield: 8.25%

Capital Rate (psf): £93.90 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 23 August 2019 (full internal inspection)

Energy Performance D89

Certificate Rating:

PROPERTY

Location

- Bedford is a county town located approximately 50 miles north of London and 10 miles east of Junction 13 of the M1. Nearby towns include St. Neots and Wellingborough.
- The Property is located on Bromham Road, which links onto the A6 to Luton and Kettering, and the A428 to Northampton and is one of the main access roads into the High Street, close to Bedford Town Centre.
- Nearby retail occupiers include KFC and Sainsbury's Local.
- The Property is within 400m of Bedford Train Station which provides direct services to London St Pancras.

Description

- The Property comprises a three storey office building constructed in the 1960s, with a flat roof. The property is concrete set frame construction with undercroft car parking at the rear. In total there are approximately 33 car parking spaces, with communal road access at the rear. There is landscaping at the front of the building near to the entrance.
- Dated three storey property in reasonable condition, with a significant amount of undercroft car parking. Concrete set frame construction with a flat roof. Shared access road to the rear of the Property and car parking.
- Small area of landscaping to the front of the Property.
- The Report on Title advises that the Property does not have access rights over the land to the rear of the building, which is currently used as an access route to the car park. However, the Property does have rights over the remainder of the area. Indemnity insurance is in place to cover the risk of the lack of access rights.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Bowling Green Street, Bellshill
ADDRESS: 417 Main Street, Bellshill, ML4 1HT
PROPERTY ID: 11

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	23,512 sq ft
Total Site Area:	0.45 hectares (1.11 acres).
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £277,847 pa / £11.82 psf

Market Rent (£ pa / £ psf): £235,000 pa / £9.99 psf

Market Value: £3,300,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 8.27%

Equivalent Yield: 7.28%

Reversionary Yield: 7.00%

Capital Rate (psf): £140.35 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 19 July 2019 (full internal inspection)

Energy Performance E69 (Scotland)

Certificate Rating:

PROPERTY

Location

- Bellshill is a town in North Lanarkshire, located approximately 13 miles to the east of Glasgow city centre.
- The Property is located on the eastern edge of the town centre, occupying a prominent position on the north side of Main Street, just east of the roundabout intersection of Campbell Street, Main Street and Bairdland View.
- The Property has good transport links to the M74 and M8 motorways.

Description

- Modern two storey detached office building.
- Brick exterior walls with metal framed windows and a pitched roof covered with profiled metal sheeting.
- Tarmac access road with monoblock parking bays to the rear of the building.
- Customer area on the ground floor comprises metal suspended ceiling, suspended strip fluorescent lighting, carpeted floor and CCTV cameras. No customer toilets.
- Staff area comprises a mixture of open plan and cellular office accommodation with concrete floors covered with carpet tiles, floor boxes, suspended tiled ceilings with strip fluorescent lighting, steel framed double glazed windows and gas fired central heating.
- 13 person 100kg passenger lift.
- Approximately 52 on-site parking bays and two disabled parking bays.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a good state of repair commensurate with its age and use.

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PROPERTY NAME: Norham House, Berwick Upon Tweed
ADDRESS: Norham House, 15 Walkergate, Berwick Upon Tweed, TD15 1DS
PROPERTY ID: 12

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area:	7,766 sq ft
Total Site Area (NIA):	0.08 hectares (0.20 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £43,432 pa / £5.59 psf

Market Rent (£ pa / £ psf): £43,432 pa / £5.59 psf

Market Value: £450,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 9.48%

Equivalent Yield: 9.48%

Reversionary Yield: 9.48%

Capital Rate (psf): £57.94 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 2 August 2019 (full internal inspection)

Energy Performance: D80

Certificate Rating:

PROPERTY

Location

- Berwick upon Tweed is England's most northerly town and is located approximately 64 miles to the north of Newcastle upon Tyne, 57 miles south of Edinburgh and 102 miles south east of Glasgow. The town is located immediately east of the A1 with the town centre lying to the north of the River Tweed.
- The town benefits from a station on the East Coast Mainline Railway running between Edinburgh Waverley and London Kings Cross with journey times of approximately 1 hour and 3½ hours respectively. Newcastle International Airport is approximately 60 miles south of the town whilst Edinburgh Airport lies approximately 65 miles to the north.
- The Property is situated on Walkergate which links with the A1167 and the prime retail pitch of Marygate immediately to the south.
- Surrounding occupiers include retail and office uses with the property being directly opposite Berwick Work Space, a serviced office property operated by Advance Northumberland.

Description

- The Property comprises a two storey, end-terrace property of assumed steel framed construction with cavity brick elevations beneath a hipped and pitched roof with a tile covering. The windows to the property are metal casement.
- The Property extends to a Net Internal Area of 7,766 sq ft.
- Internally the ground floor and part of the first floor are occupied by the Jobcentre Plus.
- The ground floor is fitted out in the tenant's corporate style to include a solid concrete floor with a part laminate, part carpet covering with painted plaster walls and a suspended ceiling with lighting provided by recessed lights. Male and female WC's are located on the ground floor together with a kitchen/staff room.
- The first floor Jobcentre Plus space is more cellular in nature and male and female WC's.
- The remainder of the first floor has a self contained entrance on Walkergate although there is no lift access. The accommodation is more basic than the remainder of the Property.
- To the rear of the Property is parking for approximately 5 vehicles.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Peel Park, Blackpool
ADDRESS: Peel Park, Brunel Way, Blackpool, FY4 5ES
PROPERTY ID: 13

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	156,542 sq ft
Total Site Area:	Main Lease demise: 7.18 hectares (17.73 acres) Car Park Lease demise: 8.47 hectares (20.94 acres)
Number of Tenants/Units:	1 tenant
WALE:	8.58 years to expiry
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£1,695,000 pa / £10.83 psf
Market Rent (£ pa / £ psf):	£1,695,000 pa / £10.83 psf
Market Value:	£26,250,000
(1.8% purchasers costs)	
Yields:	
Net Initial Yield:	6.34%
Equivalent Yield:	6.34%
Reversionary Yield:	6.34%
Capital Rate (psf):	£167.69 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	24 July 2019 (full internal inspection)
Energy Performance	Building 1: D83
Certificate Rating:	Building 2: C71

PROPERTY

Location

- The Property is situated 3 miles to the south east of Blackpool town centre.
- It is situated 1 mile away from junction 4 of the M55 which leads to junction 32 of the M6 which is 13 miles to the east. Blackpool North train station is located 4 miles away and Blackpool south train station is located 2.5 miles away however this has a limited train service and less frequent trains.
- The local area is shared with a variety of industrial units on adjacent sites.

Description

- The Property comprises two detached Grade A offices developed in 1993 and 1997 with an additional shell added to one of the buildings. Landscaped grounds and good parking. They are connected via a covered glass walkway.
- The buildings have a steel frame construction in which two wings are on either side of the central atriums with galleried walkways. The office space is of high specification with raised floor with data/power boxes.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018.
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.
- We understand from the Eversheds Sutherland legal report that a diesel spill on the site has been cleaned up and the Environment Agency and the Local Authority are content with the level of remediation that has been carried out.

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PROPERTY NAME: Gloucester House, Bognor Regis
ADDRESS: Gloucester House, High Street, Bognor Regis, PO21 1HH
PROPERTY ID: 14

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	21,254 sq ft
Total Site Area:	0.42 hectares (1.05 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£214,083 pa / £10.07 psf
Market Rent (£ pa / £ psf):	£214,083 pa / £10.07 psf
Market Value: (1.8% purchasers costs)	£3,125,000
Yields:	
Net Initial Yield:	6.73%
Equivalent Yield:	6.73%
Reversionary Yield:	6.73%
Capital Rate (psf):	£147.03 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	21 August 2019 (full internal inspection)
Energy Performance	D81
Certificate Rating:	

PROPERTY

Location

- Bognor Regis is a town and seaside resort in West Sussex on the south coast of England, 55 miles south west of London, 24 miles west of Brighton, 6 miles south east of Chichester and 16 miles east of Portsmouth.
- Bognor Regis lies approximately 3 miles south of the A259, which in turn connect to the A27 to the north west. The A27 run along the south coast from Portsmouth to Eastbourne.
- The Property is located on High Street on the outskirts of the primary pedestrianised retailing area. It is a short distance from the beachfront to the south. The area within the immediate vicinity features a mix of residential apartment blocks, the Butlin's holiday park, and other commercial buildings.
- The nearest alternative Jobcentre Plus are Chichester 8 miles to the north west and Littlehampton 7 miles to the east.

Description

- A five storey office building of concrete frame construction, with elevations of fascia cladding panels and aluminium framed windows set beneath a flat roof.
- The ground floor extends outwards beneath the main tower and is set under a pitched roof. There is surface level parking surrounding the building.
- Internally, the Property provides open plan space around a central staircase and lift. General specification includes carpet/vinyl floor coverings, painted walls and painted/suspended tile ceilings. There is a mixture of ceiling mounted and recessed lighting.
- The Property benefits from central heating and partial air conditioning.
- The ground floor is used as the reception and processing area.
- There is surface level parking surrounding the Property.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: St Martin's House, Bootle
ADDRESS: St Martin's House, Stanley Road, Bootle, L69 9BN
PROPERTY ID: 15

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	85,453 sq ft
Total Site Area:	0.42 hectares (1.06 acres)
Number of Tenants:	2 tenants
WALE:	8.58 years to expiry (offices)
WAULT:	3.58 years to break (offices) 4.29 years to break (overall)
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£387,592 pa / £4.54 psf
Market Rent (£ pa / £ psf):	£387,292 pa / £4.54 psf
Market Value: (1.8% purchasers costs)	£4,480,000
Yields:	
Net Initial Yield:	8.50%
Equivalent Yield:	8.50%
Reversionary Yield:	8.50%
Capital Rate (psf):	£52.43 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	23 July 2019 (full internal inspection)
Energy Performance Certificate Rating:	D77

PROPERTY

Location

- Bootle is a coastal town in the Metropolitan Borough of Sefton, Merseyside.
- It is situated on the edge of Liverpool, approximately 3 miles north of the city centre.
- The Property is accessed from the A567 Stanley Road, which is readily accessible from the A59 via the A5057. The property also has good links to the M57 and M58 motorways in the north via the A59 and the M62 in the south via Queens Drive.

Description

- The Property comprises a thirteen storey core office building flanked by two four storey wings. The property is of concrete frame construction, with the front and rear sections of the core elevated on stilts.
- The building has a flat roof and uPVC double glazed windows with the elevations a mix of concrete panelling and windows forming bands around the majority of the building.
- Surface parking spaces for approximately 88 cars.
- The Property is generally Grade B specification and much of it is dated.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.
- Public house let to Barace Limited for 25 years at £19,000 per annum.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Crown Buildings, Bridgend
ADDRESS: Crown Buildings, Angel Street, Bridgend, CF31 4AA
PROPERTY ID: 16

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area:	46,058 sq ft
Total Site Area (NIA):	0.55 hectares (1.35 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £376,304 pa / £8.17 psf

Market Rent (£ pa / £ psf): £376,304 pa / £8.17 psf

Market Value: £4,225,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 8.75%

Equivalent Yield: 8.75%

Reversionary Yield: 8.75%

Capital Rate (psf): £91.73 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 22 July 2019 (full internal inspection)

Energy Performance D83

Certificate Rating:

PROPERTY

Location

- Bridgend is located within South Wales, about 23 miles west of Cardiff and 23 miles east of Swansea and benefits from good transport links with three junctions off the M4 in close proximity. The M4 provides access to London 165 miles to the east and also to Cardiff and Swansea. The A48 connects to Junction 37 to the west of the town, the A4061 connects to Junction 36 of the M4 to the north of the town, while the A473 connects to Junction 35 to the east.
- The Property is situated in the heart of the retail area, which is dominated by secondary multiples and local operators. There is 1970s style offices and high density housing close to the town centre, but many of the commercial offices are located on the edge of town, with several retail and office parks and two of the largest industrial estates in South Wales.

Description

- The Property comprises a 1980s office building, with surface level parking, situated over lower ground, upper ground and five upper floors of concrete frame construction and having brick and panel clad elevations under flat roofs (not inspected).
- The site incorporates an annex building over two floors, connected to the main office building by a glazed walkway at first floor, which provides offices and driving test centre.
- In addition, there is a building of concrete frame with concrete rendered elevations previously used by the court service and now providing meeting and training rooms. Internally, the accommodation is approached off a small reception into the Jobcentre Plus which is essentially disused with wooden floor and "bank style" glazed serving desks/windows. There are staff lobbies in both wings of the building, providing stairwell and lifts to each floor with service core having toilets on each floor.
- The ground floor provides disused Jobcentre accommodation with cellular meeting rooms and break out areas with the upper floors providing a combination of open plan and cellular offices with carpeted solid floors, perimeter trunking, plastered and painted walls with double glazed windows under suspended ceilings with recessed spot lighting and suspended diffused strip lights.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Kent Street, Bristol
ADDRESS: 17-19 Kent Street, Bedminster, Bristol, BS3 3NW
PROPERTY ID: 17

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	6,339 sq ft
Total Site Area:	0.08 hectares (0.20 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£95,083 pa / £15.00 psf
Market Rent (£ pa / £ psf):	£79,000 pa / £12.46 psf
Market Value: (1.8% purchasers costs)	£1,025,000
Yields:	
Net Initial Yield:	9.11%
Equivalent Yield:	7.94%
Reversionary Yield:	7.57%
Capital Rate (psf):	£161.70 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	06 August 2019 (full internal inspection)
Energy Performance	E116
Certificate Rating:	

PROPERTY

Location

- Located in Bristol, the primary regional commercial centre, approximately 120 miles west of London, 85 miles south west of Birmingham and 40 miles east of Cardiff. The city benefits from excellent road connections with the M4/M5 interchange situated to the north of the city at Junction 16 of the M5.
- Bedminster is an established area of Bristol, approximately 1.5 miles from Temple Meads train station. The Property occupies corner position fronting West Street (A38), backing onto Eaton Street and situated on Kent Street. To the immediate rear of the property is a single industrial building with yard / parking, operating as a Royal Mail sorting office. There is a small multi-let industrial estate (Sheene Road Industrial Estate) to the east and south east.
- The immediate area is residential in nature with a small local retail parade on West Street.

Description

- A detached two storey building constructed in approximately 1980, the construction comprises brick elevations under a pitched tiled roof. There is a single storey extension to the rear comprising pebble dash rendered elevations with some PVC cladding, under a flat roof. Windows throughout are a combination of uPVC, double glazing and some metal framed windows on the first floor.
- Internally the Property is presented in a good/basic condition, although partly dated. Specification includes carpet and laminate floor tiles, ceiling trunking, and suspended ceilings with predominantly surface mounted CAT II lighting. The principal rooms on each floor are open plan in layout with some partitioned meeting rooms, and staff facilities including a canteen / kitchen. The office benefits from air conditioning throughout, although there are wall mounted units in the meeting rooms. Kitchen and W/C facilities are basic, although modern.
- Externally there is an area of grass to the front with brick block paving providing pedestrian access. To the rear is a small yard area laid to tarmac with a metal palisade fence and security gate, this only facilitates one car. We understand as part of the freehold title, a parcel of land to the west and south west of the building provides parking for approximately nine cars.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

Valuation Report prepared for Elite Commercial REIT Management Pte. Ltd (as manager of Elite Commercial REIT) and Perpetual (Asia) Limited (in its capacity as trustee of Elite Commercial REIT) | September 2019 | Confidential | www.knightfrank.com
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PROPERTY NAME: Lodge House, Bristol
ADDRESS: Lodge House, Fishponds Road, Bristol, BS16 3HZ
PROPERTY ID: 18

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	25,979 sq ft
Total Site Area:	0.18 hectares (0.44 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	1.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£366,588 pa / £14.11 psf
Market Rent (£ pa / £ psf):	£312,500 pa / £12.03 psf
Market Value: (1.8% purchasers costs)	£3,450,000
Yields:	
Net Initial Yield:	10.44%
Equivalent Yield:	8.47%
Reversionary Yield:	8.90%
Capital Rate (psf):	£132.80 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	06 August 2019 (full internal inspection)
Energy Performance	C73
Certificate Rating:	

PROPERTY

Location

- Located in Bristol, the primary regional commercial centre, approximately 120 miles west of London, 85 miles south west of Birmingham and 40 miles east of Cardiff. The city benefits from excellent road connections with the M4/M5 interchange situated to the north of the city at Junction 16 of the M5.
- The east Bristol suburb of Fishponds is approximately 3 miles from the city centre. The property is located at the junction of Fishponds Road (A432), being one of the main arterial routes into the city. Junction 2 of the M32 motorway is also located 1.2 miles west.
- The surrounding area is characterised by predominantly high density housing and small retail parades.

Description

- The Property comprises a three storey, attached office block. It was constructed in c.1970 of a concrete frame, with rendered panel elevations, under a flat roof. There are replacement uPVC windows.
- The accommodation is predominantly open plan over all floors, except for the ground floor reception area, meeting rooms (split with stud partitions), canteen / kitchen and the server / storage rooms. It is fitted to a basic specification including carpet tiles, perimeter trunking, suspended ceilings and surface mounted CAT II lighting. The ground floor only benefits from air conditioning, and there are perimeter radiators on all floors. Kitchen and sanitary fittings are basic, although modern.
- The Property benefits from a personnel lift (maximum 8 persons – 630 kg) with access to all floors.
- There is a rear car park for staff, with approximately 40 spaces.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 3 (31 March 2021).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Monks Park Avenue, Bristol
ADDRESS: 1 Monks Park Avenue, Horfield, Bristol, BS7 0UD
PROPERTY ID: 19

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	10,183 sq ft
Total Site Area:	0.24 hectares (0.59 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£115,477 pa / £11.34 psf
Market Rent (£ pa / £ psf):	£86,500 pa / £8.49 psf
Market Value: (1.8% purchasers costs)	£1,750,000
Yields:	
Net Initial Yield:	6.48%
Equivalent Yield:	5.45%
Reversionary Yield:	4.86%
Capital Rate (psf):	£171.86 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	06 August 2019 (full internal inspection)
Energy Performance	E119
Certificate Rating:	

PROPERTY

Location

- Located in Bristol, the primary regional commercial centre, approximately 120 miles west of London, 85 miles south west of Birmingham and 40 miles east of Cardiff. The city benefits from excellent road connections with the M4/M5 interchange situated to the north of the city at Junction 16 of the M5.
- The Property is situated in a prominent corner position, on the junction of Filton Road (A38) and Monks Park Avenue, in the Horfield suburb of North Bristol. The A38 is the main thoroughfare between Horfield and central Bristol and is considered a densely populated residential area with local retail parades on the A38. Southmead Hospital is approximately 0.5 miles to the west.

Description

- The Property comprises a two storey building constructed in the late 1960's, with brick elevations under a shallow pitched tiled roof. It has been substantially extended to provide a larger than average ground floor footprint, arranged as a 'U' shape. The single storey element is predominantly brick elevations with uPVC windows and cladding, under a flat roof.
- The specification includes carpet floor tiles, perimeter trunking (part ceiling trunking), and suspended ceilings with surface mounted CAT II lighting. The accommodation is predominantly open plan although includes some partitioned meeting rooms. The ground floor benefits from air conditioning. The first floor is in a dated condition with painted walls, fluorescent strip lights, suspended ceilings and carpet floor tiles. Kitchen and sanitary fittings are modern / basic on the ground floor and dated on the first floor. Windows on the first floor are mostly single glazed with metal security bars.
- The office has an oil fired heating system with perimeter vents.
- The rear car park is fully enclosed and provides approximately 22 parking spaces.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018.
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a basic state of repair commensurate with its age and use.

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PROPERTY NAME: Blackburn Road, Burnley
ADDRESS: Blackburn Road, Burnley, BB12 7NQ
PROPERTY ID: 20

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	46,405 sq ft
Total Site Area:	1.44 hectares (3.55 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £472,113 pa / £10.17 psf

Market Rent (£ pa / £ psf): £472,113 pa / £10.17 psf

Market Value: £5,800,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 8.00%

Equivalent Yield: 8.00%

Reversionary Yield: 8.00%

Capital Rate (psf): £124.99 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 19 July 2019 (full internal inspection)

Energy Performance E106

Certificate Rating:

PROPERTY

Location

- The Property is situated 5 miles from Burnley town centre. The M65 is 1.1 miles away and 8 miles from Blackburn.
- Burnley train station is situated 4.4 miles from the Property.
- On the adjacent site, new industrial units are being constructed. Surrounding land to the north is largely woodland and grazing land.

Description

- Constructed in the early 2000s, the Property comprises a rectangular shaped site on which sits a two storey, steel portal frame under a pitched steel roof. There is reconstructed stone elevations with glazed banding and full height curtain walling.
- The office accommodation is arranged either side of a central reception and full height atrium. The offices feature suspended ceilings and predominantly open plan accommodation. In addition, there is ancillary facilities and private offices. Dated accommodation with M&E replacement/renewal already planned for.
- There is approximately 400 car spaces on site.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Lee-Moran House, Burnley
ADDRESS: Lee-Moran House, Victoria Street, Burnley, BB11 1DD
PROPERTY ID: 21

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	17,886 sq ft
Total Site Area:	0.21 hectares (0.51 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £170,407 pa / £9.53 psf

Market Rent (£ pa / £ psf): £170,407 pa / £9.53 psf

Market Value: £2,025,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 8.27%

Equivalent Yield: 8.27%

Reversionary Yield: 8.27%

Capital Rate (psf): £113.22 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 19 July 2019 (full internal inspection)

Energy Performance E114

Certificate Rating:

PROPERTY

Location

- The Property is a secondary location, approximately 250 metres southwest of Burnley's Charter Walk shopping centre. The property is 1.2 miles to the junction M65 with Blackburn north east of Burnley (10.6 miles) and Manchester (27 miles). There is a mixture of office and A4 (bars and pubs) in the immediate vicinity, with Burnley's high street retail pitch approximately 200 metres north.

Description

- The 2006 built property comprises a rectangular shape site on which sits a stone fronted, 3 storey building of steel framed construction under a flat roof. Windows and doors are aluminium framed. The main entrance is situated on Hammerton Street with car parking on the adjacent side.
- The internal specification is Grade C.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Crown House, Burton On Trent
ADDRESS: Crown House, New Street, Burton On Trent, DE14 3SL
PROPERTY ID: 22

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	45,897 sq ft
Total Site Area:	0.10 hectares (0.24 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£128,185 pa / £2.79 psf
Market Rent (£ pa / £ psf):	£128,185 pa / £2.79 psf
Market Value: (1.8% purchasers costs)	£1,500,000
Yields:	
Net Initial Yield:	8.39%
Equivalent Yield:	8.39%
Reversionary Yield:	8.39%
Capital Rate (psf):	£32.68 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	24 July 2019 (full internal inspection)
Energy Performance	D86
Certificate Rating:	

PROPERTY

Location

- The Property is located in Burton On Trent, a secondary town located in North Staffordshire, approximately 9 miles south west of Derby and 25 miles north east of Birmingham. Burton is located adjacent to the A38 which connects to the M1 at J28 to the north and Birmingham to the south.
- Burton On Trent has a population of approximately 75,000 persons. The claimant count unemployment rate is 1.9% compared to the national average of 2.8%.
- More specifically, the Property is located in Burton town centre to the north of the junction of Lichfield Street and New Street. The Property is located immediately in front of and forms part of the Coopers Square Shopping Centre.

Description

- The Property comprises a purpose-built 1970s office building of brick construction surmounted by a flat roof, with accommodation over ground and six upper floors.
- The ground floor provides a largely open plan office which is open to the public. The space has been recently fitted out and includes a suspended ceiling with metal ceiling tiles, air conditioning and recessed fluorescent lighting. The floor finish is a combination of laminate flooring and carpet.
- The first floor is currently in use and the specification includes a suspended ceiling with LG3 style lighting and perimeter trunking.
- The upper floors are currently vacant with a specification which includes a suspended ceiling and CAT II lighting with perimeter trunking.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Silver Street, Bury
ADDRESS: Silver Street, Bury, BL9 0DP
PROPERTY ID: 23

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	9,352 sq ft
Total Site Area:	0.04 hectares (0.11 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £79,106 pa / £8.46 psf

Market Rent (£ pa / £ psf): £79,106 pa / £8.46 psf

Market Value: £1,000,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 7.77%

Equivalent Yield: 7.77%

Reversionary Yield: 7.77%

Capital Rate (psf): £106.93 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 19 July 2019 (full internal inspection)

Energy Performance D94

Certificate Rating:

PROPERTY

Location

- The Property is a secondary location, located close to Bury town centre with The Rock being 0.3 miles. The Property is situated in a well accessible location with the A58 0.3 miles, the A56 0.3 miles and the M66 1.9 miles. A bus stop is located 160 yards from the property.
- Manchester city centre is 8.9 miles south of Bury, Bolton is 5.9 miles West of Bury and Rochdale is 6.5 miles east. Properties in the vicinity are varied in use and include the Bury Art Museum, St Mary's Church and Bury Library.

Description

- The Property comprises a rectangular shape site on which sits a two storey building of concrete framed construction. The front elevation comprises of a marble and metal panel.
- The Property provides a Jobcentre Plus together with ancillary, open plan office accommodation, which is generally Grade C specification.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: St Andrew's House, Bury St Edmunds
ADDRESS: St Andrew's House, St Andrew's Street North, Bury St Edmunds, IP33 1TT
PROPERTY ID: 24

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	28,863 sq ft
Total Site Area:	0.26 hectares (0.64 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £229,930 pa / £7.97 psf

Market Rent (£ pa / £ psf): £229,930 pa / £7.97 psf

Market Value: £3,000,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 7.53%

Equivalent Yield: 7.53%

Reversionary Yield: 7.53%

Capital Rate (psf): £103.94 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 27 August 2019 (full internal inspection)

Energy Performance D88

Certificate Rating:

PROPERTY

Location

- Bury St Edmunds is a historic market town in Suffolk. It is approximately 25 miles east of Cambridge and 23 miles north west of Ipswich.
- The Property is situated directly north of the town centre, adjacent to the Bus Station. It fronts St Andrew's Street which runs into the town centre and connects to the inner ring road (Parkway A1302). The immediate surroundings are a mix of municipal, commercial and residential uses.

Description

- 1970's built L-shaped office property arranged over four storeys. Concrete framed construction with concrete panel elevations and a flat roof.
- The ground, first and second floors are occupied by Jobcentre plus with the Benefit Delivery Centre on the third floor. Internally, the office specification includes concrete floors, perimeter trunking, double glazing, and suspended ceilings.
- 28,863 sq ft NIA with surface car parking for approximately 60 cars.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Crown Buildings, Caerphilly
ADDRESS: Crown Buildings, Claude Road, Caerphilly, CF83 1WT
PROPERTY ID: 25

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	21,000 sq ft
Total Site Area:	0.24 hectares (0.59 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £124,374 pa / £5.92 psf

Market Rent (£ pa / £ psf): £105,000 pa / £5.00 psf

Market Value: £1,235,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 9.89%

Equivalent Yield: 8.75%

Reversionary Yield: 8.35%

Capital Rate (psf): £58.81 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 24 July 2019 (full internal inspection)

Energy Performance D84

Certificate Rating:

PROPERTY

Location

- Caerphilly is located about 6 miles north of Junction 32 of the M4, and about 10 miles north of Cardiff city centre. There are good rail connections from Caerphilly to Cardiff. Treforest Industrial Estate is about 3 miles to the west on the A470.
- The Property is situated within the urban area of the town to the south of the castle and the main shopping centre, but within walking distance of the secondary retail on Cardiff Road, close to the railway station.
- There is limited office product in the town centre, the focus being on the business parks in edge of town locations.

Description

- The Property comprises two interconnected 1970s office buildings, situated over a split level site with upper ground floor, fronting Claude Road. The main building is of concrete frame construction with brick clad elevations over lower ground, upper ground and three upper floors under a pitched roof (not inspected).
- The second building is situated over lower ground and upper ground floors, designed in an L shape, to the rear and is of brick and render cladding under flat roofs. Internally, the accommodation is approached off a small reception/staff lobby with lift and stairwell, serving each floor within a central core, having toilets on each floor.
- The internal space provides a combination of open plan and cellular offices, with carpeted solid floors, perimeter trunking, plastered and painted walls with double glazed windows under suspended ceilings with recessed lighting. Heating is provided by wall mounted panel heaters. Decoration is basic.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Hall Street, Campbeltown
ADDRESS: 40 Hall Street, Campbeltown, PA28 6BZ
PROPERTY ID: 26

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	8,288 sq ft
Total Site Area:	0.17 hectares (0.43 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £59,758 pa / £7.21 psf

Market Rent (£ pa / £ psf): £59,758 pa / £7.21 psf

Market Value: £550,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 10.67%

Equivalent Yield: 10.67%

Reversionary Yield: 10.67%

Capital Rate (psf): £66.36 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 30 August 2019 (full internal inspection)

Energy Performance E65 (Scotland)

Certificate Rating:

PROPERTY

Location

- Campbeltown is a town located in Argyll and Bute, in the south of the Kintyre peninsula, situated close to the isles of Arran, Jura and Islay.
- The town is located 139 miles southwest of Glasgow and 50 miles south of the town of Lochgilphead. Campbeltown is accessible via the A83 and B842 roads.
- The Property is located in a predominantly residential area, directly opposite Campbeltown Ferry Terminal.
- The Property is situated on Hall Street, one of the town's main streets, with cafes, restaurants and local shops located nearby.

Description

- The Property comprises a two storey office building of concrete frame construction, finished to render with some additional external brickwork and a pitched lead covered roof. To the rear of the main building is a separate single storey building, connected via a glazed corridor, providing additional ground floor office space.
- The office accommodation is located on the first floor and has carpet coverings, perimeter trunking, gas fired hot water radiators, recessed strip fluorescent lighting and double glazed timber frame windows. There are also male and female W/Cs and a kitchen/staff area.
- The ground floor customer area is of similar specification with a mixture of spotlighting, recessed strip fluorescent and suspended strip fluorescent lighting. There are CCTV installed in the ground floor areas of the property.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

Valuation Report prepared for Elite Commercial REIT Management Pte. Ltd (as manager of Elite Commercial REIT) and Perpetual (Asia) Limited (in its capacity as trustee of Elite Commercial REIT) | September 2019 | Confidential | www.knightfrank.com
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PROPERTY NAME: Beecroft Road, Cannock
ADDRESS: Beecroft Road, Cannock, WS11 1JR
PROPERTY ID: 27

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	31,517 sq ft
Total Site Area:	1.17 hectares (2.89 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£137,015 pa / £4.35 psf
Market Rent (£ pa / £ psf):	£137,015 pa / £4.35 psf
Market Value: (1.8% purchasers costs)	£1,650,000
Yields:	
Net Initial Yield:	8.16%
Equivalent Yield:	8.16%
Reversionary Yield:	8.16%
Capital Rate (psf):	£52.35 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	30 August 2019 (external and part internal inspection)
Energy Performance Certificate Rating:	E101

PROPERTY

Location

- The Property is located in Cannock, a secondary town located in the West Midlands, approximately 16 miles north west of Birmingham, 8.5 miles north-east of Wolverhampton and 8 miles north of Walsall. Cannock is located in close proximity to both the M6 (3.5 miles) and the M6 Toll (1.5 miles). There is a direct train service to London Euston with a fastest travel time of 2 hours and 56 minutes.
- Cannock has a population of approximately 62,700 persons. The claimant count unemployment rate is 2.1% compared to the national average of 2.8%.
- More specifically, the Property is located on the fringe of Cannock town centre just off the Ringway 150m north of Cannock Shopping Centre. To the north-west is Cannock Chase Hospital and also Beecroft Court, a modern office development. Next door to the subject property is Crown House, a former office building which has been converted to residential.

Description

- The Property comprises a purpose-built 1970s office building of brick construction surmounted by a flat roof, with accommodation over ground and four upper floors. There is a multi-story car park to the rear. A modern two story extension has been added to the front on the building.
- The ground floor provides a largely open plan office which is open to the public. The space has been recently fitted out and includes a suspended ceiling with metal ceiling tiles, air conditioning and recessed fluorescent lighting. The floor finish is a combination of laminate flooring and carpet.
- We were not allowed access to the upper floors. We understand that the top two floors are no longer in use are in need of redecoration and refurbishment. We understand that these are held under a separate lease.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Nutwood House, Canterbury
ADDRESS: Nutwood House, Chaucer Road, Canterbury, CT1 1ZZ
PROPERTY ID: 28

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	27,673 sq ft
Total Site Area:	0.84 hectares (2.07 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£512,000 pa / £18.50 psf
Market Rent (£ pa / £ psf):	£512,000 pa / £18.50 psf
Market Value: (1.8% purchasers costs)	£8,600,000
Yields:	
Net Initial Yield:	5.85%
Equivalent Yield:	5.85%
Reversionary Yield:	5.85%
Capital Rate (psf):	£310.77 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	24 July 2019 (full internal inspection)
Energy Performance Certificate Rating:	C63

PROPERTY

Location

- Canterbury is a historic English cathedral city situated in the district of Kent. Situated in east Kent, Canterbury lies about 55 miles south east of London, with the coastal towns of Herne Bay and Whitstable 6 miles to the north. The city has two railway stations, with both stations operating on the South Eastern route, and Canterbury West served by High Speed 1 to London St Pancras. The city is by-passed by the A2 London to Dover Road, and is about 45 miles from the M25 motorway.
- The Property is situated on the eastern edge of the city, and is accessed from Chaucer Road. Located adjacent to the cities Combined Court Centre, the subject is located in a primarily residential area, with terraced housing surrounding the Property. Public transport can be found on Chaucer Road, which provides access into the city centre to the west.

Description

- Constructed in the 1990's, the subject provides a detached two storey office facility which currently operates as a service centre for the Department for Work and Pensions.
- The Property is essentially broken up into three wings, which are all accessed from a central entrance. We believe the property to be of steel frame construction with brick elevations under a pitched tiled roof. Windows are double-glazed with a timber surround. Internally, the office has carpeted raised floors, suspended ceilings, wall mounted radiators and spotlights. We can confirm that only a few rooms within the property had the benefit of air conditioning.
- The Property has a single passenger lift with a capacity for 8 persons – 630kg.
- There is parking to the front and rear of the property, and according to the marketing particulars, there is parking for approximately 170 vehicles.
- Overall, the asset provides for a reasonable office environment.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018.
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Crown House, Chatham
ADDRESS: Crown House, The Brook, Chatham, ME4 4LQ
PROPERTY ID: 29

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	30,317 sq ft
Total Site Area:	0.25 hectares (0.62 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £432,326 pa / £14.26 psf

Market Rent (£ pa / £ psf): £432,326 pa / £14.26 psf

Market Value: £5,660,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 7.50%

Equivalent Yield: 7.50%

Reversionary Yield: 7.50%

Capital Rate (psf): £186.69 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 24 July 2019 (full internal inspection)

Energy Performance E122

Certificate Rating:

PROPERTY

Location

- Chatham is located in Kent, 9 miles north of Maidstone and 30 miles south east of London. Towns in close proximity to the subject include the likes of Dartford and Canterbury. The town's main road network comprises the A2, which provides direct access to Central London, and leads onto the M2, linking Chatham with the likes of Chatham, Ashford and Folkestone. The town is serviced by two high speed trains an hour into St Pancras International.
- The subject is situated on the on the A231 adjacent the Magistrates Court and opposite the Pentagon Shopping Centre. The subject is located in a primarily commercial area, with retail warehousing and the main High Street situated just to the south of the Property. To the immediate north east of the subject lies a considerable amount of open space with the Naval Memorial and Brompton Westbrook School as a key landmark and site.

Description

- Constructed in the 1960's, the Property provides a five storey office building with 'T' shaped floorplates.
- The Property is built of concrete frame construction with uPVC double glazed windows under a flat roof. The roof was not inspected.
- Internally, the ground, first, second and third floors contain public facing DWP space and staff offices, with the fourth floor providing further offices and ancillary staff accommodation. The fit out of each floorplate was very similar, with carpeted flooring, suspended ceilings with spotlights and painted plaster walls with wall-mounted radiators. The ground floor entrance benefits from air conditioning.
- The Property has 2 passenger lifts with the staff lift at the time of inspection not working. The operational lift had capacity for 11 persons – 825kg.
- There is parking to the rear of the Property along with yard area.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable/basic state of repair commensurate with its age and use.

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PROPERTY NAME: St Paul's House, Chippenham
ADDRESS: St Paul's House, 1 Marshfield Road, Chippenham, SN15 1LA
PROPERTY ID: 30

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	16,207 sq ft
Total Site Area:	0.17 hectares (0.43 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£272,877 pa / £16.84 psf
Market Rent (£ pa / £ psf):	£207,500 pa / £12.80 psf
Market Value: (1.8% purchasers costs)	£3,000,000
Yields:	
Net Initial Yield:	8.94%
Equivalent Yield:	7.27%
Reversionary Yield:	6.79%
Capital Rate (psf):	£185.11 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	26 July 2019 (full internal inspection)
Energy Performance	D87
Certificate Rating:	

PROPERTY

Location

- Chippenham is a Wiltshire market town situated only 4 miles south of the M4 motorway, almost equidistant between Swindon and Bristol, which between them represent two of the largest employment centres in the south west. The town also provides quick accessibility to Bath, only 13 miles west, whilst London is situated 100 miles to the east.
- The town benefits from excellent motorway connections between London in the east and Bristol and South Wales to the west. Bath, Swindon and Bristol are all accessible in under 40 minutes whilst three major ports (Avonmouth, Southampton and Portsmouth) and four major airports (Bristol, Heathrow, Southampton & Cardiff) are all accessible in 90 minutes or less.
- Chippenham also benefits from being on the Great Western Main Line and is directly linked by services to London Paddington with a fastest journey time of 1 hour and 13 minutes and Bristol in 28 minutes.
- The Property is located on the corner of St Paul Street and Marshfield Road (A420). A busy main road into and out of the town.
- Directly opposite the Property is a similar aged office building known as Bewley House, which has recently undergone extensive refurbishment.
- Nearest Jobcentre Plus is Cyppa Court in Chippenham approximately 2 miles away from the Property.

Description

- Four storey concrete framed 1970s building with stone elevations under a flat roof with single glazed metal casement windows.
- Car park to the rear providing 24 spaces and a further undercroft car park providing approximately 15 spaces.
- Secondary basic specification providing offices over ground, first, second and third floors.
- Alternating male and female WCs on each floor.
- Offices are mainly open plan and largely unoccupied.
- Suspended ceilings, fluorescent strip lighting, perimeter trunking. Air-conditioning installed to the ground and first floor accommodation only.
- Eight person passenger lift (630kg).

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Crown Buildings, Colchester
ADDRESS: Crown Buildings, 40 Chapel Street South, Colchester, CO2 7AZ
PROPERTY ID: 31

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	19,152 sq ft
Total Site Area:	0.17 hectares (0.42 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£204,330 pa / £10.67 psf
Market Rent (£ pa / £ psf):	£204,330 pa / £10.67 psf
Market Value: (1.8% purchasers costs)	£3,450,000
Yields:	
Net Initial Yield:	5.82%
Equivalent Yield:	5.82%
Reversionary Yield:	5.82%
Capital Rate (psf):	£180.14 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	27 August 2019 (full internal inspection)
Energy Performance Certificate Rating:	D86

PROPERTY

Location

- Located in Essex, Colchester is Britain's oldest recorded town. The town is located approximately 63 miles north east of London, 24 miles north east of Chelmsford and 18 miles south west of Ipswich.
- The Property is situated to the south of the A134 Southway, on the south-western periphery of the town centre. The building is situated on the corner of Chapel Street South and Wellington Street.

Description

- A purpose-built concrete framed office building on basement, ground and five upper floors.
- Internally, the office accommodation is finished with solid, carpeted floors with perimeter trunking, uPVC windows and is heated via wall mounted hot water radiators.
- There is a car park, providing approximately 36 spaces, and a bike shed.
- The Property has potential for residential conversion subject to the necessary consents.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018.
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- The Property is dated, but appears to be in reasonable repair and condition commensurate with age and use.

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PROPERTY NAME: Holborn House, Derby
ADDRESS: Holborn House, Wyvern Business Park, Stanier Way, Derby, DE21 6BF
PROPERTY ID: 32

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	35,120 sq ft
Total Site Area:	0.77 hectares (1.90 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £452,639 pa / £12.89 psf

Market Rent (£ pa / £ psf): £452,639 pa / £12.89 psf

Market Value: £5,925,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 7.50%

Equivalent Yield: 7.50%

Reversionary Yield: 7.50%

Capital Rate (psf): £168.71 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 23 August 2019 (full internal inspection)

Energy Performance D90

Certificate Rating:

PROPERTY

Location

- The Property is situated on an island site, along with the adjacent building. It is accessed from the northern side of Stanier Way, which connects to the A52, subsequently providing access to both Derby city centre (2 miles west) and Junction 25 of the M1 (5.25 miles east). The property is operated as a back office service centre with no general public access. The nearest Jobcentre Plus are in Derby and Ilkeston.
- The Property is located on Wyvern Business Park, which is secondary in comparison to the nearby premier out of town office location of Pride Park. The Wyvern Business Park incorporates a Premier Inn hotel and is located adjacent to the Wyvern Retail Park with a number of retail outlets including a large Sainsbury's supermarket. Adjacent to the business park and opposite the retail park, St Modwen are proposing a mixed use 70 acre development. The £80m 'Derby Triangle' scheme proposes some 650,000 sq ft of space for potential office, retail, restaurant and pub opportunities.
- The city of Derby is the county town of Derbyshire and is approximately 46 miles north east of Birmingham, 47 miles south of Sheffield and 61 miles south east of Manchester. Derby is connected to Nottingham, 13 miles to the east, by the A52, which also gives access to the M1 at Junction 25.

Description

- The Property comprise a modern purpose-built office building in an L-shaped configuration constructed in 2001 for the current tenant. It is detached and arranged over three storeys.
- The building is of steel framed construction with brick cavity elevations and metal framed double glazed windows, under a pitched and hipped, concrete tiled roof. There is a full height glazed entrance and reception to the front of the building with a barrier controlled car park providing approximately 144 spaces giving a parking ratio of 1:244 sq ft.
- Internally, the Property provides open plan/cellular offices with a kitchenette to all wings on both upper floors. The central core provides WCs/showers, while the ground floor provides an open plan office to one wing with communication's room, store and staff canteen to the other.
- In terms of fit-out the offices have carpet tiled raised access floors, painted plaster walls and suspended ceilings, while the WCs and showers are part tiled. Vinyl, wood laminate and tiled flooring is present to the kitchenettes and canteen.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a good state of repair commensurate with its age and use.

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PROPERTY NAME: High Street, Dingwall
ADDRESS: 3 High Street, Dingwall, IV15 9HL
PROPERTY ID: 33

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	3,438 sq ft
Total Site Area:	0.03 hectares (0.07 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £30,808 pa / £8.96 psf

Market Rent (£ pa / £ psf): £24,000 pa / £6.98 psf

Market Value: £290,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 10.44%

Equivalent Yield: 8.73%

Reversionary Yield: 8.13%

Capital Rate (psf): £84.35 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 24 July 2019 (full internal inspection)

Energy Performance E67 (Scotland)

Certificate Rating:

PROPERTY

Location

- The Property is located in Dingwall, a small town in the Highlands district in the north of Scotland. Dingwall lies approximately 11 miles north west of Inverness, which is regarded as the capital of the Highlands and is the administrative centre for the Highland Council. Dingwall is connected to the central belt of Scotland via the A9, and to Moray and Aberdeenshire via the A96.
- Dingwall has an estimated population of 5,500, whilst the Highlands district has a population of approximately 235,000. The current rate of unemployment as at March 2019 for Highland is 2.9%, compared to the rates for Scotland and Great Britain of 4.1% (NOMIS 2019).
- The Property is situated to the east of Dingwall High Street, in the heart of the city centre, and is surrounded by retailer occupiers, including a number of national retailers such as Boots, Lloyds Pharmacy, Ladbroke's, William Hill, Specsavers and New Look. Dingwall train station is less than a 5 minute walk away. The property is located within the Highland Council Dingwall conservation area.
- The nearest alternative Jobcentre Plus are located in Invergordon and Inverness (both approximately 14 miles).

Description

- The Property comprises a two storey building of blockwork construction with accommodation arranged over ground and first floors. The roof is pitched and slated in part and flat in part. The Property benefits from a glazed frontage facing onto the high street. Further natural light to the building is provided by timber framed double-glazed sash windows.
- The ground floor comprises a large open plan public access area with partitioned meeting rooms, toilet facilities and a tea preparation/staff room to the rear. Specification on the ground floor includes carpet tiled flooring, painted plasterboard walls, suspended metal ceiling panels, CAT II lights on hangers, heating via a gas-fired radiator system and perimeter trunking.
- The first floor is cellular in layout and comprises four office rooms, a public meeting room, a confidential waste room, a kitchen, toilet facilities and a large server room. Specification on the first floor includes rolled carpet covered floors, painted plasterboard walls, suspended ceiling tiles with a mix of integrated lighting, heating via gas-fired radiators perimeter trunking.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a good state of repair commensurate with its age and use.

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PROPERTY NAME: Claverhouse Industrial Park, Dundee
ADDRESS: Claverhouse Industrial Park, 6 Jack Martin Way, Dundee, DD4 9FF
PROPERTY ID: 34

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	48,269 sq ft
Total Site Area:	1.16 hectares (2.86 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £281,392 pa / £5.83 psf

Market Rent (£ pa / £ psf): £281,000 pa / £5.82 psf

Market Value: £2,885,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 9.58%

Equivalent Yield: 8.99%

Reversionary Yield: 9.57%

Capital Rate (psf): £59.77 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 23 July 2019 (full internal inspection)

Energy Performance E62 (Scotland)

Certificate Rating:

PROPERTY

Location

- Dundee is the fourth largest city in Scotland and the administrative centre for Tayside region.
- It is located 65 miles north of Edinburgh, 90 miles north east of Glasgow and 70 miles south of Aberdeen.
- The city has a population of 140,000 people, with an economy driven by two universities, a renowned teaching hospital at Ninewells, as well as a strong biomedical and digital arts centre.
- V&A Dundee, the new international design centre for Scotland, opened in September 2018. This is the first design museum in the UK located outside of London and to date has attracted high visitor numbers and is a big draw to the area.
- The Property is situated in Claverhouse Industrial Estate, approximately 3.5 miles north east of the city centre and is accessed directly from the A90.
- It forms part of a small industrial area located on either side of the A90, with neighbouring properties comprising a modern car dealership (Struans Peugeot and Toyota) and modern office pavilion (Dundee Council Social work Department).
- The rear section of the estate accommodates an estate road accessing undeveloped land.

Description

- Single storey modern warehouse with integral two storey offices to the front.
- The building is of steel portal frame construction clad externally with profile metal cladding
- The rear warehouse is adapted to use as offices/call centre, providing a modern specification including raised access floors, perimeter double-glazed windows, suspended tile ceiling with CAT II lighting and air-conditioning.
- The original offices to the front are finished to a similar specification.
- Externally, the site provides surfaced car parking areas to the front and both sides, providing a total of approximately 189 spaces.
- The site is secure, bound by a high steel post and wire mesh fence.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a good state of repair commensurate with its age and use.

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PROPERTY NAME: Trinity Road, Elgin
ADDRESS: 13-21 Trinity Road, Elgin, IV30 1RJ
PROPERTY ID: 35

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	17,427 sq ft
Total Site Area:	0.22 hectares (0.55 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £142,946 pa / £8.20 psf

Market Rent (£ pa / £ psf): £142,946 pa / £8.20 psf

Market Value: £1,600,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 8.78%

Equivalent Yield: 8.78%

Reversionary Yield: 8.78%

Capital Rate (psf): £91.81 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 24 July 2019 (full internal inspection)

Energy Performance: E78 (Scotland)

Certificate Rating:

PROPERTY

Location

- The Property is located within Elgin, the administrative and commercial centre of Moray. Elgin has a population of approximately 22,980 (Moray Council, 2012) and is the administrative and commercial centre of Moray, with a catchment population of approximately 95,500 (NOMIS, 2016).
- Elgin is situated on the A96 trunk road between Aberdeen (approximately 66 miles) to the south east and Inverness (approximately 40 miles) to the west. It also has a railway station served by the Aberdeen to Inverness line from which there are connections to the Central Belt. There are bus services along A96 serving the city and its environs.
- Main employers in Moray include Baxter's food producers, Robertson Construction and its commercial and residential development divisions, Springfield properties, Moray Council, NHS, RAF Lossiemouth and Kinloss Army Barracks. These armed forces bases provide major input to the economy in terms of associated employment and consumer expenditure.
- The current rate of unemployment as at March 2019 for Moray is 3.7%, compared to the rates for Scotland and Great Britain of 4.1% (NOMIS 2019).
- The nearest Jobcentre Plus are at Forres (12 miles) and Buckie (15 miles).

Description

- The Property comprises a large office building of concrete frame and flat roof construction with accommodation arranged over ground and first floors in part and ground, first and second floors in part. The building benefits from very good natural light through ample large uPVC framed double glazed windows.
- Specification is generally carpet tile covered flooring, painted plasterboard walls, suspended ceiling grid tiles or metal panels, CAT II style lighting, either integrated into ceiling or on hangers, perimeter trunking, and a concealed central heating system.
- There is a mix of open plan and cellular accommodation throughout the building. There are either kitchen or tea preparation areas on each floor, and each floor has access to male and female toilets, with a disabled access toilet on the ground floor only. The building does not benefit from a lift between floors.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a good state of repair commensurate with its age and use.

Valuation Report prepared for Elite Commercial REIT Management Pte. Ltd (as manager of Elite Commercial REIT) and Perpetual (Asia) Limited (in its capacity as trustee of Elite Commercial REIT) | September 2019 | Confidential | www.knightfrank.com
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PROPERTY NAME: East Street, Epsom
ADDRESS: 50 East Street, Epsom, KT17 1HQ
PROPERTY ID: 36

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	8,687 sq ft
Total Site Area:	0.10 hectares (0.24 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£143,158 pa / £16.48 psf
Market Rent (£ pa / £ psf):	£143,158 pa / £16.48 psf
Market Value: (1.8% purchasers costs)	£2,350,000
Yields:	
Net Initial Yield:	5.98%
Equivalent Yield:	5.98%
Reversionary Yield:	5.98%
Capital Rate (psf):	£270.52 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	21 August 2019 (full internal inspection)
Energy Performance Certificate Rating:	C66

PROPERTY

Location

- The Property is located in Epsom, Surrey, which is situated approximately 17 miles south west of Central London. Epsom is viewed by many as an affluent town within the Borough of Epsom and Ewell. Epsom train station provides a south western service directly into London Waterloo in just over 30 minutes. Both Gatwick and Heathrow Airports are within an hour's drive of the subject.
- The Property is located to the east of Epsom train station on the north eastern edge of Epsom town centre on East Street (A24), with a bus stop situated directly outside of the property. The station is located 0.5 miles to the west, and Junction 9 of the M25 Motorway is approximately 4 miles to the south west.
- Surrounding uses generally comprises of offices, light industrial and terraced housing.

Description

- The Property is a semi-detached four storey office building of concrete frame construction, with brick elevations and concrete floors, set under a flat roof.
- Internally, the general specification includes carpet/vinyl floor coverings, painted walls and painted/suspended tile ceilings. There is a mixture of ceiling mounted and recessed lighting.
- The Property benefits from a small portion of parking facilities to the rear.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Hadrian House, Eston
ADDRESS: Hadrian House, 81 High Street, Eston, Middlesbrough, TS6 9EH
PROPERTY ID: 37

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	24,219 sq ft
Total Site Area:	0.36 hectares (0.88 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £149,672 pa / £6.18 psf

Market Rent (£ pa / £ psf): £149,672 pa / £6.18 psf

Market Value: £1,475,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 9.97%

Equivalent Yield: 9.97%

Reversionary Yield: 9.97%

Capital Rate (psf): £60.90 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 8 August 2019 (full internal inspection)

Energy Performance D86

Certificate Rating:

PROPERTY

Location

- The Property is located in Eston, which lies approximately 5 miles to the east of Middlesbrough and 4 miles south west of Redcar.
- The area has good road communication links being situated close to the A174 and A66 both of which provide access to the A19 York to Tyneside trunk road.
- The Property is located on High Street, which forms the main commercial centre of Eston.

Description

- The Property comprises a detached 3 storey office building dating from the 1970's extending to approximately 24,219 sq ft.
- The Property is of assumed concrete frame construction with cavity brick elevations beneath a flat roof.
- The Property provides predominantly open plan office accommodation throughout which is to a reasonable specification to include a solid concrete floor with a carpet covering with painted plaster walls and a suspended ceiling with lighting provided by CAT II lighting.
- The tenant has created individual meeting rooms were required.
- Part of the accommodation on the first floor benefits from a raised access floor.
- Male and female WC facilities are provided for on each floor.
- Heating to the property is provided by a gas fired central heating system.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Heron House, Falkirk
ADDRESS: Heron House, Wellside Place, Falkirk, FK1 5SE
PROPERTY ID: 38

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	25,454 sq ft
Total Site Area:	0.21 hectares (0.51 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £262,181 pa / £10.30 psf

Market Rent (£ pa / £ psf): £229,000 pa / £9.00 psf

Market Value: £2,910,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 8.85%

Equivalent Yield: 8.00%

Reversionary Yield: 7.73%

Capital Rate (psf): £114.32 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 25 July 2019 (full internal inspection)

Energy Performance E61 (Scotland)

Certificate Rating:

PROPERTY

Location

- Falkirk comprises a medium sized town located in the heart of central Scotland, located adjacent to the smaller town of Grangemouth, which is home to Scotland's main petrochemical complex.
- The town is located 26 miles north west of Edinburgh and 24 miles north east of Glasgow in a strategic location adjacent to the M9, M80 and M876 motorways.
- The town has a population of 36,000 people.
- The Property is situated on the west edge of Falkirk town centre less than 250 m from the Howgate Centre, the town's main shopping centre.
- The surrounding area provides a concentration of office buildings including the main offices of Falkirk Council on the adjacent site to the west and Forth valley Divisional Police HQ at the south end of Wellside Place.
- The adjacent site to the south comprises a modern sheltered housing development.

Description

- Three storey offices dating from the 1970s.
- The building, which is L-shaped, arranged in two wings, is of concrete framed construction with brick walls on ground / first floor and metal cladding on second floor, under a flat roof.
- Internally it provides offices of dated specification comprising solid carpeted floors, painted plaster walls, UPVC double glazed windows and suspended tile ceilings with CAT II lighting.
- Externally, the site provides limited staff car parking to the front, providing a total of approximately 6 spaces.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Parklands, Falkirk
ADDRESS: Parklands, Callendar Boulevard, Falkirk, FK1 1XT
PROPERTY ID: 39

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	81,350 sq ft
Total Site Area:	1.74 hectares (4.30 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £683,789 pa / £8.41 psf

Market Rent (£ pa / £ psf): £683,789 pa / £8.41 psf

Market Value: £8,675,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 7.74%

Equivalent Yield: 7.74%

Reversionary Yield: 7.74%

Capital Rate (psf): £106.64 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 25 July 2019 (full internal inspection)

Energy Performance F86 (Scotland)

Certificate Rating:

PROPERTY

Location

- Falkirk comprises a medium sized town located in the heart of central Scotland, located adjacent to the smaller town of Grangemouth, which is home to Scotland's main petrochemical complex.
- The town is located 26 miles north west of Edinburgh and 24 miles north east of Glasgow in a strategic location adjacent to the M9, M80 and M876 motorways.
- The town has a population of approximately 36,000 people.
- Callendar Business Park is located 0.5 miles east of Falkirk town centre, with reasonable access to the M9 motorway via junction 5.
- It occupies an attractive woodland setting.
- The Property comprises one of two office pavilions located on the east side of the business park, both occupied by the DWP.

Description

- Three storey offices dating from the early 1990s. The building, which is L-shaped, arranged in two wings, is of steel framed construction with composite stone block walls under a multi-pitched tiled roof.
- Internally it provides open plan offices of a modern specification comprising carpeted raised access floors, painted plaster walls, bronzed anodised double glazed windows and suspended tile ceilings with CAT II lighting.
- The building has air conditioning and gas central heating throughout.
- The main reception is located within the central core and accommodates a full height atrium with painted plaster walls and high level feature window enhancing levels of natural light.
- The central core accommodates two 10-person lifts connecting all floors and female, male and disabled WCs on each floor, each with shower facilities.
- Externally, the site provides a surfaced car park to the front side and rear, providing a total of approximately 295 spaces and 21 disabled spaces.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Roskell House, Fleetwood
ADDRESS: Roskell House, 11-27 Kemp Street, Fleetwood, FY7 6JX
PROPERTY ID: 40

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	5,863 sq ft
Total Site Area:	0.08 hectares (0.20 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£46,800 pa / £7.98 psf
Market Rent (£ pa / £ psf):	£35,170 pa / £6.00 psf
Market Value: (1.8% purchasers costs)	£415,000
Yields:	
Net Initial Yield:	11.08%
Equivalent Yield:	9.06%
Reversionary Yield:	8.32%
Capital Rate (psf):	£70.78 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	24 July 2019 (full internal inspection)
Energy Performance Certificate Rating:	C73

PROPERTY

Location

- The Property is located in Fleetwood centre. Fleetwood is a town in Lancashire, which is 7 miles north of Blackpool and 17 miles North West of Preston.
- The Property is located just off Lord Street, which is the main retail high street.
- Lord Street has a frequent tram service connecting the town with Blackpool.

Description

- The property comprises of two floors and is a rectangular shape. It is a concrete frame building with a pitched roof and brick elevations. It has solid floors with a mix of laminate and carpet flooring. The Property has mostly open plan offices with some partition walls, which make up some meeting rooms. Car parking is provided to the side of the property with a gated fence protecting this area.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

PROPERTY NAME: Palting House, Folkestone
ADDRESS: Palting House, Trinity Road, Folkestone, CT20 2RH
PROPERTY ID: 41

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	36,566 sq ft
Total Site Area:	0.49 hectares (1.20 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £268,840 pa / £7.35 psf

Market Rent (£ pa / £ psf): £268,840 pa / £7.35 psf

Market Value: £4,050,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 6.52%

Equivalent Yield: 6.52%

Reversionary Yield: 6.52%

Capital Rate (psf): £110.76 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 24 July 2019 (full internal inspection)

Energy Performance C70

Certificate Rating:

PROPERTY

Location

- The subject is located in Folkestone, Kent, a port town on the English coastline, which is located 16 miles south east of Ashford, 10 miles south west of Dover and 70 miles south east of Central London. The A2034 and A259 roads provide easy access into the town centre from the M20. The town is served by two main stations, Folkestone Central and Folkestone West.
- The Property is situated on the corner of Palting Way and Trinity Road, with the main entrance being on the northern side of Palting Way. The surrounding area is residential to the west and commercial to the east, with the seafront situated 0.7 miles directly south.

Description

- Constructed in the 1960's/70's, the Property provides a three storey office building.
- Irregularly shaped, the property is of brick construction, with full height glazing on the ground floor and set under a flat roof.
- Internally, there was a considerable amount of space within the western wing which lay vacant. The space occupied by the Jobcentre Plus in the eastern wing comprised of carpeted raised flooring, suspended ceilings with spot lights, single glazed windows with metal surround, wall mounted radiators and painted plaster walls. Air conditioning was limited to certain areas.
- The Property did not have any lifts, and we would therefore advise that the buildings Disability Discrimination Act (DDA) compliancy be checked.
- There is considerable parking to the rear of the property.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Atlas Road, Glasgow
ADDRESS: 200 Atlas Road, Springburn, Glasgow, G21 4DL
PROPERTY ID: 42

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	49,788 sq ft
Total Site Area:	1.06 hectares (2.63 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £397,111 pa / £7.98 psf

Market Rent (£ pa / £ psf): £397,111 pa / £7.98 psf

Market Value: £4,600,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 8.48%

Equivalent Yield: 8.48%

Reversionary Yield: 8.48%

Capital Rate (psf): £92.39 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 19 July 2019 (full internal inspection)

Energy Performance E78 (Scotland)

Certificate Rating:

PROPERTY

Location

- Glasgow is the largest city in Scotland and the third largest in the UK.
- The Property is situated in the Springburn area, 2.5 miles north of Glasgow city centre.
- Springburn has reasonable transport links, including direct access to the M8 motorway via Junction 15 and both Springburn Station and Barnhill Station are within close proximity to the Property.
- Surrounding uses include commercial and residential.

Description

- Three storey office building constructed c.1980.
- Steel frame construction with brickwork elevations and pitched tiled roof, configured as a square with a courtyard in the middle.
- Office accommodation includes concrete floors covered with carpet, recessed strip fluorescent lighting, hot water gas fired radiators, perimeter cabling, wooden framed single glazed windows, WCs and tea prep facilities. Dated accommodation.
- The property has a customer area on the first floor, which is of a more modern specification and fit out, and has a mixture of suspended strip fluorescent and spot lighting.
- There is a tarmac car park located to the rear of the property with approximately 87 car parking spaces.
- Square courtyard in the centre of the property.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Coustonholm Road, Glasgow
ADDRESS: 8 Coustonholm Road, Shawlands, Glasgow, G43 1SS
PROPERTY ID: 43

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	36,124 sq ft
Total Site Area:	0.96 hectares (2.38 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £303,446 pa / £8.40 psf

Market Rent (£ pa / £ psf): £303,446 pa / £8.40 psf

Market Value: £3,500,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 8.52%

Equivalent Yield: 8.52%

Reversionary Yield: 8.52%

Capital Rate (psf): £96.89 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 19 July 2019 (full internal inspection)

Energy Performance E71 (Scotland)

Certificate Rating:

PROPERTY

Location

- Glasgow is the largest city in Scotland and the third largest in the UK. The city is located approximately 45 miles to the west of Edinburgh.
- The Property is located in Shawlands, an area of Glasgow which lies approximately 4 miles south of the city centre.
- The Property benefits from good connectivity, with Pollokshaws East train station 100m to the west, and the A77 only 0.2 miles from the property which connects to the M77 Motorway.
- The Property is situated on the southern side of Coustonholm Road, with predominantly residential houses/flats in the surrounding areas and a sports ground to the rear of the Property, across the White Cart River which lies directly behind the Property.

Description

- The Property comprises a detached three storey office pavilion of steel frame construction with brickwork elevations and a pitched tiled roof.
- Externally, there is a tarmac surfaced car park to the rear of the building, and a common car park to the side of the building. The Property has Japanese knotweed on the periphery of the site, away from the building. There is also an electricity substation.
- Internally, the accommodation comprises a customer area on the ground floor and part of the first, and office accommodation on part first and the second floor.
- The customer area has the following specification: concrete floors incorporating floor boxes and carpet coverings, a metal suspended ceiling with a mixture of suspended strip fluorescent lighting and recessed spot lighting, gas fired hot water radiators, customer WCs, a gym and changing/shower facilities. The office accommodation has concrete flooring incorporating floor boxes with carpet coverings, recessed strip fluorescent lighting, A/C and gas fired hot water radiators.
- Windows are aluminium framed with double glazing.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Glasgow Benefits Centre, Glasgow
ADDRESS: Glasgow Benefits Centre, Northgate, 96 Milton Street, Glasgow, G4 0DX
PROPERTY ID: 44

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	137,287 sq ft
Total Site Area:	1.18 hectares (2.91 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £1,940,350 pa / £14.13 psf

Market Rent (£ pa / £ psf): £1,940,350 pa / £14.13 psf

Market Value: £32,600,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 5.85%

Equivalent Yield: 5.85%

Reversionary Yield: 5.85%

Capital Rate (psf): £237.46 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 19 July 2019 (full internal inspection)

Energy Performance D55 (Scotland)

Certificate Rating:

PROPERTY

Location

- Glasgow is the largest city in Scotland and the third largest in the UK.
- The property occupies almost an entire block on a prominent corner position on the south side of Milton Street at its junction with Port Dundas Road, in the Cowcaddens area of Glasgow. This is situated towards the north of the city centre and just south of the M8 motorway.
- Surrounding occupiers include Glasgow Caledonian University, residential properties, office buildings and a car showroom.
- The Property has good transport links, with Cowcaddens Subway Station and Buchanan Bus Station both within 5 minutes walking distance, and Glasgow Central and Queen Street railway stations also within walking distance.
- Considered a peripheral office location in the context of the Glasgow city centre office market.

Description

- The Property comprises a large, three storey office complex of steel frame construction with a mixture of brickwork and glazed elevations.
- The building was constructed in the late 1980s and is split over two wings, connected at the western side of the building to provide U-shaped floorplates.
- The building provides mostly open plan office accommodation, with additional facilities such as a nursery, gym and staff canteen on the ground floor.
- The office accommodation has the following specification: raised access flooring covered with carpet tiles, dated suspended acoustic tiled ceilings incorporating A/C and recessed strip fluorescent lighting, painted plasterboard walls and perimeter cabling.
- 630kg 8 person passenger lift.
- On-site parking for approximately 150 cars.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018.
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

Valuation Report prepared for Elite Commercial REIT Management Pte. Ltd (as manager of Elite Commercial REIT) and Perpetual (Asia) Limited (in its capacity as trustee of Elite Commercial REIT) | September 2019 | Confidential | www.knightfrank.com
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PROPERTY NAME: Pollokshaws Road, Glasgow
ADDRESS: 159-181 Pollokshaws Road, Glasgow, G41 1PU
PROPERTY ID: 45

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	15,812 sq ft
Total Site Area:	0.29 hectares (0.72 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £154,722 pa / £9.79 psf

Market Rent (£ pa / £ psf): £154,722 pa / £9.79 psf

Market Value: £1,600,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 9.50%

Equivalent Yield: 9.50%

Reversionary Yield: 9.50%

Capital Rate (psf): £101.19 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 19 July 2019 (full internal inspection)

Energy Performance C39 (Scotland)

Certificate Rating:

PROPERTY

Location

- Glasgow is the largest city in Scotland and the third largest in the UK. The city is located approximately 45 miles to the west of Edinburgh.
- The Property is situated in the Gorbals area, approximately 1.5 miles south of Glasgow city centre, located on the south side of Devon Place, which is immediately adjacent to the M74 motorway.
- Surrounding uses include wholesalers, car garages and residential.

Description

- The Property comprises a modern two storey office building which was constructed for DWP in 2010. It is of steel frame construction with concrete/glazed elevations and a flat roof.
- The office accommodation and staff area on the first floor has a concrete floor, which is covered with carpet and incorporates floor boxes, air conditioning throughout, recessed LG3 lighting, double glazed steel framed windows and a modern fit out. There is also a staff canteen, W/Cs, shower, tea prep facilities and a passenger lift.
- The customer area is accessed through double electric doors via a ramp, which leads to the property from the street. Internally, the customer area has a metal strip ceiling with a mixture of suspended strip lighting and spot lighting.
- Externally, there is an electricity substation and approximately 40 car parking spaces, which include four disabled parking spaces.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a good state of repair commensurate with its age and use.

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PROPERTY NAME: Mulberry House, Goole
ADDRESS: Mulberry House, North Street, Goole, DN14 5RA
PROPERTY ID: 46

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	6,202 sq ft
Total Site Area:	0.09 hectares (0.23 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£36,732 pa / £5.92 psf
Market Rent (£ pa / £ psf):	£36,732 pa / £5.92 psf
Market Value: (1.8% purchasers costs)	£400,000
Yields:	
Net Initial Yield:	9.02%
Equivalent Yield:	9.02%
Reversionary Yield:	9.02%
Capital Rate (psf):	£64.50 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	19 July 2019 (full internal inspection)
Energy Performance Certificate Rating:	C73

PROPERTY

Location

- Goole lies in the East Riding of Yorkshire approximately 28 miles to the west of Hull, 23 miles to the north east of Doncaster and 21 miles to the south east of York.
- The Property is located in Goole town centre, approximately 2 miles east of Junction 36 of the M62.
- The Property is situated on North Street, adjacent to Goole Leisure centre and North Street Retail Park.
- Occupiers in the immediate vicinity include Home Bargains, Farmfoods and a number residential dwellings.
- The nearest Jobcentre Plus is in Scunthorpe, 20 miles to the south east.

Description

- A two storey detached office building of steel frame construction, with brick infill elevations under a hipped, concrete tile covered, roof. Windows are double glazed with aluminium powder coated frames.
- Internally, the property provides a mixture of open plan and cellular space. The general specification includes carpet floor coverings, painted walls and suspended tile ceilings with recessed lighting.
- The Property benefits from gas fired central heating and wall mounted perimeter trunking / raised floors with power points to part.
- We understand that there is also a basement, which houses plant equipment.
- There is no parking attached to the property.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Crown House, Grantham
ADDRESS: Crown House, 49A Castlegate, Grantham, NG31 6SY
PROPERTY ID: 47

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	24,962 sq ft
Total Site Area:	0.32 hectares (0.78 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£141,407 pa / £5.66 psf
Market Rent (£ pa / £ psf):	£125,000 pa / £5.01 psf
Market Value: (1.8% purchasers costs)	£1,925,000
Yields:	
Net Initial Yield:	7.22%
Equivalent Yield:	6.74%
Reversionary Yield:	6.38%
Capital Rate (psf):	£77.12 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	27 August 2019 (full internal inspection)
Energy Performance	D89
Certificate Rating:	

PROPERTY

Location

- Grantham is a market town in Lincolnshire strategically located just to the east of the A1, approximately 25 miles east of Nottingham, 38 miles north west of Peterborough and 112 miles north of London.
- The town occupies a strategic position adjacent to the intersection of the A1 and A52 dual carriageways, which provide Grantham with immediate access to excellent north south and east-west communication routes. The A1 provides direct access to London to the south and the A52 provides direct access to Nottingham and the M1, linking the town to the national motorway network, 25 miles east.
- Grantham benefits from excellent rail communications, lying on the East Coast Main line and has a fastest journey time of just over one hour to both London and Leeds.
- The Property is situated to the east of High Street in Grantham town centre and accessed via a road off Castlegate, which provides independent access to the Property.

Description

- Originally developed in the 1970's, the Property comprises an 'L' shaped office building arranged over ground, first and second floors under a flat roof.
- The Property is arranged in two wings with part operated as a Jobcentre Plus and open to the public, and the remaining part known as Isaac Newton Conference Suite and used as a regional training centre.
- The accommodation provides a mix of open plan office accommodation and partitioned offices and accessed via a main staircase.
- Parking is provided on site with approximately 50 designated parking spaces with 31 spaces in a secure basement car park and a further approximately 19 external spaces.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018.
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Beaufort House, Harlow
ADDRESS: Beaufort House, Crown Gate, Harlow, CM20 1NA
PROPERTY ID: 48

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	28,170 sq ft
Total Site Area:	0.19 hectares (0.47 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£433,899 pa / £15.40 psf
Market Rent (£ pa / £ psf):	£433,899 pa / £15.40 psf
Market Value: (1.8% purchasers costs)	£5,885,000
Yields:	
Net Initial Yield:	7.24%
Equivalent Yield:	7.24%
Reversionary Yield:	7.24%
Capital Rate (psf):	£208.91 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	27 August 2019 (full internal inspection)
Energy Performance Certificate Rating:	D76

PROPERTY

Location

- Harlow is a district in the west of Essex on the boarder of Hertfordshire. The town is situated approximately 20 miles north east of Central London and around 6 miles north of Junction 7 of the M11 Motorway. Harlow station provides frequent train services to Central London.
- The Property is situated in Harlow town centre adjacent to the ring road (A1019 Velizy Avenue).
- The Property is accessed via Crown Gate, directly off Velizy Avenue. The Water Gardens Shopping Centre and Harlow Police Station are adjacent to the Property.

Description

- The Property comprise a three storey office building of concrete framed construction, with concrete panel elevations incorporating uPVC double-glazed windows under a flat roof. The ground and first floors have a Jobcentre Plus fit out with suspended ceilings, recessed fluorescent strip lighting, and air conditioning cassettes.
- Externally, there is a surface car parking area to the rear with space for approximately 28 cars.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Ward Jackson House, Hartlepool
ADDRESS: Ward Jackson House, Wesley Square, Hartlepool, TS24 8EZ
PROPERTY ID: 49

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	20,451 sq ft
Total Site Area:	0.25 hectares (0.62 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £206,550 pa / £10.10 psf

Market Rent (£ pa / £ psf): £184,059 pa / £9.00 psf

Market Value: £2,150,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 9.44%

Equivalent Yield: 8.67%

Reversionary Yield: 8.41%

Capital Rate (psf): £105.13 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 8 August 2019 (full internal inspection)

Energy Performance D77

Certificate Rating:

PROPERTY

Location

- Hartlepool is situated on the North East coast and lies approximately 11 miles north of Middlesbrough and Stockton and 25 miles south of Sunderland.
- The town is reasonably accessible to the A19 which links North Tyneside in the north to Teesside to the south via the A179.
- The Property occupies a prominent position in the town centre on Victoria Road close to the Middleton Grange Shopping Centre and A689.

Description

- Three storey office building constructed in 1995.
- The Property is of steel frame construction with brick elevations beneath a hipped and pitched roof.
- The Property is generally open plan in nature with the tenant installing demountable partitioning where required.
- The general specification includes a raised access floor with painted plaster walls and a suspended ceiling with integrated lighting. The accommodation is air conditioned.
- There is a single passenger lift, which serves all floors.
- WC and welfare provisions are provided on each floor.
- The public areas of the property benefit from CCTV camera installations.
- Externally there is a secure car park to the rear with approximately 46 car parking spaces.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Quay Street, Haverfordwest
ADDRESS: 16-20 Quay Street, Haverfordwest, SA61 1BH
PROPERTY ID: 50

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	8,603 sq ft
Total Site Area:	0.06 hectares (0.16 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £75,000 pa / £8.72 psf

Market Rent (£ pa / £ psf): £60,000 pa / £6.97 psf

Market Value: £785,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 9.39%

Equivalent Yield: 7.96%

Reversionary Yield: 7.51%

Capital Rate (psf): £91.25 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 23 July 2019 (full internal inspection)

Energy Performance C66

Certificate Rating:

PROPERTY

Location

- Haverfordwest is located within south west Wales about 100 miles west of Cardiff and 30 miles west of Carmarthen, where there is access to the M4.
- Haverfordwest is an attractive, but secondary retail and commercial area with a number of retail multiples in the town centre, with several large edge of town retail parks. The Property is situated on the edge of the retail heart of Haverfordwest in a mixed urban area with tertiary retail and high density residential.
- It sits on the banks of the river with Council offices opposite, connected by a footbridge.

Description

- The Property comprises a traditional building, situated over ground and first floors with rendered brick elevations under pitched tiled roofs. The ground floor has been extended to the rear. There is a small barrier controlled car park to the rear.
- Internally, the accommodation is approached directly from the glazed entrance doors fronting Quay Street into an open plan office used as a Jobcentre Plus with cellular meeting rooms. The first floor comprises office space, again mainly open plan with cellular meeting/break out areas. The internal space has carpeted solid floors, perimeter trunking, plastered and painted walls with metal and wood framed windows under suspended ceilings with recessed lighting. Heating is provided by wall mounted panel radiators.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a good state of repair commensurate with its age and use.

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PROPERTY NAME: St Andrew's House, Hexham
ADDRESS: St Andrews House, Haugh Lane, Hexham, NE46 3RB
PROPERTY ID: 51

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	21,451 sq ft
Total Site Area:	0.87 hectares (2.15 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£241,936 pa / £11.28 psf
Market Rent (£ pa / £ psf):	£214,510 pa / £10.00 psf
Market Value: (1.8% purchasers costs)	£2,200,000
Yields:	
Net Initial Yield:	10.80%
Equivalent Yield:	9.93%
Reversionary Yield:	9.58%
Capital Rate (psf):	£102.56 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	20 August 2019 (full internal inspection)
Energy Performance Certificate Rating:	C66

PROPERTY

Location

- Hexham is a popular and affluent market town situated in the County of Northumberland. It has an urban area population of approximately 10,700, and a district population of almost 57,000.
- Newcastle upon Tyne lies approximately 22 miles to the east whilst the City of Durham lies approximately 28 miles to the south east. Carlisle lies 37 miles to the west. Situated in the Tyne Valley, Hexham serves the wide rural hinterland of west Northumberland.
- Hexham is readily accessible to the local and regional road network via the A69 which is the principal arterial route running east/west between Newcastle upon Tyne (and the A1) and Carlisle (and the M6).
- There is also a junction onto the A68 approximately 3 miles to the east, which leads northwards into the Scottish Borders and runs in a southerly direction into County Durham. Hexham also has its own railway station forming part of the Tyne Valley line, which links into the national rail network at both Newcastle and Carlisle.
- The Property is accessed from Haugh Lane and forms part of Haugh Lane Industrial Estate. The immediate surrounding area is characterised by predominantly industrial uses however the Property is situated close to a small retail park development comprising an Aldi, Tesco and Next stores.

Description

- The Property comprises an inverted "L" shaped, detached 2 storey property of steel frame construction with cavity brick elevations incorporating sandstone detailing beneath a hipped and pitched roof with a slate covering.
- The Jobcentre Plus element is fitted out in the occupiers corporate style with the ground floor public areas being arranged on a raised access floor with a part carpet part timber covering with painted plaster walls and a suspended ceiling with recessed CAT II lighting.
- While the majority of the accommodation is open plan in nature the tenant has created a number of interview rooms as required.
- The space sublet to Vattenfall Wind Power has been refurbished to a good standard and provides some of the best office space within Hexham.
- Externally the Property is located on a large site with landscaped grounds and contains approximately 60 car parking spaces.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a good state of repair commensurate with its age and use.

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PROPERTY NAME: Broadway House, Houghton Le Spring
ADDRESS: Broadway House, Frederick Place, Houghton Le Spring, DH4 4AH
PROPERTY ID: 52

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	20,075 sq ft
Total Site Area:	0.30 hectares (0.73 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£144,085 pa / £7.18 psf
Market Rent (£ pa / £ psf):	£144,085 pa / £7.18 psf
Market Value: (1.8% purchasers costs)	£1,415,000
Yields:	
Net Initial Yield:	10.00%
Equivalent Yield:	10.00%
Reversionary Yield:	10.00%
Capital Rate (psf):	£70.49 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	19 July 2019 (full internal inspection)
Energy Performance	D93
Certificate Rating:	

PROPERTY

Location

- The Property is located in Houghton Le Spring, approximately 6 miles south west of Sunderland city centre and 7 miles north east of Durham.
- The building lies immediately west of a roundabout junction onto the A690 which runs between Sunderland and the A19 to the north east and Durham and the A1 to the south west.
- The Property forms part of a predominantly retail area along Newbottle Street within Houghton Le Spring's town centre.
- Access is just off the A182 close to the A690 roundabout and parking is restricted to street parking along the access road.

Description

- The Property comprises a 1970's/1980's office building which is predominantly two storey with some single storey sections, and provides office accommodation over ground and first floors. The Property is of brick construction and has a mansard roof with a profile metal covering. The windows are aluminium framed double glazed units.
- The ground floor is predominantly cellular in layout, although the main public access area is open-plan. The rest of the ground floor provides a secure interview room with separate public and staff access points, interview room with three separate booths, two further interview rooms, staff office, finance office, security office, confidential waste store, canteen and staff room, staff locker room, staff WC's and two staff meeting rooms.
- The ground floor is split level and a staircase leads to a lower ground floor which accommodates a large open plan staff office and a staff WC. This office has its own secure staff access and is a similar specification to the rest of the ground floor. The stairs continue down to the basement, which houses a secure underground car park with ramped access and a roller shutter door to the entrance.
- The first floor is of a more cellular layout, providing six offices, a meeting room, staff room with kitchen, manager's office and staff WC's.
- The specification throughout comprises carpeted floors, painted plasterboard walls, suspended ceilings with integrated CAT II lighting, gas-fired central heating, perimeter/power pole trunking and surface mounted radiators. The public access area on the ground floor has wood effect laminate flooring and a mix of spotlights and CAT II lighting on hangers.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a good state of repair commensurate with its age and use.

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PROPERTY NAME: Beech House, Hyde
ADDRESS: Beech House, Clarendon Street, Hyde, SK14 2LP
PROPERTY ID: 53

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	39,550 sq ft
Total Site Area:	0.15 hectares (0.36 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£223,037 pa / £5.64 psf
Market Rent (£ pa / £ psf):	£233,037 pa / £5.64 psf
Market Value: (1.8% purchasers costs)	£2,500,000
Yields:	
Net Initial Yield:	8.76%
Equivalent Yield:	8.76%
Reversionary Yield:	8.76%
Capital Rate (psf):	£63.21 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	19 July 2019 (full internal inspection)
Energy Performance Certificate Rating:	D91

PROPERTY

Location

- The Property is a secondary location, located in Hyde town centre with Clarendon Square being 0.2 miles away. The Property is 0.2 miles from the M67, which provides close links to Stockport (5 miles) and Ashton-under-Lyne (2.9 miles).
- Manchester city centre is 7.7 miles west of Hyde and Stockport is 7 miles south east of Hyde. The closest bus stop is 60 yards from the property providing easy accessibility. Hyde Central train station is 0.5 miles.
- Beech House is adjacent to the post office sorting office, a bingo club, and retail units operated by local traders.

Description

- The property comprises a rectangular shape site on which sits a concrete framed office building arranged over basement, ground floor and 3 upper floors. The dated Property comprises pre cast concrete panels and a flat roof. Parking is provided via the basement with vent funnels situated at the rear.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable/basic state of repair commensurate with its age and use.

Valuation Report prepared for Elite Commercial REIT Management Pte. Ltd (as manager of Elite Commercial REIT) and Perpetual (Asia) Limited (in its capacity as trustee of Elite Commercial REIT) | September 2019 | Confidential | www.knightfrank.com
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PROPERTY NAME: High Road, Ilford
ADDRESS: 564-570 High Road, Ilford, IG3 8EJ
PROPERTY ID: 54

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	18,741 sq ft
Total Site Area:	0.12 hectares (0.30 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £356,394 pa / £19.02 psf

Market Rent (£ pa / £ psf): £356,394 pa / £19.02 psf

Market Value: £5,835,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 6.00%

Equivalent Yield: 6.00%

Reversionary Yield: 6.00%

Capital Rate (psf): £311.35 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 24 July 2019 (full internal inspection)

Energy Performance E109

Certificate Rating:

PROPERTY

Location

- The Property is situated in Ilford, a large town in east London in the London Borough of Redbridge. The town is located 9 miles north east of Central London, and 6 miles west of Romford. The Subject Property is situated on High Road, to the east of the town centre, and is in walking distance to Seven Kings Station, which is set to be serviced by Crossrail in the near future. Bus routes can be found on High Road.
- The Property is situated in a primarily residential location, with various commercial buildings situated along the High Road, with Halfords and Kwik Fit in close proximity.

Description

- Constructed in the early 2000's, the Property comprises a modern three storey office building which according to the marketing material for the property, was purpose-built for the DWP, with a Jobcentre Plus occupying the ground floor. The main entrance is situated along the High Road with electric doors, which opens into the open plan Jobcentre Plus.
- Built of brick clad, with metal cladding on the externals, the subject lies underneath a flat roof.
- The interior is the same throughout each floorplate, with carpeted raised floors, double glazing with metal surround, painted plaster walls and LED lighting. The first floor also consisted of an open plan layout for the jobcentre, whilst the second floor currently acts as the staff breakout area and canteen.
- It had a single passenger lift with a capacity for 12 persons – 900kg.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Crown Buildings, Ilkeston
ADDRESS: Crown Buildings, 58 South Street, Ilkeston, DE7 8TU
PROPERTY ID: 55

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	18,352 sq ft
Total Site Area:	0.15 hectares (0.36 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£112,904 pa / £6.15 psf
Market Rent (£ pa / £ psf):	£112,904 pa / £6.15 psf
Market Value: (1.8% purchasers costs)	£1,100,000
Yields:	
Net Initial Yield:	10.08%
Equivalent Yield:	10.08%
Reversionary Yield:	10.08%
Capital Rate (psf):	£59.94 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	23 August 2019 (full internal inspection)
Energy Performance	D86
Certificate Rating:	

PROPERTY

Location

- The Property is located to the southern fringe of Ilkeston town centre. The building is situated to the southern end and western side of South Street just north of the roundabout intersection with the A609, A6007 and the A6096. Surrounding occupiers are predominantly local retailers. It can also be accessed at the rear to the eastern side of Albert Street, which is predominantly a high density terraced residential street.
- The nearest Jobcentre Plus are located in Derby, Heanor and Alfreton.
- Ilkeston is an industrial town located in the south east of Derbyshire. It lies on the River Erewash, from which the local borough takes its name. The town is approximately 8 miles east of Nottingham, 10 miles to the north east of Derby and 58 miles to the north east of Birmingham.

Description

- The Property is detached and is arranged over three storeys. It is of concrete frame construction with brick cavity elevations. The majority of windows have recently been replaced with double glazed, uPVC framed units. The roofs are flat.
- To the rear there are 10 secure parking spaces within the concrete surfaced yard.
- Internally the property provides an open plan public consultation area, in addition to cellular rooms and WCs to the ground floor. The first and second floors provide offices, WCs, stores and kitchens, while the third floor is a smaller addition providing offices, a conference room, kitchen and WC/shower.
- The offices have carpeted floors, painted plaster walls and suspended ceilings, while ancillary areas have vinyl flooring. Heating is by way of two gas fired boilers serving wall mounted radiators. CCTV is installed and there is one passenger lift serving all floors, although this is currently out of order.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a good state of repair commensurate with its age and use.

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PROPERTY NAME: Crown Building, Kilmarnock
ADDRESS: Crown Building, 12 and 14 Woodstock Street, Kilmarnock, KA1 2BN
PROPERTY ID: 56

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	36,696 sq ft
Total Site Area:	0.30 hectares (0.74 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £301,762 pa / £8.22 psf

Market Rent (£ pa / £ psf): £220,000 pa / £6.00 psf

Market Value: £2,950,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 10.05%

Equivalent Yield: 7.92%

Reversionary Yield: 7.33%

Capital Rate (psf): £80.39 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 27 August 2019 (full internal inspection)

Energy Performance E68 (Scotland)

Certificate Rating:

PROPERTY

Location

- Kilmarnock is the administrative centre for East Ayrshire and is situated approximately 20 miles to the south west of Glasgow, 12 miles north east of Ayr and 8 miles east of Irvine.
- The town benefits from good road links with the A/M77, which flanks the east of the town, providing direct access to Glasgow. The A71 connects to Irvine in the west and also travels eastwards connecting with the M74 at Junction 8, as well as providing an alternative route to Edinburgh.
- The town is also served by a mainline rail station with frequent services to Glasgow Central Station. Kilmarnock is located approximately 20 miles (32 km) to the south of Glasgow and 14 miles to the north of Ayr.
- The Property is situated on the south side of Woodside Street on the outskirts of the town centre, approximately 0.5 miles from Kilmarnock train station.
- The Property is located in an area of mixed use, with surrounding occupiers including commercial, leisure and residential uses.

Description

- The Property comprises a four storey office building with an adjoining public house (included in title) which has been vacant for a number of years.
- The office accommodation provides open plan space with specification including perimeter trunking, recessed fluorescent lighting and goods and passenger lifts.
- Office space is largely open plan with an element of cellular accommodation.
- Approximately 54 on site car parking spaces located to the side and rear of the property.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Mitre House, Lancaster
ADDRESS: Mitre House, Church Street, Lancaster, LA1 1EQ
PROPERTY ID: 57

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	64,597 sq ft
Total Site Area:	0.20 hectares (0.50 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£409,806 pa / £6.34 psf
Market Rent (£ pa / £ psf):	£409,806 pa / £6.34 psf
Market Value: (1.8% purchasers costs)	£6,050,000
Yields:	
Net Initial Yield:	6.65%
Equivalent Yield:	6.65%
Reversionary Yield:	6.65%
Capital Rate (psf):	£93.66 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	24 July 2019 (full internal inspection)
Energy Performance Certificate Rating:	D100

PROPERTY

Location

- The Property is situated just off the city centre of Lancaster. It is 4 miles south east of Morecambe and 22 miles north of Preston.
- Junction 34 of the M6 is 3 miles away and provides access to Scotland and the Midlands.
- It is situated on the outskirts of the shopping area and is 0.5 miles from Lancaster train station.
- The surrounding uses comprise a mix of office and residential.

Description

- The Property comprises a concrete frame with part stone and part reconstructed stone cladding on the exterior.
- It comprises a combination of 3 and 4 storey, interconnected elements, moving back from an old Church Street building.
- The accommodation is underutilised, although various functions and services are provided from this facility. It has sash windows with some suspended ceiling and recessed lighting.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Roydale House, Leigh
ADDRESS: Roydale House, 2-10 Windermere Road, Leigh, WN7 1UT
PROPERTY ID: 58

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	21,022 sq ft
Total Site Area:	0.17 hectares (0.42 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £118,550 pa / £5.64 psf

Market Rent (£ pa / £ psf): £118,550 pa / £5.64 psf

Market Value: £1,400,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 8.32%

Equivalent Yield: 8.32%

Reversionary Yield: 8.32%

Capital Rate (psf): £66.60 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 23 July 2019 (full internal inspection)

Energy Performance D89

Certificate Rating:

PROPERTY

Location

- Leigh is a town in the Metropolitan Borough of Wigan, Greater Manchester, located approximately 7.5 miles south east of Wigan and 9.5 miles west of Manchester. The Property lies north of the intersection of the A579 and A580, providing links to the M61 and to Manchester and Liverpool respectively.
- The Property is situated on the corner of Windermere Road and the B5215 in an edge of town centre location. The surrounding area is a mix of residential, school and retail.

Description

- The Property comprises a four-storey concrete framed building with a flat roof. The Property also has a basement.
- The elevations consist of bands of uPVC double glazed windows and concrete panels faced with pebble. There is a part porched entrance way to the property. Generally Grade B specification.
- There is parking to the front and rear of the property providing surface parking for approximately 33 cars.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Waggon Road, Leven
ADDRESS: 9 Waggon Road, Leven, KY8 4PT
PROPERTY ID: 59

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	4,901 sq ft
Total Site Area:	0.07 hectares (0.17 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £27,637 pa / £5.64 psf

Market Rent (£ pa / £ psf): £27,637 pa / £5.64 psf

Market Value: £275,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 9.87%

Equivalent Yield: 9.87%

Reversionary Yield: 9.87%

Capital Rate (psf): £56.11 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 23 July 2019 (full internal inspection)

Energy Performance E63 (Scotland)

Certificate Rating:

PROPERTY

Location

- Leven is a small seaside town located on the north banks of the Forth Estuary approximately 8 miles north east of Kirkcaldy and 36 miles north of Edinburgh.
- The town has a population of 8,800 people, with beaches and golf courses providing a draw to the town for holidaymakers.
- Located in a former mining area, the town suffers from poor connections to the main road and rail networks in central Scotland. Following the decline of the mining industry and the closure of nearby Methil as a major port, the main employer in the town now is Diageo, which has its main bottling plant in the town.
- The Property is situated in Leven town centre on the west side of Waggon Road, a short distance north of the town's main retailing area.
- The immediate surrounding area comprises a mix of uses including Walton House, a nursing home on the adjacent site to the east, itself located adjacent to the Leven Health Centre.

Description

- A single storey Jobcentre Plus with adjacent car parking for approximately 9 cars.
- The building, which is L-shaped, is of traditional brick construction under a flat roof.
- Internally it is laid out to provide a Jobcentre Plus with public area to the front and ancillary staff accommodation comprising offices, kitchen and WC facilities to the rear.
- The internal specification is modern, with carpeted solid floors, painted plaster wall, uPVC double glazed windows, suspended perforated metal tile ceiling with suspended CAT II lighting.
- The building has air conditioning and gas central heating throughout.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Hougoumont House, Liverpool
ADDRESS: Hougoumont House, 29 Hougoumont Avenue, Waterloo, Liverpool, L22 0PB
PROPERTY ID: 60

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	17,082 sq ft
Total Site Area:	0.24 hectares (0.60 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £105,091 pa / £6.15 psf

Market Rent (£ pa / £ psf): £105,091 pa / £6.15 psf

Market Value: £1,350,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 7.65%

Equivalent Yield: 7.65%

Reversionary Yield: 7.65%

Capital Rate (psf): £79.03 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 23 July 2019 (full internal inspection)

Energy Performance D76

Certificate Rating:

PROPERTY

Location

- Liverpool is a coastal city and metropolitan borough in the North West of England. Located on the estuary of the River Mersey, it is approximately 35 miles from Manchester which is to the east. There are strong links between the two cities via the M62 motorway and A580 East Lancashire Road.
- The Property is situated on the A565 Crosby Road North, with the car park being accessed from Hougoumont Avenue. The Property also has good links to the M57 and M58 motorways in the north east.

Description

- The Property is a 1970's build and comprises a three storey concrete framed building with a flat roof. The elevations consist of bands of uPVC double glazed windows and brick. Generally Grade C specification.
- Surface parking for approximately 38 cars.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Springfield House, Liverpool
ADDRESS: Springfield House, 416 Eaton Road, Liverpool, L12 3HT
PROPERTY ID: 61

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	10,534 sq ft
Total Site Area:	0.14 hectares (0.35 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£104,253 pa / £9.90 psf
Market Rent (£ pa / £ psf):	£84,500 pa / £8.02 psf
Market Value: (1.8% purchasers costs)	£975,000
Yields:	
Net Initial Yield:	10.50%
Equivalent Yield:	9.04%
Reversionary Yield:	8.51%
Capital Rate (psf):	£92.56 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	23 July 2019 (full internal inspection)
Energy Performance Certificate Rating:	D92

PROPERTY

Location

- Liverpool is a major city in the North West of England. It is approximately 35 miles from Manchester which is to the east. There are strong links between the two cities via the M62 and A580 East Lancashire Road.
- The Property is situated on Eaton Road, adjacent to Alder Hey Children's Hospital, which is just off the A57 providing access to the M57 motorway. The Property is also a short distance from the start of the M62 motorway. The area is dominated by the hospital, although the nearby area is residential.

Description

- The Property comprises a two storey concrete framed building with a flat roof. The Property also has a basement and central court-yard, which is enclosed by the building on all sides.
- The elevations consist of bands of uPVC double glazed windows and tile, this is the same for the courtyard. The first floor offers a slightly larger footprint than the ground floor with a slight overhang around the perimeter.
- Surface parking for approximately 25 cars.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Bridge Street, Llangefni
ADDRESS: Bridge Street, Llangefni, LL77 7YJ
PROPERTY ID: 62

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	9,601 sq ft
Total Site Area:	0.12 hectares (0.29 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £63,990 pa / £6.66 psf

Market Rent (£ pa / £ psf): £63,990 pa / £6.66 psf

Market Value: £665,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 9.45%

Equivalent Yield: 9.45%

Reversionary Yield: 9.45%

Capital Rate (psf): £69.26 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 14 August 2019 (full internal inspection)

Energy Performance D96

Certificate Rating:

PROPERTY

Location

- The Property is located on Bridge Street, fronting onto Industrial Estate Road. Llangefni is located almost centrally on the Isle of Anglesey in North West Wales. The town has good accessibility by road from the A5 and to Holyhead and via the Britannia Bridge, to Bangor.
- The Property is on the southern edge of the town centre in a mixed commercial, industrial and residential area.

Description

- A two storey building under a flat roof and with part rendered elevations. The accommodation is basic with a mix of cellular, large meeting rooms and open plan space. There are stairs located centrally giving access to the first floor. Replacement double glazed windows have been installed. The property appears to be underutilised. There is an adjacent small car park.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

Valuation Report prepared for Elite Commercial REIT Management Pte. Ltd (as manager of Elite Commercial REIT) and Perpetual (Asia) Limited (in its capacity as trustee of Elite Commercial REIT) | September 2019 | Confidential | www.knightfrank.com
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PROPERTY NAME: Rishton House, Lowestoft
ADDRESS: Rishton House, Clapham Road South, Lowestoft, NR32 1RW
PROPERTY ID: 63

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	41,656 sq ft
Total Site Area:	0.34 hectares (0.84 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £214,530 pa / £5.15 psf

Market Rent (£ pa / £ psf): £214,530 pa / £5.15 psf

Market Value: £2,725,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 7.73%

Equivalent Yield: 7.73%

Reversionary Yield: 7.73%

Capital Rate (psf): £65.42 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 27 August 2019 (full internal inspection)

Energy Performance D77

Certificate Rating:

PROPERTY

Location

- Lowestoft is a town situated in Norfolk, approximately 145 miles north east of Central London, 11 miles south of Great Yarmouth and 28 miles south east of Norwich.
- The Property is situated in Lowestoft town centre, 250 meters north of Lowestoft train station and 50 meters west of the prime retail pitch. The Property fronts onto Rishton Road, Clapham Road South and the A47.

Description

- Purpose-built property comprising a Jobcentre Plus at ground floor level with ancillary offices arranged over the two upper floors. Framed construction, with brick elevations and a flat roof.
- Undercroft parking area plus additional spaces surrounding the building.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

Valuation Report prepared for Elite Commercial REIT Management Pte. Ltd (as manager of Elite Commercial REIT) and Perpetual (Asia) Limited (in its capacity as trustee of Elite Commercial REIT) | September 2019 | Confidential | www.knightfrank.com
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PROPERTY NAME: Maengwyn Street, Machynlleth
ADDRESS: 43–45 Maengwyn Street, Machynlleth, SY20 8EB
PROPERTY ID: 64

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	3,655 sq ft
Total Site Area:	0.06 hectares (0.16 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £12,421 pa / £3.40 psf

Market Rent (£ pa / £ psf): £14,600 pa / £3.99 psf

Market Value: £150,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 8.13%

Equivalent Yield: 9.18%

Reversionary Yield: 9.56%

Capital Rate (psf): £41.04 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 29 July 2019 (full internal inspection)

Energy Performance E111

Certificate Rating:

PROPERTY

Location

- Machynlleth is located within mid Wales about 110 miles north of Cardiff and 18 miles north-east of Aberystwyth.
- The town is an attractive market town with limited commercial supply or demand. The Property is situated in the commercial heart of town, with tertiary retail and housing in the immediate area.

Description

- The Property comprises a traditional building situated over ground and first floors, with rendered brick elevations under pitched tiled roof surfaced with mineral felt.
- Internally, the occupied accommodation is approached directly from the glazed entrance doors fronting a wide paved area off Maengwyn Street, into an open plan office used as a job centre with cellular meeting rooms.
- The first floor comprises office space, again, mainly open plan with cellular meeting/break out areas. The internal space provides a combination of open plan and cellular offices with carpeted solid floors, perimeter trunking, plastered and painted walls with metal framed windows under suspended ceilings with recessed lighting. Heating is provided by wall mounted panel radiators.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Wilmslow Road, Manchester
ADDRESS: 96 Wilmslow Road, Rusholme, Manchester, M14 5BJ
PROPERTY ID: 65

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	20,807 sq ft
Total Site Area:	0.16 hectares (0.40 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £196,557 pa / £9.45 psf

Market Rent (£ pa / £ psf): £196,557 pa / £9.45 psf

Market Value: £2,575,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 7.50%

Equivalent Yield: 7.50%

Reversionary Yield: 7.50%

Capital Rate (psf): £123.76 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 19 July 2019 (full internal inspection)

Energy Performance D85

Certificate Rating:

PROPERTY

Location

- The Property is located in Rusholme which is 2.7 miles from south of Manchester city centre.
- The A34 is 0.5 miles south east of the Property, which links to the A57 1.9 miles which connects Manchester.
- Stockport is 5 miles south-east of Rusholme and Old Trafford is 2.5 miles west. The nearest bus stop is 78 yards from the Property. The Ardwick train station is 2.2 miles from the Property.
- The surrounding areas comprises a busy retail area and residential uses behind the main road.

Description

- The 3 storey office building is of steel portal frame construction with brick elevations and a flat roof.
- Parking is available to the rear of the property.
- Internally, the Property provides Grade B specification.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Crown Buildings, Mexborough
ADDRESS: Crown Buildings, Adwick Road, Mexborough, S64 0BD
PROPERTY ID: 66

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	14,994 sq ft
Total Site Area:	0.27 hectares (0.67 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £61,774 pa / £4.12 psf

Market Rent (£ pa / £ psf): £61,774 pa / £4.12 psf

Market Value: £600,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 10.11%

Equivalent Yield: 10.11%

Reversionary Yield: 10.11%

Capital Rate (psf): £40.02 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 27 August 2019 (full internal inspection)

Energy Performance D91

Certificate Rating:

PROPERTY

Location

- Mexborough is located in the heart of the Dearne Valley in South Yorkshire, and is located centrally within the triangle of Barnsley, Rotherham and Doncaster. Doncaster is located approximately 9 miles to the east, Rotherham 7 miles to the south west, Sheffield 13 miles to the south west and Leeds is 33 miles to the north.
- The M1 motorway and A1(M) at Junction 38 are within easy reach of Mexborough. Both motorways provide further access to the M18 and M62 motorway network. Access to the east coast ports of Hull, Grimsby and Immingham is around 1 hour's drive away.
- The Property is situated on Adwick Road in a mainly residential location and opposite the Montagu Hospital.

Description

- The Property is arranged by way of 2 buildings and connected internally at ground and first floors by a link building.
- The older building fronts onto Adwick Road and provides office accommodation over ground and first floors under a flat roof with brick and rendered elevations. The building is currently used by the staff of the fraud investigation team.
- To the rear of the site is a more modern office building developed in the last 10-15 years and arranged over ground and first floors and currently used as a Jobcentre Plus. The ground and part first floor are open to the public. A small basement level provides basic storage accommodation.
- A link building provides internal access between the two buildings.
- Access to the car park is made via a barrier access system.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Castlestead House, Montrose
ADDRESS: Castlestead House, 4 Castle Place, Montrose, DD10 8AL
PROPERTY ID: 67

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	4,246 sq ft
Total Site Area:	0.08 hectares (0.19 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £41,363 pa / £9.74 psf

Market Rent (£ pa / £ psf): £34,000 pa / £8.01 psf

Market Value: £405,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 10.03%

Equivalent Yield: 8.71%

Reversionary Yield: 8.25%

Capital Rate (psf): £95.38 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 23 July 2019 (full internal inspection)

Energy Performance: E69 (Scotland)

Certificate Rating:

PROPERTY

Location

- The Property is located in Montrose, a Scottish coastal town in Angus which lies approximately 30 miles north of Dundee and 40 miles south of Aberdeen. Montrose benefits from rail links north to Aberdeen and south to Dundee and the Central Belt, whilst the A90 trunk road also provides access to these locations.
- Montrose has a population of approximately 12,000, whilst Angus has an overall population of 116,000. Angus has an unemployment rate of 3.7%, compared to Scotland and Great Britain which are both at 4.1%.
- Montrose is an important port-town serving the North Sea energy and shipping industries, offering approximately 1,000 sq m of sheltered quayside. Glaxosmithkline is a major employer in the town, and in 2018 they invested £54 million in a manufacturing plant.
- The Property is located centrally within Montrose, and is situated at the corner of George Street and Castle Place, set-back from the street line.

Description

- The Property comprises a traditional B-listed building providing office accommodation over basement, ground and first floors. The Property is of stone construction and has a flat roof to the front and a pitched slate roof to the rear.
- The basement is cellular in layout and provides a training room, a meeting room, a file store, male WC and a large boiler room. The meeting room provides a unique feature, with embossed ceiling and cornicing, an architrave and corniced fire place and textured wallpaper.
- The ground floor comprises the main public access area, which is open-plan and benefits from a high ceiling and good natural light through large bay windows, a secured money and CCTV monitor room, two open-plan offices to the rear, and two meeting / consultation rooms. The specification on the ground floor is generally carpet tiles, painted plasterboard walls, suspended metal ceilings, CAT II lighting on hangers, gas-fired central heating, and perimeter / power pole trunking. There are no WC facilities on the ground floor. The public access area has wood effect laminate flooring and a mix of spotlights and CAT II lighting on hangers.
- The first floor is of a more cellular layout, providing two offices, one of which is currently in use as a quiet room, and a staff kitchen / break-out. Specification on the first floor includes rolled carpet floor coverings, painted plasterboard walls, suspended ceiling tiles with integrated CAT II lighting, heating via gas radiators and perimeter trunking.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a good state of repair commensurate with its age and use.

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PROPERTY NAME: Flemington House, Motherwell
ADDRESS: Flemington House, 600 Windmillhill Street, Motherwell, ML1 2HN
PROPERTY ID: 68

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	29,381 sq ft
Total Site Area:	0.81 hectares (2.01 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £263,779 pa / £8.98 psf

Market Rent (£ pa / £ psf): £235,000 pa / £8.00 psf

Market Value: £2,525,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 10.26%

Equivalent Yield: 9.45%

Reversionary Yield: 9.14%

Capital Rate (psf): £85.94 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 19 July 2019 (full internal inspection)

Energy Performance D58 (Scotland)

Certificate Rating:

PROPERTY

Location

- Motherwell is the largest town in North Lanarkshire, located approximately 16 miles to the east of Glasgow, and 38.5 miles southwest of Edinburgh.
- Motherwell is well located within North Lanarkshire, benefiting from numerous transport links including three train stations and easy access to the M74 and M8 motorways.
- The Property is situated on the south side of Windmillhill Street (A721), one of the main routes leading through Motherwell.
- The A721 leads to the M8 motorway, which is the main connection between Glasgow and Edinburgh.
- Surrounding uses include residential, light industrial and car showrooms

Description

- Steel framed three storey office building
- Brick exterior walls with a pitched roof covered with profiled metal cladding
- There are tarmac and monoblock car parking spaces at the rear of the property with a metal gate entry to the car park
- The office accommodation has the following specification - concrete floors covered with carpet, floor boxes, dated suspended tiled ceiling, recessed strip fluorescent lighting, hot water gas fired central heating and double glazed steel framed windows
- Customer area on the ground and first floor has a similar specification to the office space, however is more modern/fresh and features metal strip suspended ceiling and sodium spot lighting

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a good state of repair commensurate with its age and use.

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PROPERTY NAME: Broadlands House, Newport (IOW)
ADDRESS: Broadlands House, Staplers Road, Newport, Isle of Wight, PO30 2HX
ADDPROPERTY ID: 69

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	31,930 sq ft
Total Site Area:	0.53 hectares (1.32 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£468,311 pa / £14.67 psf
Market Rent (£ pa / £ psf):	£468,311 pa / £14.67 psf
Market Value: (1.8% purchasers costs)	£7,400,000
Yields:	
Net Initial Yield:	6.22%
Equivalent Yield:	6.22%
Reversionary Yield:	6.22%
Capital Rate (psf):	£231.76 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	31 July 2019 (full internal inspection)
Energy Performance Certificate Rating:	C70

PROPERTY

Location

- Newport is the county town situated in the centre of the Isle of Wight, an island approximately 5 miles off the south coast of England. The island benefits from seasonal tourism trade.
- The Isle of Wight can be accessed via ferries from Portsmouth (c. 12 miles north east of Newport) into Fishbourne and Ryde, Southampton (c. 14 miles north of Newport) into East and West Cowes and Lymington (c. 11 miles north) into Yarmouth, with crossing times starting at approximately 40 minutes.
- The Property is located to the north east of the town centre and is accessed by Stapler Road. It is surrounded by offices and residential property. Staplers Road is one of the key routes through the town, linking to the main routes from the ferry port via Medina Way.
- There is also access to the rear of the Property via St Paul's View Road.
- The nearest alternative Jobcentre Plus is Ryde, around 6.7 miles to the east.

Description

- The Property comprise a three storey-building of brick construction with brick elevations under pitched roofs.
- The original premises comprise part of a former lace mill which dates from the 1900s. On the eastern elevation a more modern extension was constructed in 1992 to mirror the appearance of the original building. The two buildings are now inter-connect by a full height glazed atrium.
- Internally, specification includes open plan floor plates, two passenger lifts, double glazed timber framed windows, and raised floors in part.
- The Property benefits from approximately 76 surface level car parking spaces.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018.
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Elder House, Northallerton
ADDRESS: 70, Elder House, East Road, Northallerton, DL6 1NU
PROPERTY ID: 70

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	14,517 sq ft
Total Site Area:	0.20 hectares (0.49 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£94,349 pa / £6.50 psf
Market Rent (£ pa / £ psf):	£94,349 pa / £6.50 psf
Market Value: (1.8% purchasers costs)	£1,025,000
Yields:	
Net Initial Yield:	9.04%
Equivalent Yield:	9.04%
Reversionary Yield:	9.04%
Capital Rate (psf):	£70.61 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	22 July 2019 (full internal inspection)
Energy Performance Certificate Rating:	D89

PROPERTY

Location

- Northallerton is a market town in North Yorkshire, with a population of approximately 16,832 (2011 Census). The town is approximately 14 miles south of Darlington, 18 miles south west of south west of Middlesbrough and 30 miles north west of York.
- Northallerton lies approximately 5.5 miles east of the A1(M) and 4.5 miles west of the A19, which are the principle routes north and south. The A684, A167 and A168 all run through the town.
- The Property is prominently located at the intersection of East Road (167) and Elder Road, a short walk from the main retail provision on High Street.
- Occupiers in the immediate vicinity include a mixture of commercial and residential (both established and new build).
- The nearest Jobcentre Plus is in Darlington, around 14 miles to the north.

Description

- A concrete framed building arranged over ground and first floors, with an attached portacabin at the rear. External elevations are a mixture of brick, concrete panels and feature pebble panels. The Property is surmounted by a flat roof. Windows are uPVC double glazed casements.
- Internally, the Property provides a mixture of open plan and cellular space (by way of demountable partitioning). The general specification includes carpet/vinyl floor coverings, painted walls and painted/suspended tile ceilings. There is a mixture of ceiling mounted and recessed lighting.
- The Property benefits from gas fired central heating, partial air conditioning and column mounted trunking.
- The eastern part of the building was unoccupied at the time of our inspection.
- The Property benefits from a decked parking area with a total of approximately 27 spaces, accessed via a concrete ramp to the west of the main building. This equates to a ratio of 1:500 sq ft.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Acacia Walk, Nottingham
ADDRESS: 3 Acacia Walk, Beeston, Nottingham, NG9 2LW
PROPERTY ID: 71

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	4,306 sq ft
Total Site Area:	0.15 hectares (0.36 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £57,656 pa / £13.399 psf

Market Rent (£ pa / £ psf): £57,656 pa / £13.39 psf

Market Value: £725,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 7.81%

Equivalent Yield: 7.81%

Reversionary Yield: 7.81%

Capital Rate (psf): £168.37 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 27 August 2019 (full internal inspection)

Energy Performance E115

Certificate Rating:

PROPERTY

Location

- Recognised as the capital of the East Midlands, Nottingham is the principal commercial and administrative hub for the region. The city is home to two of the UK's leading Universities, Nottingham University and Nottingham Trent University, which between them are attended by over 40,000 full time students.
- Nottingham has an urban area population of approximately 665,500 persons, with a catchment population of more than 3 million people located within a 30 minute drive time.
- The city is situated approximately 16 miles east of Derby, 25 miles north of Leicester, 50 miles north of Birmingham and 120 miles north-west of London. Nottingham benefits from access to an excellent communications infrastructure, situated at the intersection of the A60 and A52, which link directly to the M1 motorway and the national motorway network via Junctions 25 and 26.
- Rail services to London St. Pancras are frequent and direct with a fastest journey time of approximately 1 hour 45 minutes. In addition, services are available to a variety of destinations including Derby, Lincoln and Sheffield.
- Beeston is a small suburb of Nottingham situated 4.5 miles to the south west of the city centre. The Property is situated a short distance to the main retail area of High Road and adjacent to a modern Tesco Extra supermarket.

Description

- Developed in 2007, the Property comprises a small ground floor building currently used as a Jobcentre Plus.
- The Property is of steel frame construction under a pitched tiled roof with brick and glazed elevations.
- Car parking is provided to the side of the building with space to park approximately 10 vehicles.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a good state of repair commensurate with its age and use.

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PROPERTY NAME: Cleddau Bridge Business Park, Pembroke Dock
ADDRESS: Cleddau Bridge Business Park, Pembroke Dock, SA72 6UP
PROPERTY ID: 72

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	19,418 sq ft
Total Site Area:	1.32 hectares (3.27 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£119,460 pa / £6.15 psf
Market Rent (£ pa / £ psf):	£119,460 pa / £6.15 psf
Market Value: (1.8% purchasers costs)	£1,300,000
Yields:	
Net Initial Yield:	9.03%
Equivalent Yield:	9.03%
Reversionary Yield:	9.03%
Capital Rate (psf):	£66.95 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	23 July 2019 (full internal inspection)
Energy Performance Certificate Rating:	E110

PROPERTY

Location

- Pembroke Dock is located within south west Wales about 100 miles west of Cardiff and 30 miles west of Carmarthen, where there is access to the M4 motorway.
- Pembroke Dock has an economy linked to the dock with shipping and oil industries being key. Haverfordwest is 9 miles to the north and has a larger retail and commercial property offering, albeit this is relatively limited.
- The Property is located in Pembroke Dock within the Cleddau Bridge Business Park. It is situated north of Pembroke, off the A477, which in turn provides access to Pembroke Dock railway station and town centre, as well as access to Carmarthen to the east.

Description

- The Property comprises an office development, of steel frame with glazed and rendered elevations under a vaulted steel roof within a landscaped business park environment, situated over ground and first floors.
- Internally, the accommodation is designed as flexible modern offices in two wings, off a central core with stairs and lift. The internal space provides a combination of open plan and cellular offices with carpeted raised floors, plastered and painted walls with metal framed double glazed windows under suspended ceilings, with recessed lighting and comfort cooling.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a good state of repair commensurate with its age and use.

Valuation Report prepared for Elite Commercial REIT Management Pte. Ltd (as manager of Elite Commercial REIT) and Perpetual (Asia) Limited (in its capacity as trustee of Elite Commercial REIT) | September 2019 | Confidential | www.knightfrank.com
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PROPERTY NAME: Hatfield House, Peterlee
ADDRESS: Hatfield House, St Cuthberts Rd, Peterlee, SR8 1PB
PROPERTY ID: 73

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	19,889 sq ft
Total Site Area:	0.25 hectares (0.61 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£107,062 pa / £5.38 psf
Market Rent (£ pa / £ psf):	£69,612 pa / £3.50 psf
Market Value: (1.8% purchasers costs)	£950,000
Yields:	
Net Initial Yield:	11.07%
Equivalent Yield:	8.15%
Reversionary Yield:	7.20%
Capital Rate (psf):	£47.77 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	19 July 2019 (full internal inspection)
Energy Performance Certificate Rating:	D80

PROPERTY

Location

- The Property is located in Peterlee, a large town in County Durham which is approximately 13.5 miles south of Sunderland and 13.5 miles east of Durham.
- The building occupies a sloping corner site to the north of a roundabout junction onto Bede Way which links into Burnhope Way and the A19 dual carriageway to the west.
- The Property forms part of the main retail area of Peterlee, which is focused around the Castle Dene Shopping Centre.
- The main entrance to the Property is on Fleming Place, just off St Cuthbert's Road, and this road leads to a large public car park adjacent to the Property.

Description

- The Property comprises a three storey 1970's office building which provides office accommodation over ground, first and second floors. The Property is of brick construction incorporating a glazed curtain walling system beneath a flat felt covered roof. The accommodation is predominantly cellular in layout, although the main public access area on the ground floor is open-plan. The rest of the ground floor provides a secure interview room with separate public and staff access points, two further interview rooms, manager's office, finance office, staff WC's (mens, ladies and disabled) and a staff kitchen.
- The first floor also houses a large open plan public access area, along with five interview rooms, careers office, two staff offices, three manager's offices, conference room, security office, communications room, staff WC's, staff kitchen, staff locker room and confidential waste store.
- The second floor houses the fraud team in a large open plan office as well as two further offices, a conference room, CCTV room, first aid room, manager's office, staff canteen and staff WC's. Apart from the fraud team, the majority of this floor is not currently used.
- The specification throughout comprises carpeted floors, painted plasterboard walls, suspended ceilings with integrated CAT II lighting, gas-fired central heating with surface mounted radiators and perimeter/power pole trunking. The public access areas on the ground and first floors have wood effect laminate flooring and a mix of spotlights and CAT II lighting on hangers.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a good state of repair commensurate with its age and use.

Valuation Report prepared for Elite Commercial REIT Management Pte. Ltd (as manager of Elite Commercial REIT) and Perpetual (Asia) Limited (in its capacity as trustee of Elite Commercial REIT) | September 2019 | Confidential | www.knightfrank.com
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PROPERTY NAME: Low Hall, Pontefract
ADDRESS: Low Hall, Market Street, Hemsworth, Pontefract, WF9 4HP
PROPERTY ID: 74

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	14,208 sq ft
Total Site Area:	0.21 hectares (0.53 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£76,832 pa / £5.41 psf
Market Rent (£ pa / £ psf):	£64,000 pa / £4.50 psf
Market Value: (1.8% purchasers costs)	£700,000
Yields:	
Net Initial Yield:	10.78%
Equivalent Yield:	9.48%
Reversionary Yield:	8.98%
Capital Rate (psf):	£49.27 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	19 July 2019 (full internal inspection)
Energy Performance	D95
Certificate Rating:	

PROPERTY

Location

- The Property is located in the town of Hemsworth, which is located 9 miles south east of Wakefield, 7 miles south of Pontefract, 8 miles north east of Barnsley and 13 miles to the north west of Doncaster.
- The A1 is situated approximately 6 miles to the east.
- The Property is situated to the west of Market Street, which connects with Barnsley Road/Station Road to the north and Southmoor Road (B6273) to the south. The surrounding area is formed of a mixed use nature. Commercial occupiers in the immediate vicinity include B&M Bargains, Domino's Pizza and Tesco.
- The nearest Jobcentre Plus is in Pontefract, 6.7 miles to the north.

Description

- The Property is arranged over three storeys. Construction is by way of concrete frame incorporating brick infill elevations. A flat roof surmounts the Property.
- Internally the property provides a mixture of open plan and cellular office space, with a customer and secure customer area on the ground floor. The general specification is relatively basic and includes carpet floor coverings, painted walls and suspended tile ceilings with various lighting types including integrated lighting, fluorescent strip lighting and spotlighting.
- The Property benefits from gas fired central heating, perimeter and column mounted trunking.
- To the rear of the Property there is a macadam surfaced car park providing approximately 25 spaces.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Hannah Street, Porth
ADDRESS: 35 Hannah Street, Porth, CF39 9RB
PROPERTY ID: 75

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	7,018 sq ft
Total Site Area:	0.05 hectares (0.13 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £64,763 pa / £9.23 psf

Market Rent (£ pa / £ psf): £49,000 pa / £6.98 psf

Market Value: £650,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 9.79%

Equivalent Yield: 7.98%

Reversionary Yield: 7.41%

Capital Rate (psf): £92.62 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 19 July 2019 (full internal inspection)

Energy Performance C71

Certificate Rating:

PROPERTY

Location

- Porth is located within South Wales, about 15 miles north of Cardiff and four miles west of Pontypridd, where there is access to the A470, which connects south to Junction 32 of the M4 motorway, about five miles to the south.
- Pontypridd is a secondary retail and commercial area with a number of retail multiples in the town centre. There is a large student population in Pontypridd but little office space. The Property is situated within the retail heart of Porth, a traditional Valleys town with mixed tertiary retail and high density residential. The Property is surrounded by a retail terrace with residential use to the rear.

Description

- The Property comprises a relatively modern office building situated over ground and first floors of traditional construction with brick, steel clad and rendered elevations under pitched tiled and steel mono pitch roof.
- Internally, the accommodation is approached directly from the glazed entrance doors fronting Hannah Street into an open plan office used as a Jobcentre Plus with cellular meeting rooms. The first floor can be accessed via a passenger lift and comprises office space, again mainly open plan with cellular meeting/break out areas and canteen.
- The internal space provides a combination of open plan and cellular offices with the benefit of a full height ceiling to the first floor, carpeted solid floors with the benefit of floor boxes, perimeter trunking, plastered and painted walls with double glazed windows with suspended lighting. Heating is provided via wall mounted panel radiators and an air handling system.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a good state of repair commensurate with its age and use.

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PROPERTY NAME: Dock Street, Porthcawl
ADDRESS: Dock Street, Porthcawl, CF36 3BL
PROPERTY ID: 76

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	3,023 sq ft
Total Site Area:	0.05 hectares (0.13 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £25,699 pa / £8.50 psf

Market Rent (£ pa / £ psf): £25,699 pa / £8.50 psf

Market Value: £315,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 8.01%

Equivalent Yield: 8.01%

Reversionary Yield: 8.01%

Capital Rate (psf): £104.20 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 22 July 2019 (full internal inspection)

Energy Performance C62

Certificate Rating:

PROPERTY

Location

- Porthcawl is located within South Wales about 31 miles west of Cardiff and seven miles south west of Bridgend. There is access to the M4 motorway at Pyle, Junction 37 about four miles to the north.
- Porthcawl is a tertiary retail and commercial area with limited retail multiples in the town centre. The Property is situated on the edge of the retail area with mixed tertiary retail and high density residential in the immediate area.
- There is access to the beach and coastline within easy walking distance and the Property sits close to local A3 pub and a coffee shop.

Description

- The Property comprises a relatively modern office building situated over ground and first floors (upper ground) of traditional construction with brick and rendered elevations under pitched tiled roof (not inspected).
- Internally, the accommodation is approached directly from the glazed entrance doors fronting Dock Street into an open plan office used as a job centre with cellular meeting rooms.
- The first floor comprises office space, again, mainly open plan with cellular meeting/break out areas.
- The internal space provides a combination of open plan and cellular offices with carpeted solid floors, perimeter trunking, plastered and painted walls with double glazed windows under suspended metal ceilings with recessed spot lighting and suspended diffused strip lighting. Heating is provided by wall mounted panel radiators.
- There is a small car park to the rear with staff entrance into an upper ground floor lobby.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Bayfield Road, Portree
ADDRESS: Bayfield Road, Portree, Isle of Skye, IV51 9EN
PROPERTY ID: 77

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	1,943 sq ft
Total Site Area:	0.07 hectares (0.17 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £24,901 pa / £12.82 psf

Market Rent (£ pa / £ psf): £24,900 pa / £12.82 psf

Market Value: £245,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 9.98%

Equivalent Yield: 9.98%

Reversionary Yield: 9.98%

Capital Rate (psf): £126.09 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 30 August 2019 (full internal inspection)

Energy Performance E77 (Scotland)

Certificate Rating:

PROPERTY

Location

- Portree is located on the Isle of Skye, which is located off the west coast of Scotland within the Inner Hebrides.
- Skye is accessible by road from the Scottish mainland via the toll free Skye Bridge, with Portree being located 235 miles north west of Edinburgh and 215 miles north of Glasgow.
- Portree is located towards the north of the island and forms its main town and tourist centre.
- The Property is situated on Bayfield Road on the south edge of Portree town centre, which is centred around Wentworth Street approximately 200 m to the north.
- The Property is located close to the Visit Scotland Tourist Information Centre.

Description

- The Property comprises the ground and lower ground floor of a two storey building constructed around the 1980s. We understand that the first floor, which comprises residential accommodation is owned separately and accessed via a separate ground floor entrance to the south.
- It is of brick construction rendered externally with uPVC double glazed windows under a pitched roof clad in concrete interlocking tiles. There is access for the disabled at both ground and lower ground floor due to the steeply sloping nature of the site.
- Internally, it is laid out to provide a Jobcentre Plus with a public area, offices and meeting rooms at ground floor level, with open plan office space, two WCs, IT room and a kitchen at lower ground floor level. A single stairwell provides access between floors, with no passenger lift provision.
- The internal specification is comprises solid floors with carpet tile coverings, painted plasterboard walls, and suspended tile ceilings (perforated metal at ground floor level and dated acoustic tiles at lower ground floor level). Natural light is provided via uPVC double glazed windows and artificial light is provided via a mixture of recessed down-lighters, CAT II fitment, or suspended LED tubes. Space heating is via wall-mounted Dimplex electric heaters (there is no gas connection to the site).

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Duchy House, Preston
ADDRESS: Duchy House, 96 Lancaster Road, Preston, PR1 1NS
PROPERTY ID: 78

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	43,805 sq ft
Total Site Area:	0.06 hectares (0.14 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£244,825 pa / £5.59 psf
Market Rent (£ pa / £ psf):	£244,825 pa / £5.59 psf
Market Value: (1.8% purchasers costs)	£3,200,000
Yields:	
Net Initial Yield:	7.52%
Equivalent Yield:	7.52%
Reversionary Yield:	7.52%
Capital Rate (psf):	£73.05 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	22 July 2019 (full internal inspection)
Energy Performance	C68
Certificate Rating:	

PROPERTY

Location

- Preston is situated approximately 30 miles to the north west of Manchester, 28 miles to the north east of Liverpool, 11 miles to the west of Blackburn and 22 miles south of Lancaster.
- Preston is the administrative capital of Lancashire with County Hall, the Crown Courts and numerous regional and sub-regional offices of public bodies, banks, insurance and other major commercial companies located within the City. The University of Central Lancashire is located in the centre of Preston, with a student population of approximately 18,000.
- Preston is situated immediately to the West of the M6 motorway, to the South of the M55 motorway and just to the North of the intersection of the M6 and M61 motorways. Access to the M55 motorway is via the A6 onto Junction 1, which is three miles to the north of the City Centre. Junction 31a of the M6 is two miles to the northwest of the City Centre.
- The Property is situated within the city's inner ring road on the fringe of the retail centre. Surrounding properties include St Johns shopping centre, the bus interchange, Law Court buildings, and other offices.
- The building forms part of the former Preston Office Centre, which included Palatine House, Red Rose House and Elizabeth House. The latter two buildings have been purchased for redevelopment as residential space, whilst Palatine House is also occupied by Secretary of State.

Description

- The Property comprises a multi-storey concrete framed office building within an island site complex of four buildings. The Property is inter-linked with the neighbouring Duchy House. The unit has brick elevations, incorporating ribbon glazing beneath a flat roof. The building is arranged over 10 storeys with a small ground floor reception area with lifts and stair access to the upper floors. Each floor has its own WCs. The specification includes carpeted floors, plastered and painted walls and suspended ceilings with recessed lighting and gas central heating via wall mounted radiators. The top floor has raised floors with floor boxes.
- Externally, there are approximately 51 car parking spaces in the central courtyard and in the undercroft of Duchy House next door, which are shared between Duchy and Palatine Houses.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018.
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Palatine House, Preston
ADDRESS: Palatine House, Lancaster Road, Preston, PR1 1NS
PROPERTY ID: 79

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	36,257 sq ft
Total Site Area:	0.04 hectares (0.09 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £207,079 pa / £5.71 psf

Market Rent (£ pa / £ psf): £207,079 pa / £5.71 psf

Market Value: £2,725,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 7.46%

Equivalent Yield: 7.46%

Reversionary Yield: 7.46%

Capital Rate (psf): £75.16 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 22 July 2019 (full internal inspection)

Energy Performance D92

Certificate Rating:

PROPERTY

Location

- Preston is situated approximately 30 miles to the north west of Manchester, 28 miles to the north east of Liverpool, 11 miles to the west of Blackburn and 22 miles south of Lancaster.
- Preston is the administrative capital of Lancashire with County Hall, the Crown Courts and numerous regional and sub-regional offices of public bodies, banks, insurance and other major commercial companies located within the City. The University of Central Lancashire is located in the centre of Preston, with a student population of approximately 18,000.
- Preston is situated immediately to the West of the M6 motorway, to the South of the M55 motorway and just to the North of the intersection of the M6 and M61 motorways. Access to the M55 motorway is via the A6 onto Junction 1, which is three miles to the north of the City Centre. Junction 31a of the M6 is two miles to the northwest of the City Centre.
- The Property is situated within the city's inner ring road on the fringe of the retail centre. Surrounding properties include St Johns shopping centre, the bus interchange, Law Court buildings, and other offices.
- The building forms part of the former Preston Office Centre, which included Duchy House, Red Rose House and Elizabeth House. The latter two buildings have been purchased for redevelopment as residential space, whilst Duchy House is also occupied by Secretary of State.

Description

- The Property comprises a multi-storey concrete framed office building within an island site complex of four buildings. The Property is inter-linked with the neighbouring Duchy House. The unit has brick elevations, incorporating ribbon glazing beneath a flat roof. The building is arranged over 10 storeys with undercroft car parking and a small ground floor reception area with lifts and stair access to the upper floors. Each floor has its own WCs. The specification includes carpeted floors, plastered and painted walls and suspended ceilings with recessed lighting and gas central heating via wall mounted radiators.
- Externally, there are approximately 51 car parking spaces in the central courtyard and in the undercroft, which are shared between Duchy and Palatine Houses.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018.
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Summerlock House, Salisbury
ADDRESS: Summerlock House, Summerlock Approach, Salisbury, SP2 7RW
PROPERTY ID: 80

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	17,136 sq ft
Total Site Area:	0.21 hectares (0.53 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£185,327 pa / £10.82 psf
Market Rent (£ pa / £ psf):	£172,500 pa / £10.07 psf
Market Value: (1.8% purchasers costs)	£2,100,000
Yields:	
Net Initial Yield:	8.67%
Equivalent Yield:	8.22%
Reversionary Yield:	8.07%
Capital Rate (psf):	£122.55 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	26 July 2019 (full internal inspection)
Energy Performance Certificate Rating:	E114

PROPERTY

Location

- Salisbury is located in southern Wiltshire approximately 87 miles south west of London, 21 miles south west of Andover, 22 miles north west of Southampton, and 29 miles west of Winchester. Road communications to the city are generally good, being located at the junction of the A36, A338 and A354. The A303, which provides a direct link to the M3 motorway, passes approximately 8 miles to the north of the city.
- The Property is located in the town centre, to the west of the primary shopping area, adjacent to a large open air car park, supermarket and Salisbury Playhouse Theatre.
- The Property provides the Jobcentre Plus for the town.

Description

- 1970s purpose built three storey building of concrete framed construction, with brick and composite panel elevations and flat roof and single glazed metal casement windows.
- Arranged as ground floor Jobcentre Plus. Universal Credit with admin offices and training room to the first and second floors.
- Part of the ground floor is also occupied as a medical centre.
- The building is of basic specification with suspended ceilings, diffused lighting, carpeted floors, standard perimeter trunking, gas central heating, no air conditioning except for the customer facing area on the ground floor.
- There is a 6 person passenger lift serving all floors.
- Male and female WCs are located on each floor.
- To the front of the building are approximately 9 allocated parking spaces.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

Valuation Report prepared for Elite Commercial REIT Management Pte. Ltd (as manager of Elite Commercial REIT) and Perpetual (Asia) Limited (in its capacity as trustee of Elite Commercial REIT) | September 2019 | Confidential | www.knightfrank.com
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PROPERTY NAME: St John's Square, Seaham
ADDRESS: St John's Square, Seaham, SR7 7JE
PROPERTY ID: 81

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	6,658 sq ft
Total Site Area:	0.13 hectares (0.32 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £61,442 pa / £9.23 psf

Market Rent (£ pa / £ psf): £46,606 pa / £7.00 psf

Market Value: £500,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 12.07%

Equivalent Yield: 10.02%

Reversionary Yield: 9.16%

Capital Rate (psf): £75.10 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 19 July 2019 (full internal inspection)

Energy Performance E105

Certificate Rating:

PROPERTY

Location

- The Property is located in Seaham, an ex-mining town occupying a coastal location overlooking the North Sea, approximately 25 miles north of Middlesbrough, 15 miles south east of Newcastle upon Tyne and 12 miles to the east of Durham. The City of Sunderland lies 5 miles to the north and the town is in close proximity to the A19 dual carriageway.
- The building occupies a sloping site to the east of Sophia Street just to the south of the town centre, close to the sea front.
- The Property faces into St John's Square with adjacent buildings occupied by the Registrar's Office and the local health authority.
- There is a large public car park in St John's Square and a secure staff car park to the rear of the subject property which is accessed from Sophia Street.

Description

- The Property comprises a two storey modern office building which was constructed in 2005 and provides office accommodation over ground and first floors. The Property is of part blockwork/part metal clad construction and has a mono pitch membrane covered roof. The windows are double glazed with powder coated aluminium frames.
- The ground floor provides a large open plan public access area, secure interview room with separate public and staff access points, three further interview rooms, security desk and a staff WC with shower. There is a separate entrance to the rear for staff.
- The first floor has a large open plan staff office, conference room, staff room, staff lockers, staff canteen and dining area, plant room, male and female WC's and a disabled WC with a shower.
- The specification throughout comprises carpeted floors, painted plasterboard walls, suspended ceilings with integrated CAT II lighting, gas-fired central heating with surface mounted radiators and raised access floors. The public access area on the ground floor has wood effect laminate flooring and a mix of spotlights and CAT II lighting on hangers.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

Valuation Report prepared for Elite Commercial REIT Management Pte. Ltd (as manager of Elite Commercial REIT) and Perpetual (Asia) Limited (in its capacity as trustee of Elite Commercial REIT) | September 2019 | Confidential | www.knightfrank.com
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PROPERTY NAME: The Forum, Stevenage
ADDRESS: The Forum, Stevenage, SG1 1EZ
PROPERTY ID: 82

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	18,609 sq ft (offices)
Total Site Area:	0.04 hectares (0.11 acres)
Number of Tenants:	4 tenants
WALE:	8.58 years to expiry (offices)
WAULT:	3.58 years to break (offices) 2.88 years to break (overall)
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£322,522 pa / £17.33 psf overall
Market Rent (£ pa / £ psf):	£322,522 pa / £17.33 psf Overall
Market Value:	£5,000,000
(1.8% purchasers costs)	
Yields:	
Net Initial Yield:	6.34%
Equivalent Yield:	6.21%
Reversionary Yield:	6.34%
Capital Rate (psf):	£268.69 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	27 August 2019 (full internal inspection)
Energy Performance	D87
Certificate Rating:	

PROPERTY

Location

- Stevenage is situated to the east of Junctions 7 and 8 of the A1(M). Central London is situated approximately 33 miles to the south, Welwyn Garden City is 7 miles to the south and Letchworth Garden City, 6 miles to the north.
- The Property is located on the north-eastern fringe of the pedestrianised town centre, adjacent to the Forum Retail Park and connecting to Queensway, the prime retail pitch for the town. Surrounding occupiers are predominantly retail orientated.
- Located adjacent to The Forum Shopping Centre and Queensway shopping district, the prime retail pitch for the town. The Property is situated in a relatively civic area, near to the town's libraries, council offices and leisure centres.
- The surrounding occupiers are predominantly retail orientated. The Property is situated 400m away from Stevenage Railway Station and 2 miles from Junction 7 and 8 of the A1(M).

Description

- The Property is a three storey building, incorporating retail/A2 units at ground floor level and offices on the upper floors. There is a parking area to the south of the Property.
- There is a parking area to the south of the Property.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.
- The retail/A2 units at ground floor are let to Dreams Ltd, Pizza Go Go Limited and Indigo Sun. Additional income of £132,250 per annum with Dreams holding over whilst the other leases expire between 2022 and 2030.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Heron House, Stockport
ADDRESS: Heron House, Wellington Street, Stockport, SK1 3BE
PROPERTY ID: 83

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	43,271 sq ft
Total Site Area:	0.22 hectares (0.55 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £322,490 pa / £7.45 psf

Market Rent (£ pa / £ psf): £322,490 pa / £7.45 psf

Market Value: £3,725,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 8.50%

Equivalent Yield: 8.50%

Reversionary Yield: 8.50%

Capital Rate (psf): £86.09 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 19 July 2019 (full internal inspection)

Energy Performance D88

Certificate Rating:

PROPERTY

Location

- The Property is in a secondary town centre location, with Merseyway shopping centre being 0.2 miles away.
- The Property is 0.9 miles to the M60 which can access the Manchester hub with Cheadle 2.9 miles and Bredbury 2.2 miles away.
- Manchester city centre is 6.5 miles north of Cheadle. The Stockport train station is 0.3 miles from the train centre which provides links across the U.K.

Description

- The rectangular shaped building is a 9 storey office building of concrete frame construction with brick clad elevations.
- The Property has metal framed windows and a flat roof.
- The Property comprises approximately 30 parking spaces in the undercroft at ground level with stilts bearing the weight. Approximately 25 further surface car spaces are provided.
- The building can be accessed from the rear in addition to the front.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Upper Huntbach Street, Stoke On Trent
ADDRESS: 91 Upper Huntbach Street, Hanley, Stoke On Trent, ST1 2BX
PROPERTY ID: 84

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	21,540 sq ft
Total Site Area:	0.13 hectares (0.32 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £209,815 pa / £9.74 psf

Market Rent (£ pa / £ psf): £209,815 pa / £9.74 psf

Market Value: £2,575,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 8.00%

Equivalent Yield: 8.00%

Reversionary Yield: 8.00%

Capital Rate (psf): £119.55 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 23 July 2019 (full internal inspection)

Energy Performance C74

Certificate Rating:

PROPERTY

Location

- The Property is located in Hanley, Stoke on Trent, a secondary city located in North Staffordshire approximately 45 miles north of Birmingham. Hanley is located just off the A50, which comprises one of Stoke's major arterial routes.
- Stoke has a population of circa 255,800 persons. The claimant count unemployment rate is 4.1% compared to the national average of 2.8%.
- More specifically, the Property is located just outside Hanley centre to the east of the A50. Upper Huntbach Street has an access and egress from the south bound carriageway of the A50 Potteries Way. The surrounding uses are predominantly residential.

Description

- The Property comprises a purpose built modern office building constructed in the late 2000s. The accommodation is over ground and two upper floors.
- The floors have suspended ceilings with metal ceiling tiles and suspended fluorescent lighting with raised access flooring. Part of the second floor and the third floor have a suspended ceiling with recessed LG7 lighting.
- There is also a tarmac surfaced car park to the rear.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Discovery House, Stornoway
ADDRESS: Discovery House, 2 Castle Street, Stornoway, HS1 2BA
PROPERTY ID: 85

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	7,276 sq ft
Total Site Area:	0.04 hectares (0.10 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £93,259 pa / £12.82 psf

Market Rent (£ pa / £ psf): £93,259 pa / £12.82 psf

Market Value: £915,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 10.01%

Equivalent Yield: 10.01%

Reversionary Yield: 10.01%

Capital Rate (psf): £125.76 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 29 August 2019 (full internal inspection)

Energy Performance E76 (Scotland)

Certificate Rating:

PROPERTY

Location

- Stornoway is located on the Isle of Lewis, which is located off the west coast of Scotland within the Outer Hebrides.
- With Edinburgh and Glasgow located 264 and 277 miles respectively to the south east, Stornoway is accessible by road and ferry from the Scottish mainland, or by flights from Edinburgh and Glasgow.
- Stornoway is located on the east coast of the island and forms the principal town and administrative centre for the Western Isles.
- The town, which has a working port has a current population of approximately 8,000 people.
- The Property sits on the corner of South Beach and Castle Street, directly overlooking the two piers in the old harbour and the sea beyond.
- The main retailing area in the town is located approximately 100 metres to the north west, with surrounding properties comprising a mix of uses including Stornoway Harbour Office, various hotels, pubs and restaurants.

Description

- The Property comprises an end terraced building arranged on ground and two upper floors.
- It dates from the 1950s and is of rendered brick construction with central section of metal cladding on the front elevation of the upper two floors, under a pitched slate roof.
- Internally, it provides office accommodation over first and second floor levels and a job centre with a further office at ground floor level. The Property is of a broadly "U-shaped" configuration around an open external atria with a mixture of open plan and cellular space. Access to each floor is via a central stairwell, with no passenger lift access.
- The internal specification generally comprises concrete floors, carpet tile covers, painted plasterboard walls, and suspended tile ceilings. Space heating is provided via an oil-fired hot water radiator system. There is a mechanical air ventilation system which serves the rear office of the ground floor only. Natural light is provided via double-glazed uPVC windows and artificial light is provided via recessed PIR CAT II fitments at first and second floor level, and recessed PIR LG7 fitments at ground floor level. The ground floor area was subject to a modest refurbishment in 2017.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: St John Street, Stranraer
ADDRESS: 12 St John Street, Stranraer, DG9 7EL
PROPERTY ID: 86

KEY PROPERTY FACTS

Tenure:	Heritable (Scottish equivalent of Freehold)
Total Area (NIA):	6,402 sq ft
Total Site Area:	0.04 hectares (0.09 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £65,646 pa / £10.25 psf

Market Rent (£ pa / £ psf): £65,646 pa / £10.25 psf

Market Value: £585,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 11.02%

Equivalent Yield: 11.02%

Reversionary Yield: 11.02%

Capital Rate (psf): £91.38 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 27 August 2019 (full internal inspection)

Energy Performance E77 (Scotland)

Certificate Rating:

PROPERTY

Location

- Stranraer is located in the south west of Scotland, approximately 70 miles to the west of Dumfries, via the A75, 52 miles south of Ayr, and 88 miles to the south of Glasgow, connected via the M77/A77.
- The Property is situated close to Charlotte Street, Stranraer's main retail centre and approximately 0.6 miles (1km) from Stranraer Train Station.
- There is a public car park immediately to the south of the property within which a new small-scale commercial development is on-going, attached to the south elevation of the property.
- The immediate surroundings are in mixed use.

Description

- The Property comprises a two storey building of concrete frame construction with a rendered finish and curved, clad roof. There is ground floor glazed shop frontage on the eastern elevation which benefits from disabled access and automatic double doors.
- The Property also benefits from parking provision to the rear of the building.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable/basic state of repair commensurate with its age and use.

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PROPERTY NAME: John Street, Sunderland
ADDRESS: 60-66 John St, Sunderland, SR1 1QT
PROPERTY ID: 87

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	17,894 sq ft
Total Site Area:	0.20 hectares (0.50 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	1.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £143,151 pa / £8.00 psf

Market Rent (£ pa / £ psf): £125,258 pa / £7.00 psf

Market Value: £875,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 16.07%

Equivalent Yield: 12.04%

Reversionary Yield: 14.06%

Capital Rate (psf): £48.90 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 19 July 2019 (full internal inspection)

Energy Performance: D76

Certificate Rating:

PROPERTY

Location

- Sunderland is located on the north east coast of England at the mouth of the River Wear, and lies approximately 12 miles south east of Newcastle upon Tyne, 13 miles north east of Durham and 30 miles north of Middlesbrough.
- The city has good communication links by road with the A19 trunk road which is approximately 3 miles to the west. The A19 is accessed from the city centre via the arterial routes of the A690 and A1231 dual carriageways which in turn also offer access to the A1(M) around 10 miles to the west.
- The Property is located in the city centre at the northern end of John Street, and in close proximity to The Bridges shopping centre and the railway/metro stations.
- There are a number of public car parks and metered street parking in the surrounding area.

Description

- The Property comprises a two storey terraced 1970's former retail premises which was converted into an office in the 1990's. The Property is of brick construction and has a flat felt covered roof. The windows comprise aluminium framed double glazed units and there are automatic doors to the main entrance.
- The ground floor is predominantly cellular in layout, although the main public access area is open-plan. The rest of the ground floor provides a secure interview room with separate public and staff access points, interview room, staff offices with separate secure entrance from the front, finance office, manager's office, security office and staff WC's (mens, ladies and disabled).
- The first floor also has a large open plan public access area along with four interview rooms, staff conference room, staff kitchen with dining area, staff locker room, comms room, first aid room and male/female staff WC's.
- The specification throughout comprises carpeted floors, painted plasterboard walls, suspended ceilings with integrated CAT II lighting, gas-fired central heating with surface mounted radiators and perimeter/power pole trunking. The public access area on the ground floor has wood effect laminate flooring and a mix of spotlights and CAT II lighting on hangers.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 3 (31 March 2021).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a good state of repair commensurate with its age and use.

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PROPERTY NAME: Oldway House, Swansea
ADDRESS: Oldway House, Clase Road, Morriston, Swansea, SA6 8BT
PROPERTY ID: 88

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	14,575 sq ft
Total Site Area:	0.16 hectares (0.40 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry 3.58 years to break
WAULT:	24-36 months
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£104,611 pa / £7.18 psf
Market Rent (£ pa / £ psf):	£87,500 pa / £6.00 psf
Market Value: (1.8% purchasers costs)	£1,000,000
Yields:	
Net Initial Yield:	10.28%
Equivalent Yield:	9.04%
Reversionary Yield:	8.60%
Capital Rate (psf):	£68.61 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	22 July 2019 (full internal inspection)
Energy Performance	D83
Certificate Rating:	

PROPERTY

Location

- Swansea is located within South Wales about 44 miles west of Cardiff and just south of the M4 motorway. The Property is situated within the suburb of Morriston about three miles to the north of the city centre and about one mile south of Junction 45 of the M4 motorway.
- The Property is situated on the A48, Clase Road, in the centre of Morriston, which has a number of tertiary retail multiples, but is dominated by local retail and high density residential.

Description

- The Property comprises a 1970s office building situated over ground and two upper floors of concrete frame and having brick and panel clad elevations under flat roof (not inspected) and having secure surface level parking to the rear.
- Internally, the accommodation is approached directly off Clase Road into an open plan Jobcentre Plus with a number of cellular meeting rooms. The building is in two wings with stairs at each end and a single core having toilets on each floor.
- The internal space provides a combination of open plan and cellular offices, with carpeted solid floors, perimeter trunking, plastered and painted walls with double glazed windows under suspended ceilings with recessed spot and strip lighting and ceiling mounted air handling units (not air conditioning). Heating is provided by wall mounted panel radiators.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable/basic state of repair commensurate with its age and use.

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PROPERTY NAME: High Street, Swansea
ADDRESS: 37-38 High Street, Swansea, SA1 1LS
PROPERTY ID: 89

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	19,609 sq ft
Total Site Area:	0.08 hectares (0.20 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £188,006 pa / £9.59 psf

Market Rent (£ pa / £ psf): £157,500 pa / £8.03 psf

Market Value: £2,000,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 9.23%

Equivalent Yield: 8.10%

Reversionary Yield: 7.74%

Capital Rate (psf): £101.99 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 22 July 2019 (full internal inspection)

Energy Performance D93

Certificate Rating:

PROPERTY

Location

- Swansea is located within South Wales about 44 miles west of Cardiff and just south of the M4 motorway.
- The Property is situated in the heart of the city centre fronting High Street, to the south of the railway station in an area of tertiary retail and commercial property and close to high density residential and student housing.
- The site is within walking distance of Oxford Street and St David's Shopping Centre, where there are a number of national retail multiples.

Description

- The Property comprises a 1970s office building situated over lower ground (High Street), upper ground (Orchard Street) and two upper floors of concrete frame and having concrete clad elevations under flat roof (not inspected).
- Internally, the accommodation is approached directly off High Street into offices used as a Jobcentre Plus, which is mainly open plan with cellular meeting rooms and break out areas. A small reception/staff lobby with lift and stairwell serves each floor within a central core, having male and female toilets on each floor.
- The internal space provides a combination of open plan and cellular offices with carpeted solid floors, perimeter trunking, plastered and painted walls with double glazed windows under suspended ceilings with recessed spot lighting and suspended diffused strip lighting. Heating is provided by wall mounted panel radiators heaters.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

Valuation Report prepared for Elite Commercial REIT Management Pte. Ltd (as manager of Elite Commercial REIT) and Perpetual (Asia) Limited (in its capacity as trustee of Elite Commercial REIT) | September 2019 | Confidential | www.knightfrank.com
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PROPERTY NAME: Spring Gardens House, Swindon
ADDRESS: Spring Gardens House, Princes Street, Swindon, SN1 2HY
PROPERTY ID: 90

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	47,918 sq ft
Total Site Area:	0.32 hectares (0.78 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£617,373 pa / £12.88 psf
Market Rent (£ pa / £ psf):	£600,000 pa / £12.52 psf
Market Value: (1.8% purchasers costs)	£7,550,000
Yields:	
Net Initial Yield:	8.03%
Equivalent Yield:	7.86%
Reversionary Yield:	7.81%
Capital Rate (psf):	£157.56 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	26 July 2019 (full internal inspection)
Energy Performance	E110
Certificate Rating:	

PROPERTY

Location

- Swindon, is located on the M4, approximately 80 miles west of London and 40 miles east of Bristol. The A419 dual carriageway provides good links to Gloucester and the M5 motorway (Junction 13) and the A420, which links Swindon to Oxford and the M40 motorway, both lie within two miles of the town centre.
- The Property is located Spring Gardens and fronts Princes Street in the town centre. There is a retail park to the rear, a Jurys Inn and Travelodge adjacent and the property is near to a car park and Swindon Magistrates Court.
- The Property is the main Jobcentre Plus for Swindon.

Description

- 1970s purpose-built, nine storey, concrete framed office building. Precast concrete cladding panels to the front elevation and tower, with cavity brick/block elevations to the side and rear elevations of the podium, beneath a flat roof, the cover of which is not visible from ground level. Windows are uPVC double glazed casements.
- Concrete dividing floors, three lifts – 8 person (650kg).
- Arranged as ground floor Jobcentre Plus in the tower section of the building and a medical centre with separate access in the podium section at ground floor level with separate access (limited access to the medical centre).
- The Jobcentre Plus occupy five of the nine floors with the top three floor largely disused and in poorer condition/specification.
- Customer facing areas are best in specification with suspended ceilings, LED lighting and air-conditioning, a mixture of carpeted and vinyl flooring and perimeter trunking.
- Upper floors providing open plan and partitioned offices fitted with suspended ceilings, diffused lighting, carpeted floors, standard perimeter trunking, gas central heating, no air conditioning.
- Car park to the rear providing approximately 70 spaces.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

Valuation Report prepared for Elite Commercial REIT Management Pte. Ltd (as manager of Elite Commercial REIT) and Perpetual (Asia) Limited (in its capacity as trustee of Elite Commercial REIT) | September 2019 | Confidential | www.knightfrank.com
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PROPERTY NAME: Brendon House, Taunton
ADDRESS: Brendon House, Upper High Street, Taunton, TA1 3RL
PROPERTY ID: 91

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	41,750 sq ft
Total Site Area:	0.15 hectares (0.38 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £381,723 pa / £9.14 psf

Market Rent (£ pa / £ psf): £381,723 pa / £9.14 psf

Market Value: £4,850,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 7.73%

Equivalent Yield: 7.73%

Reversionary Yield: 7.73%

Capital Rate (psf): £116.17 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 24 July 2019 (full internal inspection)

Energy Performance D91

Certificate Rating:

PROPERTY

Location

- Taunton is the County town of Somerset and lies approximately 49 miles south west of Bristol, 36 miles north east of Exeter and 12 miles south west of Bridgwater.
- The town is the principal retailing and administrative centre for Somerset and lies alongside the M5 motorway with access at Junctions 25 and 26. The A38 provides the main arterial route through Taunton town centre with the A358 linking the town to the A39 and north coast or the A303 which further connects to the M3 motorway and London.
- The Property is located in central Taunton, approximately 200m from the town centre retail core.
- Adjacent to Somerset County Council offices and The Crescent, which is Taunton's traditional office area.

Description

- A 1970s building of concrete framed construction with cavity brick/block elevations and a flat roof, the cover of which is obscured from ground level.
- Building provides office accommodation over ground and four upper floors, with a small single storey annex on the eastern end of the building.
- Approximately 75 on site car parking spaces provided within the site.
- Internally the accommodation is of a basic specification in the main with solid concrete floors, plastered and decorated walls and suspended ceilings with inset CAT II lighting. Power and data distribution by way of perimeter trunking. Two passenger lifts serve all floors within the building.
- Some areas of the building (Charity Commission space and customer facing areas) have had a basic refurbishment, to include LED lighting.
- Air conditioning has been installed within areas of the building however, in the main this is no longer operational.
- Windows are of single glazed aluminium framed design and appear to be nearing the end of their useful life.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

Valuation Report prepared for Elite Commercial REIT Management Pte. Ltd (as manager of Elite Commercial REIT) and Perpetual (Asia) Limited (in its capacity as trustee of Elite Commercial REIT) | September 2019 | Confidential | www.knightfrank.com
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PROPERTY NAME: Thistle House, Tonypany
ADDRESS: Thistle House, Llwyn Y Pia Road, Tonypany, CF40 2EP
PROPERTY ID: 92

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	14,650 sq ft
Total Site Area:	0.09 hectares (0.23 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£112,044 pa / £7.65 psf
Market Rent (£ pa / £ psf):	£88,000 pa / £6.01 psf
Market Value: (1.8% purchasers costs)	£1,100,000
Yields:	
Net Initial Yield:	10.01%
Equivalent Yield:	8.40%
Reversionary Yield:	7.86%
Capital Rate (psf):	£75.09 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	19 July 2019 (full internal inspection)
Energy Performance Certificate Rating:	D83

PROPERTY

Location

- Tonypany is located within South Wales about 17 miles north of Cardiff and six miles west of Pontypridd, where there is access to the A470 which connects south to Junction 32 of the M4 motorway about five miles to the south.
- Pontypridd is a secondary retail and commercial area with a number of retail multiples in the town centre. There is a large student population in Pontypridd, but little office space.
- The Property is situated on the edge of the town centre of Tonypany, a traditional Valleys town with mixed tertiary retail and high density residential.
- The Property is surrounded by a mix of commercial and high density residential.

Description

- The Property comprises a 1970s office building situated over ground and two upper floors of a concrete frame construction, with brick clad elevations under a flat roof (not inspected).
- The Property has an undercroft parking facility for approximately 8 cars with gated access.
- Internally, the accommodation is approached directly from the glazed entrance doors into an open plan office used as a Jobcentre Plus with cellular meeting rooms. All upper floors are served by a staff passenger lift and the first and second floors comprise office space, again mainly open plan with cellular meeting/break out areas.
- The internal space provides a combination of open plan and cellular offices with carpeted solid floors, perimeter trunking, plastered and painted walls with double glazed windows under suspended ceilings with recessed spot lighting and suspended diffused strip lighting. Heating is provided by wall mounted panel radiators.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Cotswold House, Torquay
ADDRESS: Cotswold House, Warren Road, Torquay, TQ2 5UX
PROPERTY ID: 93

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	21,895 sq ft
Total Site Area:	0.26 hectares (0.64 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £206,540 pa / £9.43 psf

Market Rent (£ pa / £ psf): £190,000 pa / £8.68 psf

Market Value: £2,865,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 7.08%

Equivalent Yield: 6.76%

Reversionary Yield: 6.51%

Capital Rate (psf): £130.85 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 29 July 2019 (full internal inspection)

Energy Performance D85

Certificate Rating:

PROPERTY

Location

- Torquay is located approximately three miles north of Paignton, seven miles south east of Newton Abbot and 22 miles south of Exeter. The town is the easternmost town within the Torbay conurbation, located on the south east coast of Devon. Torbay is a popular tourist destination and consequently the population swells significantly during the summer months.
- The seaside town is served by the A3022 and A379, connecting to the A380 dual carriageway to the north and Junction 31 of the M5 motorway (Exeter) thereafter.
- The Property is located within central Torquay but in predominantly residential area to the south of the main retail core within the town centre.
- The building appears to be utilised for mainly back office functions with a Torquay's Jobcentre Plus being located in a separate building at Castle Circus, approximately ½ mile from the Property.

Description

- Concrete framed 1970s office building. Precast concrete cladding panels to the front elevation and tower, with cavity brick/block elevations to the side and rear elevations of the podium, beneath a flat roof, the cover of which is not visible from ground level.
- Ground floor provides small reception area and undercroft car park. The first and second floors extend over the full length of the site whilst third to fifth floors are in a tower with a smaller floor plate.
- Approximately 38 car parking spaces within the undercroft and to the front of the building accessed directly from Warren Road.
- Internally the office accommodation is of a basic specification which has been heavily partitioned within the upper floors. Finishes typically comprise concrete floors, plastered and decorated walls and suspended ceilings with a combination of surface mounted CAT II and diffused fluorescent tube lighting. There are two lifts serving all floors within the building and a third, disused, lift within the northern end of the building serving first and second floors within the podium.
- Power and data distribution is by way of perimeter trunking and heating is by way of a perimeter radiator system.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018.
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable/basic state of repair commensurate with its age and use.

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PROPERTY NAME: Hilden House, Warrington
ADDRESS: Hilden House, Winmarleigh Street, Warrington, WA1 1LA
PROPERTY ID: 94

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	50,841 sq ft
Total Site Area:	0.32 hectares (0.80 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf): £560,215 pa / £11.02 psf

Market Rent (£ pa / £ psf): £560,215 pa / £11.02 psf

Market Value: £7,100,000
(1.8% purchasers costs)

Yields:

Net Initial Yield: 7.75%

Equivalent Yield: 7.75%

Reversionary Yield: 7.75%

Capital Rate (psf): £139.65 psf

Basis of Valuation: Market Value – subject to existing tenancies

Valuation Approaches: Comparative and investment methods

Inspection Date: 23 July 2019 (full internal inspection)

Energy Performance D88

Certificate Rating:

PROPERTY

Location

- Warrington is a town in Cheshire and lies between Liverpool and Manchester, which are 20 miles to the west and east respectively. It is situated to the southwest of the M62 and M6 junction, with the A57 and A49 providing access north to the M62 motorway and A50 giving access to the M6 motorway in the south. The M56 is also located to the south.
- The Property is situated on the corner of Winmarleigh Street and Sankey Street, on the edge of the town centre. The surrounding area is a mix of office, retail and residential.

Description

- The Property comprises a five-storey concrete framed building with a flat roof. The property sits within the concrete frame.
- The elevations consist of bands of brick and window, which appear to be the original window frames and single glazed. There is a canopied entrance way to the Property. The accommodation is generally Grade B.
- There is parking to the rear of the Property providing surface parking for approximately 54 cars.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Lothersdale House, Wellingborough
ADDRESS: Lothersdale House, West Villa Road, Wellingborough, NN8 4TA
PROPERTY ID: 95

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	32,113 sq ft
Total Site Area:	0.47 hectares (1.17 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£265,055 pa / £8.25 psf
Market Rent (£ pa / £ psf):	£265,055 pa / £8.25 psf
Market Value: (1.8% purchasers costs)	£3,150,000
Yields:	
Net Initial Yield:	8.27%
Equivalent Yield:	8.27%
Reversionary Yield:	8.27%
Capital Rate (psf):	£98.09 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	23 July 2019 (full internal inspection)
Energy Performance	E106
Certificate Rating:	

PROPERTY

Location

- The Property is located in Wellingborough, a secondary town located in Northamptonshire, approximately 12 miles north east of Northampton, 8 miles south of Kettering and 13 miles south of Corby. Wellingborough is located just off the A45, which provides access to Northampton and the M1 to the west.
- Wellingborough has a population of approximately 47,400 persons. The claimant count unemployment rate is 2.6% compared to the national average of 2.8%.
- More specifically, the Property is located on the fringe of Wellingborough town centre circa 500m from the Swansgate Shopping Centre. The property itself is located at the junction of West Villa Road and West Street.

Description

- The Property comprises a purpose-built 1970s office building of brick construction surmounted by a flat roof, with accommodation over ground and three upper floors. There is a car park to the front of the building.
- The ground floor provides a largely open plan office which is open to the public. The space has been recently fitted out and includes a suspended ceiling with metal ceiling tiles, air conditioning and recessed fluorescent lighting. The floor finish is a combination of laminate flooring and carpet.
- The upper floors have a specification which comprises a suspended ceiling, painted plaster walls, air-conditioning, perimeter trunking and a carpet floor covering.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable/basic state of repair commensurate with its age and use.

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PROPERTY NAME: Regent House, Weston Super Mare
ADDRESS: Regent House, High Street, Weston Super Mare, BS23 1JH
PROPERTY ID: 96

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	21,704 sq ft
Total Site Area:	0.08 hectares (0.19 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
WAULT:	3.58 years to break
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£212,637 pa / £9.80 psf
Market Rent (£ pa / £ psf):	£212,637 pa / £9.80 psf
Market Value: (1.8% purchasers costs)	£2,600,000
Yields:	
Net Initial Yield:	8.03%
Equivalent Yield:	8.03%
Reversionary Yield:	8.03%
Capital Rate (psf):	£119.79 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	29 July 2019 (full internal inspection)
Energy Performance	D84
Certificate Rating:	

PROPERTY

Location

- Weston Super Mare is a coastal town in Somerset, approximately 20 miles south west of Bristol and 30 miles north of Taunton. Weston Super Mare is well connected being accessed via Junction 21 of M5
- The Property is located within central Weston Super Mare, however this area of High Street is a secondary retail location within the town centre and is blighted by a large former TJ Hughes Department Store opposite the property which has been empty for a significant period.
- Weston's main retail area is located approximately 100m to the north, focussed on the Sovereign Shopping Centre.

Description

- A 1970s office building of concrete framed construction providing four lock up retail units and a Jobcentre Plus at ground floor with three floors of offices above. The upper floor offices are in an 'L' shaped configuration to the High Street and Oxford Place frontages. At the time of inspection, three of the ground floor retail units were unoccupied.
- The external elevations of the building are a combination of reconstituted stone cladding panels and rendered masonry and the roof is of flat design with asphalt cover. The four ground floor retail units have traditional shopfronts.
- Internally the ground floor Jobcentre Plus accommodation is finished to a reasonable standard with a solid concrete floor, plastered and decorated walls and suspended ceiling with a combination of CAT II lighting and inset low energy down-lighters. The public area of the ground floor accommodation at the front of the unit is air-conditioned. There is a difference in levels between High Street and the floor level within the unit with disabled lift having been installed.
- The upper floor office accommodation is generally finished to a lower standard than the ground floor with solid concrete floors, plastered and decorated walls and suspended ceilings with a combination of CAT II lighting and surface mounted diffused fluorescent tube lighting. Power and data distribution is by way of perimeter trunking. Windows are of double glazed aluminium framed design. There is a passenger lift which serves all floors within the building however this was not operational at the time of our inspection.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018 with a tenant break option in year 5 (31 March 2023).
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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PROPERTY NAME: Crown House, Worthing
ADDRESS: Crown House, High Street, Worthing, BN11 1NG
PROPERTY ID: 97

KEY PROPERTY FACTS

Tenure:	Freehold
Total Area (NIA):	31,503 sq ft
Total Site Area:	0.31 hectares (0.77 acres)
Number of Tenants:	1 tenant
WALE:	8.58 years to expiry
Letting Fees:	15% of Market Rent
Covenant Strength:	Undoubted government
Sale Marketing Period:	9-12 months



VALUATION DATE: 31 AUGUST 2019

Current Gross Income (£ pa / £ psf):	£326,711 pa / £10.37 psf
Market Rent (£ pa / £ psf):	£326,711 pa / £10.37 psf
Market Value: (1.8% purchasers costs)	£5,225,000
Yields:	
Net Initial Yield:	6.14%
Equivalent Yield:	6.14%
Reversionary Yield:	6.14%
Capital Rate (psf):	£165.86 psf
Basis of Valuation:	Market Value – subject to existing tenancies
Valuation Approaches:	Comparative and investment methods
Inspection Date:	21 August 2019 (full internal inspection)
Energy Performance Certificate Rating:	D91

PROPERTY

Location

- Worthing is a seaside town on the south coast situated in West Sussex approximately 10 miles west of Brighton and 31 miles east of Portsmouth.
- Vehicular access to Worthing is provided via the A27, which connects Brighton and Eastbourne in the east with Chichester and Portsmouth in the west. Direct trains from Worthing train station into London Victoria are available in approximately 1 hour 24 minutes.
- The Property is situated on the eastern edge of Worthing town centre. Surrounding uses are a mix of residential and commercial.
- There is a multi-storey car park situated opposite and a Waitrose foodstore situated 100 meters north.
- The nearest alternative Jobcentre Plus are in Littlehampton, 9.7 miles to west, and Hove, 8.6 miles to the east.

Description

- The Property comprises a detached office building over three floors constructed in the early 1970s and extending to 31,503 sq ft. We understand the Property was extended in 2005.
- Internally, the Property provides open plan office space. The general specification includes carpet/vinyl floor coverings, painted walls and painted/suspended tile ceilings. There is a mixture of ceiling mounted and recessed lighting.
- The Property benefits from central heating and partial air conditioning.
- The ground floor is mainly used as the reception and processing area.
- The upper floors are largely allocated as office space and appeared to be well occupied during the inspection. There is a set of stairs and a personnel lift at either end of the Property.
- Externally the Property benefits from approximately 114 car parking spaces with a mixture of surface and basement spaces.

Tenancy Details

- Let to The Secretary of State for Housing, Communities and Local Government for 10 years from 1 April 2018.
- Five yearly rent reviews linked to the Consumer Price Index subject to a cap and collar of 1.00% - 5.00% pa.
- Full insuring and repairing basis.

Condition

- At the date of our inspection, the Property appeared to be in a reasonable state of repair commensurate with its age and use.

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INDEPENDENT UNITED KINGDOM PROPERTY MARKET RESEARCH REPORT



United Kingdom | January 2020

Research Report
Jones Lang LaSalle Incorporated

Provided for :

REIT Manager

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REIT Trustee

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Independent Market Report

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In the property section of this report, the following standard UK market definitions have been used:

The figures on **investment transaction volumes** include all UK commercial property deals that have completed (not exchanged/under offer) during the relevant quarterly period. The figures exclude all debt transactions, refinancing, auction deals and business acquisitions.

Initial Yield refers to the rent passing, net of ground rent, for a property expressed as a percentage of the gross capital value. In some countries yields are referred to as cap rates.

Capital Growth (also known as indirect return) refers to the increase in the value of a property or group of properties net of capital expenditure, expressed as a percentage of the capital employed.

Income Return (also known as direct return) refers the net income receivable for a property expressed as a percentage of the capital employed.

Market Rental Growth refers to the growth in the rental income estimated to be achievable were a property or occupational unit to be newly leased, assuming a normal market lease contract.

A **Prime Rent** is the headline rent that can be achieved in the market, assuming a 10,000 sq ft letting and a 10-year term and excludes any incentives.

Prime Regional Yield is the best in class yield found in the Big Six UK office markets (Birmingham, Bristol, Edinburgh, Glasgow, Leeds and Manchester). It relates to rack rented investments let with lease lengths considered by the market as most appropriate for the asset.

Take-up as referred to in this report is gross take-up, i.e. the aggregate of all leasing activity including new leases, assignments and sub-leases. However, we do not include re-gears. In London, but not the regional cities, we only include deals of over 5,000 sq ft. The figures in this report refer only to the city centres (CBDs), or Central London in the case of the capital, with the exception of Edinburgh where the whole city is included.

The **Development Pipeline** includes all planned developments where office space is the main asset class, monitored from planning application through to completion of the scheme.

The **Vacancy Rate** is the amount of space that is not occupied (in sq ft) divided by the overall level of stock in the market (the same definitions apply as per take-up above).

Offices in the UK are measured on a **Net Internal Area** which (as defined by the RICS) includes the usable area within a building measured to the internal face of the perimeter walls at each floor level.

INTRODUCTION

This Independent Market Report (IMR) provides the background to the IPO Portfolio, which consists of office properties around the UK occupied by the UK Government's Department for Work and Pensions (DWP). These properties are either used as back offices or call centres for the DWP, or (more usually) as a Jobcentre Plus facility.

THE DEPARTMENT FOR WORK AND PENSIONS (DWP) – THE TENANT

Since 1945, the UK has operated an extensive welfare state. Other than the National Health Service, the two main planks of this have been the provision of financial support to those out of work (or unable to work) and the pension system. Over time, these have been supplemented by a number of other benefits (notably to those in work but on low incomes, mainly via the tax credit system and housing benefit).

The DWP, alongside its Jobcentre Plus delivery arm, is responsible for allocating and distributing most of these benefits and pensions. It is also responsible for helping individuals find employment, among other duties, within for example child maintenance policy.

According to its website, the DWP's responsibilities include:

- understanding and dealing with the causes of poverty rather than its symptoms
- encouraging people to work and making work pay
- encouraging disabled people and those with ill health to work and be independent
- providing a decent income for people of pension age and promoting saving for retirement
- providing value for money and reducing levels of fraud and error
- reducing work-related death and serious injury in workplaces through the Health and Safety Executive

In recent years the UK Government has introduced reforms aimed at reducing welfare spending – or at least slowing its increase. The criteria for claiming benefits have become more stringent or more strictly applied, and Jobseekers increasingly face losing benefits if they do not actively look for work or accept offers of employment. The Conservative/Liberal Democrat coalition Government of 2010-2015 introduced a series of benefit caps for working-age people, providing a ceiling for total annual benefits to households. At present, these are £13,400-£20,000 outside London (depending on family status) and £15,410-£23,000 in London.

Existing pensioners have been insulated from austerity by the "triple lock" which guarantees that each year the basic state pension rises by 2.5%, the rate of inflation or average earning growth, whichever is the highest. The ballooning pension bill is being tackled instead by a gradual increase in the pension age and an equalisation between males and females (which have historically had a lower retirement age).

Despite this, the cost of the UK welfare system has grown significantly over time. This is mainly a result of a rapidly growing pension-age population, although fluctuating unemployment and the increasing role of in-work benefits have also played a role. This is particularly true for housing benefit, as housing costs have risen substantially over recent years and the private rented sector has grown. These trends are unlikely to reverse over the next few years, as this report will demonstrate.

Fortunately, the UK's vibrant economy and relatively positive demographics suggests that this remains sustainable, at least in the medium term.

The DWP has been in its current form since 2001, when the Employment Service was merged with the Department for Social Security. According to the department's accounts for 2018/19, it employed 76,689 full-time equivalent people in 2019, including both the department itself and its 14 agencies and other public bodies.

It cost £6.3bn to run the department in 2018/19 and it paid out £182.5bn in benefits to approximately 20m people. Together, this makes it the single largest UK Government department. This expenditure equates to average spend of just over £9,000 per claimant, compared to the median UK full-time earnings of £29,574¹.

Around 60% of this £182.5bn total (£110.1bn) went to pensioners (excluding those who are disabled or sick). By far the largest single part of this total – and the largest single benefit expenditure – is the State Pension (£96.6bn), although Housing Benefit (£5.6bn) and Pension Credit (£5.1bn) are also important. The breakdown for is given below.

Pensioner Benefits (not disabled or sick)	Amount paid out 2018/19
State Pension	£96.6bn
Housing Benefit	£5.6bn
Pension Credit	£5.1bn
Social Fund Payments	£2.0bn
Other	£0.7bn
TOTAL	£110.1bn

Source: DWP Annual Report 2018/19

¹ Annual Survey of Hours and Earnings (ASHE), 2018

Just under 30% of the total, some £53.3bn, was paid to disabled and sick people of all ages, or those caring for them – benefits such as the Employment and Support Allowance (£15.1bn) and the Personal Independence Payment (£10.6bn). The full breakdown is given below.

Disabled and Sickness Benefits (all ages)	Amount paid out 2018/19
Employment and Support Allowance	£15.1bn
Personal Independence Payment	£10.6bn
Disability Living Allowance	£8.1bn
Housing Benefit	£7.4bn
Attendance Allowance	£5.7bn
Carer's Allowance	£2.9bn
Other	£3.6bn
TOTAL	£53.3bn

Source: DWP Annual Report 2018/19

This leaves a further £19.1bn – just over 10% – which was paid to those of working age who were not suffering from a disability or sickness. The individual components are detailed below.

Working Age Benefits (not disabled or sick)	Amount paid out (£m) 2018/2019
Housing Benefit	£7.2bn
Universal Credit	£6.2bn
Maternity Benefits	£3.0bn
Jobseekers' Allowance	£1.3bn
Income Support	£1.2bn
Other	£0.2bn
TOTAL	£19.1bn

Source: DWP Annual Report 2018/19

An explanation of the benefits listed in the above tables is given later in the document.

The DWP's Benefits Statistical Summary published in August 2019 states that in February 2019 some 20m people were claiming DWP benefits, with two thirds being of State Pension age.

In Scotland, some benefits are devolved to the Scottish Government, and are administered slightly differently.

The UK benefits system – in particular the parts related to working-age benefits – is undergoing a period of transition. Universal Credit (UC), which brings together several legacy payments, is gradually being introduced. At the time of writing, it was 'live' for all new claimants, and is, over a period of several years, being rolled out to existing claimants.

DWP lists its specific services as:

- **Jobcentre Plus** provides personal tailored employment advice combined with detailed knowledge of local labour markets to match people to suitable job vacancies through a network of 637 jobcentres. 'Find a job' online site, allows jobseekers to search for work at a time convenient for them, offering jobseekers and employers a simpler and more streamlined way to log in and access their information.
- **Universal Credit**, which helps people move into work and become economically independent, giving them more choices and opportunities to fulfil their other ambitions in life and reach their potential.
- **Youth Obligation support programme** encourages young people into activities to help them transition into work, offering support as appropriate such as basic skills training, work related training and work experience.
- **Fuller Working Lives: A Partnership Approach** is an employer-led strategy that aims to increase the retention, retraining and recruitment of older workers by bringing about change in the perceptions and attitudes of employers.
- **Housing Benefit** helps people across the UK with their housing costs.
- **Work and Health programme** helps people to enter into and stay in work, using the expertise of private, public and voluntary, and community sector providers.
- **Specialist Employability Support** is a voluntary programme of support aimed specifically at individuals whose health-related barriers do not allow them to benefit from other employment programmes by individually tailored guidance, learning and training relevant to each participant.
- **Disability Confident** is a business led scheme that puts employers firmly at the centre of a national movement to increase employment opportunities for disabled people, encouraging employers to think differently about disability and to act to improve how they attract, recruit and retain disabled employees.
- **Access to Work** is a scheme tailored to an individual's needs, providing financial assistance for pre-employment (work experience, supported internships and traineeships) and during employment.
- **Personal Independence Payment** helps people between age 16 and pension age with the additional costs associated with a disability or long-term health condition.

- **The Money and Pensions Service** ensures that people, especially those who are struggling, have access to the information and guidance they need to help them make effective financial decisions. The creation of Pensions dashboards will allow individuals to see information from multiple pensions, including state pensions online in one place.
- **Pension Credit** protects pensioners on a low income by topping up any income already received to a standard minimum amount, with higher amounts for pensioners with caring responsibilities, a severe disability or certain housing costs.
- **The Pensions Regulator** protects UK workplace pensions by making sure employers, trustees, pension specialists and business advisers fulfil their duties to scheme members, and by ensuring they meet their automatic enrolment duties.
- **Reducing parental conflict programme** aims to decrease the number of children that have to live with damaging levels of parental conflict, by giving parents access to evidenced based support to increase collaboration, whether they are together or separated.
- **The Statutory Child Maintenance Scheme** can arrange child maintenance on behalf of separated parents who may be unable to agree a child maintenance arrangement between themselves.
- **Child Maintenance Options** is a free service that provides impartial information and support to help separated parents make decisions about their child maintenance arrangements.

Most working age benefits are now grouped together under Universal Credit (UC). All new applicants for such benefits (except those who qualify for contribution-based payments) now have to apply for UC, and it is now gradually being rolled out to existing claimants.

Under UC, new benefit applications are dealt with online. However, the Jobcentre Plus network still has a central role in dealing with enquiries, interviewing applicants, providing training and coaching to help claimants move into work, and advertises jobs. It also administers benefits to those who are unable to work because of illness or disability.

A full explanation of UC and its introduction is given later in the document.

THE DWP ESTATE

In 2018, the government reported that the DWP's holdings were split between 808 Jobcentres and Medical Examination Centres and some 121 offices. Total floorspace amounted to 1.43m sq m, split 60%/40% between Jobcentres and offices.

The 2017/2018 period was one of significant change within the DWP estate. The Private Sector Resource Initiative for Management of the Estate (PRIME) contract with Telereal Trillium came to an end, and new tenure and occupation arrangements have been set up for leasing and management. This also involved a significant consolidation and rationalisation programme, including a move towards co-location – which saw local authorities, departments and other services moving into shared public buildings or hubs.

As part of this programme, DWP increased the number of Jobcentres co-located with local authorities and vacated 149 operational buildings. As its Strategic Asset Management Plan states: “The Department’s footprint is now more closely matched to its requirements”. While it states that further rationalisation is anticipated, the scale appears to be minor compared to the recent changes. It anticipates a reduction in the number of buildings from 808 in 2018 to 781 in March 2021 and 770 in March 2023 – a reduction of just 38 buildings, or 4.7% by count, over a five-year period.

DWP Services are provided through various front-of-house and back office locations, many of which are featured in this portfolio. They are generally centrally located in town centres or in other densely populated areas and are close to public transport and other amenities.

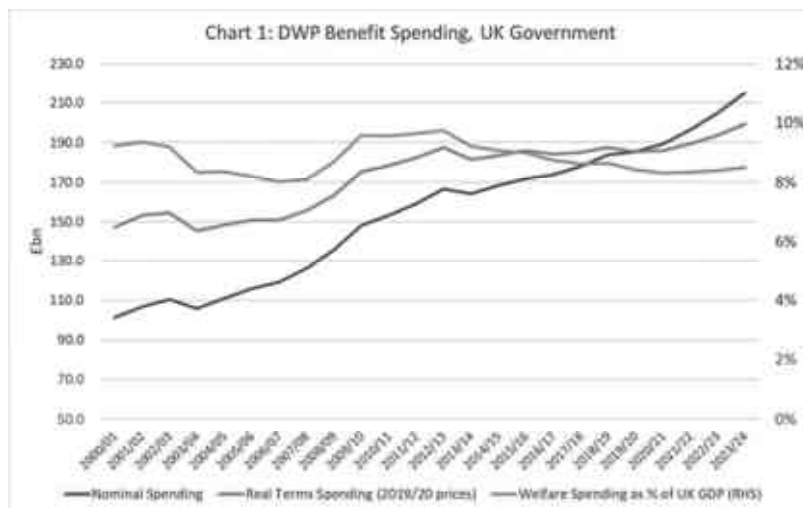
The key services include:

- **Jobcentre Plus:** provide computers and free Wi-Fi for customers to search for jobs, write CVs, email or make claims; consultations with work coaches providing “Back to Work” plan, reviewing CVs etc; jobs board and mock interviews with external parties brought in by DWP (usage correlated with unemployment).
- **Child Maintenance Services:** face-to-face meetings to discuss more complicated child maintenance cases; registration and declaration of child maintenance received; computers and free Wi-Fi to access DWP support information (stable usage regardless of economic conditions)
- **Pension Services:** face-to-face meetings to claim benefits; IT training to assist retirees with no internet access or difficulties. (usage expected to increase as population ages)
- **Disability Services:** onsite medical examination centres as part of the Work Capability Assessment; provide personal support and training programmes such as Specialist Employability Support and Work and Health Programmes. (stable usage regardless of economic conditions)
- **Various back of house functions** e.g. finance and accounts, fraud detection and investigation, IT support, call centres, claims processing and service roll-out planning (e.g. for Universal Credit).

OVERALL UK WELFARE SPENDING

Welfare spending has been on a strong upward trend since the establishment of the welfare state, as the graph below shows. However, in real terms, the increase is less dramatic, particularly over recent years, and spending as a proportion of GDP has fallen since the recovery that took place after the Global Financial Crisis and the austerity policies of the Liberal Democrat/Conservative Coalition that took power in 2010.

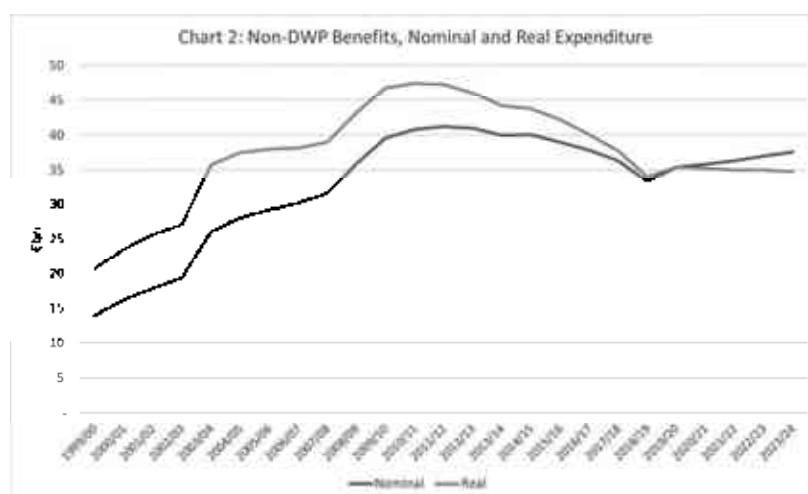
Nevertheless, over the next five years, according to the department’s 2019 Spring Statement, DWP welfare spending is forecast to increase in both nominal and real terms. Between 2017/18² and 2022/23, it is forecast to increase from £178.3bn to £215.1bn - an increase of 15.0%, or 4.6% in real terms. By 2022/23, it will represent 8.4% of UK GDP, compared to 8.6% in 2017/18, although this obscures a dip to 2020/21 and then a marginal increase beyond.



Source: Department for Work and Pensions, Spring Statement 2019, Expenditure and Caseload Forecasts

It is important to note that the graph above only includes DWP benefits. The graph below shows the benefits administered by other departments. The most notable of these are Child and Family Tax Credits, which have become important since the early 2000s, and Child Benefit, which was transferred out of the DWP and into the Her Majesty’s Revenue and Customs (HMRC) for technical reasons from 2003/04 onwards.

² This section uses the 2017/18 actuals and the 2018/19 forecast provided in the 2019 Spring Statement rather than the 2018/19 actuals provided by the DWP Annual Report 2018/19. This is because only the Spring Statement provides detailed forecasts, and providing the actuals from the 2018/19 report alongside these might be misleading.



Source: Department for Work and Pensions, Spring Statement 2019, Expenditure and Caseload Forecasts

INDIVIDUAL BENEFITS AND PAYMENTS

The DWP is responsible for policy, administration and in some cases distribution of a large number of work and in-work benefits.

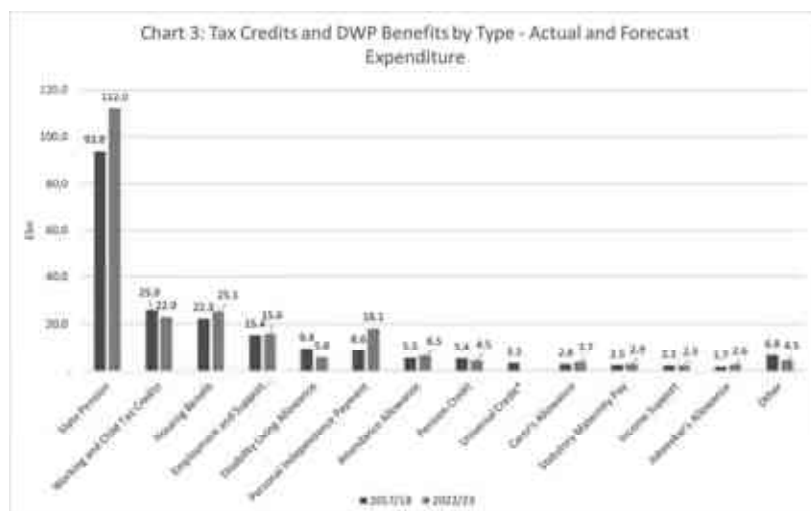
The most significant of these are shown in the graph below, with the 2017/18 actuals and the 2022/23 forecasts provided by the department in the 2019 Spring Statement. Tax Credits, which are currently administered by HMRC, are also included as they will be transferred to DWP over time as UC is introduced.

As can be seen, the state pension is by far the largest single component of the benefit budget, accounting for some £93.8bn in 2017/18 or 52.6% of the DWP total (rising to 55.1% by 2022/23). (It is important to note that the UK state pension is funded from general taxation and government expenditure and has never been the contributory system it was designed to be).

This is closely followed by –

- Housing Benefit – which subsidises the living costs of both the economically inactive and those on low wages (£22.3bn)
- Employment and Support Allowance – designed to support those with disability or serious illness who are unable to work (£15.4bn)
- Disability Living Allowance – an additional payment to help with the needs of those with a serious disability (£9.4bn). This is being phased out and replaced with the Personal Independence Payment.
- Personal Independence Payment (£8.6bn) – the replacement for the Disability Living Allowance
- Attendance Allowance – a payment for over-65s who need additional help for basic needs (£5.5bn)
- Pension Credit – an additional payment for low-income pensioners (£5.4bn)
- Universal Credit – a new benefit which replaces and brings together Child Tax Credit, Housing Benefit, Income Support, income-based Jobseeker's Allowance (JSA), income-related Employment and Support Allowance (ESA) and Working Tax Credit – see below (£3.3bn). Note that forecasts are not provided for this benefit, as they are included in the forecasts for its component parts.
- Carer's Allowance – a payment for those who have to look after someone in need for at least 35 hours a week, usually but not always family members (£2.8bn)
- Statutory Maternity Pay / Statutory Shared Parental Pay – a payment for those taking parental leave (£2.5bn)
- Income Support – a benefit for those on no or low incomes who are unable to look for work – for example pregnant women, carers, lone parents with a child under 5 and in certain cases sickness or disability (£2.1bn)
- Jobseekers' Allowance – a payment for those who are unemployed but are able and looking for work (see further explanation below, £1.7bn)

A variety of other, smaller benefits account for a further £6.8bn of the DWP benefit budget.



Source: Department for Work and Pensions, Spring Statement 2019, Expenditure and Caseload Forecasts

This is not the whole picture, as there are also tax credits and other benefits which are not currently administered by DWP. In 2017/18, tax credits accounted for £25.9bn of spending (almost all of which were Child Tax and Working Tax Credit). These are effectively payments for low-income families in work (see below).

Child Tax Credit and Working Tax Credit have been administered directly by HMRC, as a result of their relationship with the tax system. This will change with the introduction of UC (see below). As UC will be administered by DWP, these benefits have been included in the chart above for comparison.

The main other benefit outside the DWP framework was the £11.3bn accounted for by Child Benefit, which given its relationship with the status of taxpayers is also administered by HMRC. Unlike tax credits, however, this will remain outside the DWP budget, and is therefore not included in the graph above.

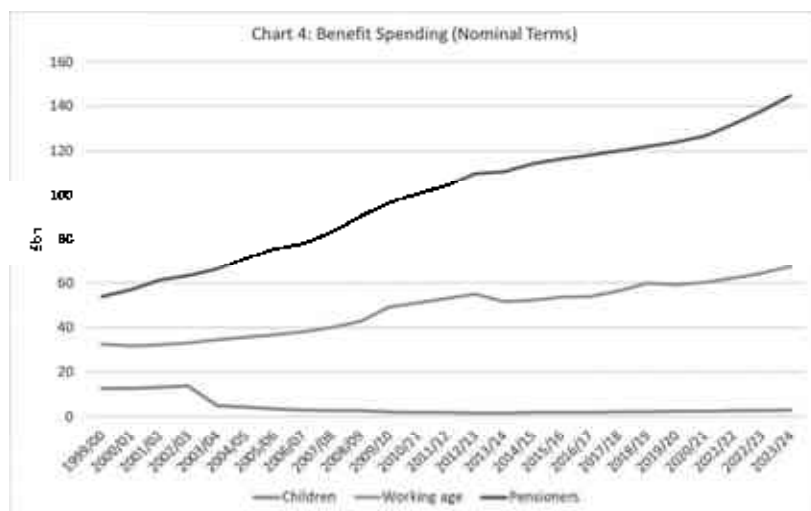
The Pension is administered by the Pensions Service, a DWP delivery body, whereas some other benefits, such as the Disability Living Allowance / Personal Independence Payment, are dealt with directly by the department.

Employment and Support Allowance, Income Support and Jobseekers' Allowance have historically been administered through the Jobcentre Plus network. This will in effect continue as these benefits will become part of UC (see below); even though applications will be made online, subsequent queries, assessments, interviews, work training and so on will be provided through Jobcentres.

While Housing Benefit policy and funding stems from the DWP, it has, until now, been administered by local authorities. This will move into the DWP/Jobcentre network as it gradually becomes part of the UC system.

TRENDS IN BENEFIT SPENDING BY CATEGORY

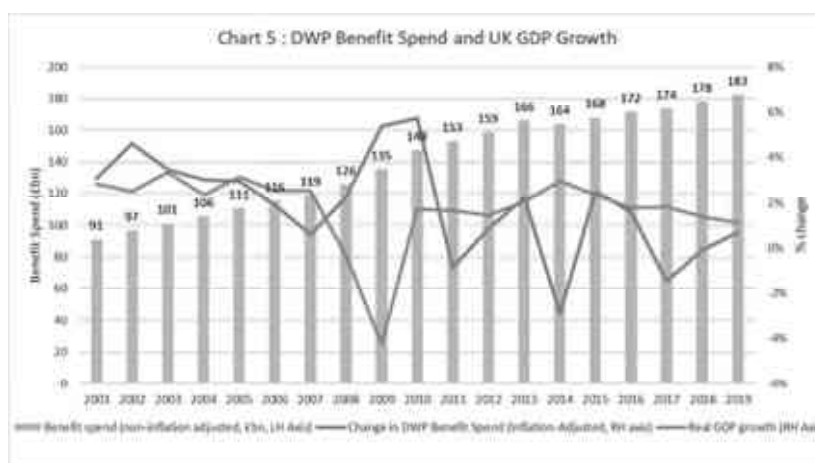
The chart below shows DWP benefit spending since the late 1970s, split into payments to Pensioners, Children, Working Age and Tax Credits (which mainly go to those in work). Much of the increase seen over time is a result of the increase in pension payments owing to increased longevity. However, working-age payments have risen too – although only marginally in real terms. The rate of increase is forecast to become more rapid over the next five years.



Source: Department for Work and Pensions, Spring Statement 2019, Expenditure and Caseload Forecasts

Overall, working age benefits are forecast to increase from £60.0bn in 2017/2018 to £64.4bn – an increase of 14.2% (3.9% in real terms). Pensioner benefits are forecast to increase from £119.9bn in 2017/18 to £137.9bn in 2021/22 an increase of 15.0% (4.7% in real terms).

As can be seen from the chart below, DWP benefit expenditure is negatively correlated with UK economic performance.



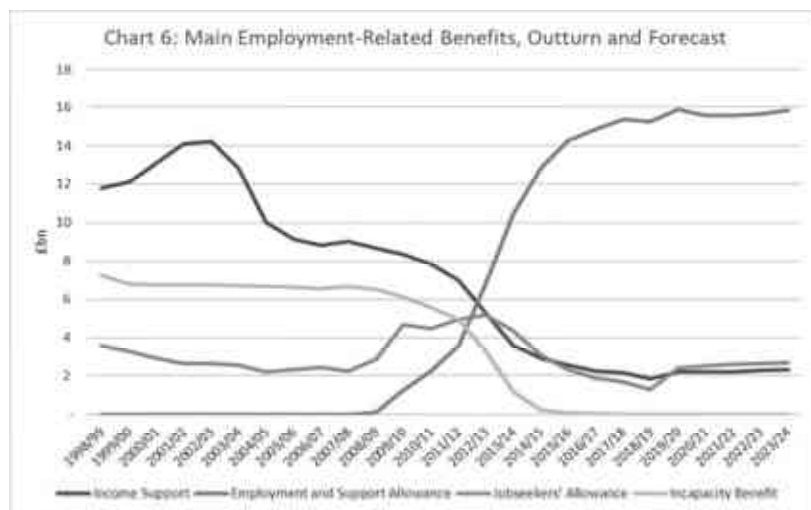
Source: National Statistics, Department for Work and Pensions

Looking at more specific benefits, the chart below shows the main working-age benefits, alongside the forecasts produced by the DWP. Many of these payments are being incorporated into the single UC payment, but the forecasts still break down UC into its component parts – partly because the rollout is taking place over several years.

Recent patterns are mainly the result of payments to those unable to work owing to sickness or disability moving from Income Support, Incapacity Benefit and a number of other related benefits (not shown in the graph) to the relatively recently created Employment and Support Allowance. This transfer has led to a rapid increase over the past ten years, but it is forecast to remain relatively static over the next ten.

The most notable change results from the phasing out of incapacity benefit and income disability income-related support and their replacement with the relatively new Employment and Support Allowance (ESA). As a result, ESA volumes have risen rapidly over the past years but is now forecast to remain relatively stable.

Jobseekers' Allowance (JSA) totals have fallen back since the immediate aftermath of the financial crisis, when they reached a total of £5.2bn in 2012/2013. Subsequent high rates of employment creation and rapidly reducing unemployment saw this figure fall to £1.7bn in 2017/18. This is forecast to increase over the next few years owing to slower economic and employment growth, reaching £2.6bn in 2022/2023. Equally, income support is forecast to see an increase, from £2.14bn in 2017/18 to £2.28bn in 2022/23, although this is not as marked as for JSA.



Source: Department for Work and Pensions, Spring Statement 2019, Expenditure and Caseload Forecasts

Jobseekers' Allowance: 2017/18 expenditure and forecasts

£m	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Outturn	Forecast	Forecast	Forecast	Forecast	Forecast
Contributory	224	163	301	329	329	343
Income-Based	1,443	1,126	2,092	2,180	2,240	2,278
Total	1,667	1,289	2,393	2,508	2,569	2,621
Caseload ('000s)	437	303	655	671	671	671

Source: Department for Work and Pensions, Spring Statement 2019, Expenditure and Caseload Forecasts

The Employment and Support Allowance is the most important element of support for ill or disabled people, and relevant to this report both as a component of DWP workload and the UC system, but also because assessment centres are frequently located within Jobcentres or similar. The numbers claiming this benefit are in flux, with the expenditure on the contributory element falling, a result of declining numbers of those suffering from industrial-related problems after a lifetime of working in difficult conditions (e.g. coalmining).

Employment and Support Allowance: 2017/18 expenditure and forecasts

£m	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Outturn	Forecast	Forecast	Forecast	Forecast	Forecast
Contributory	4,711	4,545	4,575	4,516	4,430	4,353
Income-Based	10,642	10,711	11,307	11,025	11,144	11,297
Total	15,353	15,256	15,882	15,541	15,574	15,649
Caseload ('000s)	2,326	2,173	2,341	2,323	2,291	2,259

Source: Department for Work and Pensions, Spring Statement 2019, Expenditure and Caseload Forecasts

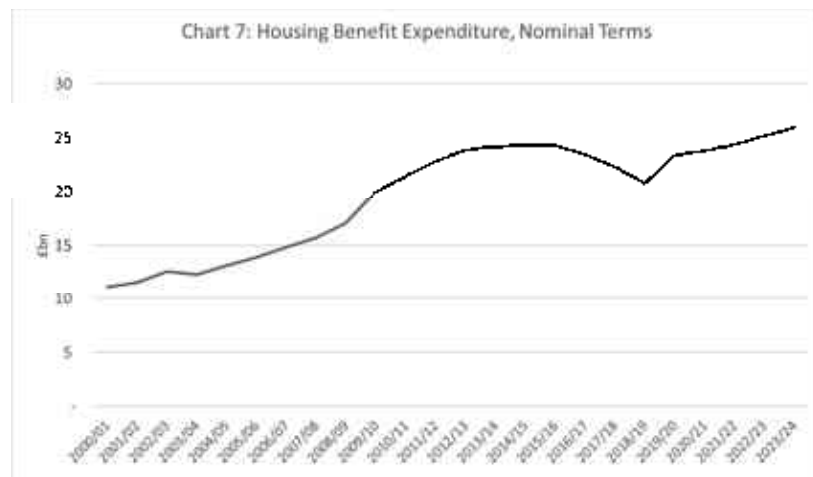
Income support is provided to the unemployed who are, for whatever reason, unable to look for full-time work. The reasons for the dip in 2018/19 are unclear but may be related to changes in other benefit criteria and the introduction of UC. Nevertheless, looking over the medium term, spending appears to be set to rise somewhat, despite relatively stable caseloads.

Income Support: 2017/18 expenditure and forecasts

£m	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Outturn	Forecast	Forecast	Forecast	Forecast	Forecast
Income Support (£m)	2,139	1,849	2,187	2,185	2,205	2,284
Caseload (thousands)	590	498	591	576	568	570

Source: Department for Work and Pensions, Spring Statement 2019, Expenditure and Caseload Forecasts

Housing Benefit is the single largest payment category for the DWP. It is paid out to those on low incomes or benefits who cannot afford their rent, based on a calculation and cap. The increasing numbers of tenants in the UK, the growth of the private rented sector and high rents have led to a rapidly expanding budget. This benefit was previously administered by local authorities but is being incorporated into the UC (see below). The graph below shows the outturns and forecasts.



Source: Department for Work and Pensions, Spring Statement 2019, Expenditure and Caseload Forecasts

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Outturn	Forecast	Forecast	Forecast	Forecast	Forecast
Housing Benefit (£m)	22,301	20,775	23,412	23,769	24,370	25,144
Caseload (thousands)	4,371	3,981	4,476	4,437	4,416	4,432

Source: Department for Work and Pensions, Spring Statement 2019, Expenditure and Caseload Forecasts

Child tax and working tax credits have historically been administered by HMRC (as they are related to income tax), so are not included in the statistics above. These tax credits were introduced in their current form by the Labour Government in 2003. The Working Tax Credit provides additional payments to those who are in work but on low incomes; the Child Tax Credit does the same for all parents, regardless of employment status.

These Tax Credits are important to this report as they are gradually being integrated into, and replaced with, UC, which is administered by the DWP.

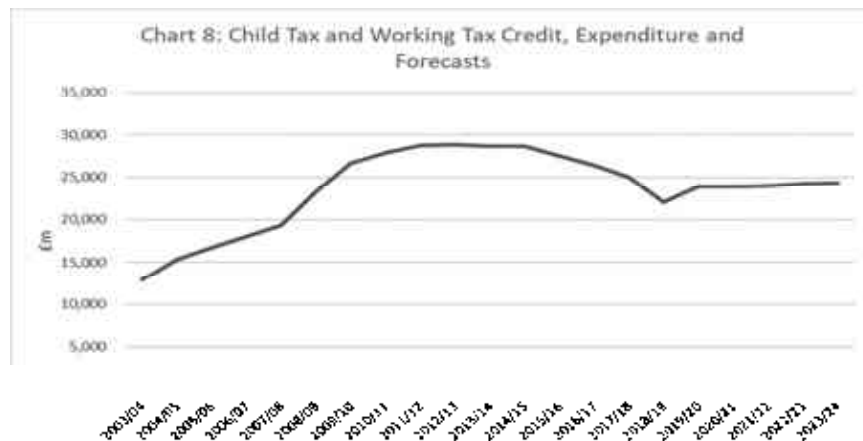
According to the statistics, some 4.05m families benefited from these tax credits in 2016/17.

Of these:

- 1.19m were out of work families with children
- 2.46m were in-work families with children
- 0.40m were in-work families without children

This is down from the peak in 2010/11, when 6.3bn families were claiming. This is a result of reforms introduced by the Coalition government from 2010 onwards.

The chart below shows tax credit spending and forecasts. As can be seen, total payments have fallen since the reforms introduced after the Global Financial Crisis, but there is expected to be a gradual increase over the next few years.



Source: Department for Work and Pensions, Spring Statement 2019, Expenditure and Caseload Forecasts

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	Outturn	Forecast	Forecast	Forecast	Forecast	Forecast
Child and Working Tax Credit (£m)	24,978	21,997	23,897	23,892	23,952	24,209

Source: Department for Work and Pensions, Spring Statement 2019, Expenditure and Caseload Forecasts

Universal Credit (UC)

The UC policy was designed to simplify the benefits system, reduce administrative costs and eradicate negative work incentives that saw unemployed people sometimes losing money by taking on work (as a result of having benefits withdrawn).

It will replace the following benefits:

- Child Tax Credit
- Housing Benefit
- Income Support
- income-based JSA
- income-related Employment and Support Allowance (ESA)
- Working Tax Credit

UC was first introduced in April 2013 for a small area in the North West of England. Coverage was increased gradually, according to certain criteria, with 'full service' for all new applicants in place by the end of 2018 (with a tail owing to some applicants having to be moved onto the digital service).

Attention then turned to legacy benefit and tax credit claimants. Plans are for a ‘managed migration’ after an initial pilot period in which 10,000 volunteer existing claimants will be transferred between July 2019 and July 2020. The remainder of the claimant pool will be moved across gradually, with a target of full transfer by December 2023. According to the Office of Budgetary Responsibility, it will pay out more than £60bn a year to around 7m households by the time it is fully rolled out. It estimates some £2.3bn net underlying saving to public spending, although the timing and any issues around rollout will impact on this. However, the main impact on the cost of UC will be the trajectory for the underlying benefits that it brings together.

Claims for UC are and will be made online. Jobcentre Pluses provide PCs for those who do not have access to one at home. Subsequent interviews, work assistance and enquiries are dealt with at a Jobcentre Plus. Those receiving the Jobseekers’ Allowance element of UC will continue to use the Jobcentre Plus network for job opportunities and training.

According to the DWP’s Benefits Statistical Summary of August 2019, states that some 2.3m people were on UC as of 11 July 2019. It stated that some 16% of individuals claiming combinations of benefits were now on UC, compared to 9% in February 2018. Of the total, some 760,000 were in employment, some 930,000 were ‘Searching for Work’ and some 490,000 were in the ‘No Work Requirements’ category.

With benefits such as housing benefit and tax credits brought into the DWP office and agency network, the workload on local offices and Jobcentre Pluses is expected to increase.

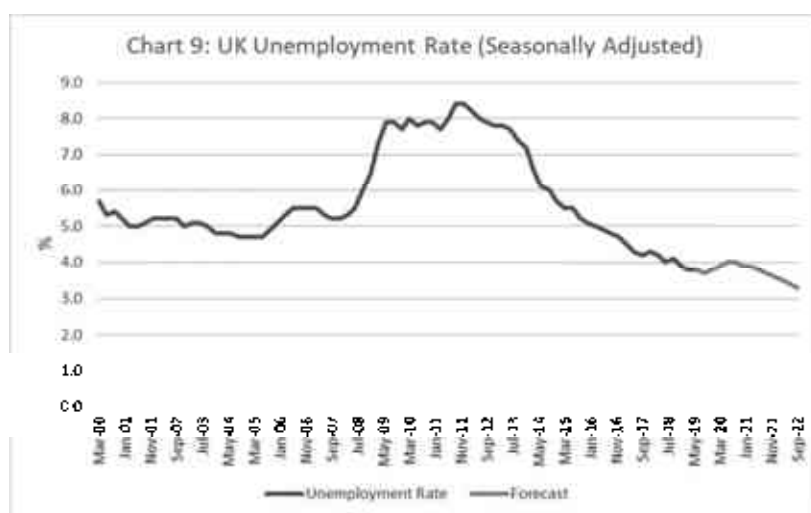
It is important to note that not all JSA and ESA claimants will be moved onto UC. “Contribution-based” JSA and ESA will continue to be dealt with separately. This benefit is paid for up to 6 months to those becoming jobless who have already paid sufficient levels of Class 1 National Insurance contributions, regardless of savings or partner income. In contrast, the “income-based” versions which are being rolled into UC are, as the name suggests, dependent on insufficient income or savings, and apply if the applicant has insufficient NI contributions, was self-employed, or has reached the end of the six-month “contribution-based” period.

The government’s Claimant Count figures – which only track JSA – have had to be supplemented by an “Alternative Claimant Count” which includes those claiming the “looking for work” portion of UC. The figures for Claimant Count provided in this report and in the accompanying location profiles are provided by Oxford Economics and reflect this “Alternative Claimant Count” rather than the official Claimant Count – i.e. they take into account those looking for work and claiming assistance via UC, who would previously have claimed JSA.

In summary, after some years of slight declines, the demands on the UK benefit system are set to increase. Furthermore, under the UC system, Jobcentres and other regional offices are becoming even more central – for queries, assessments, support, and so on.

Unemployment in the UK

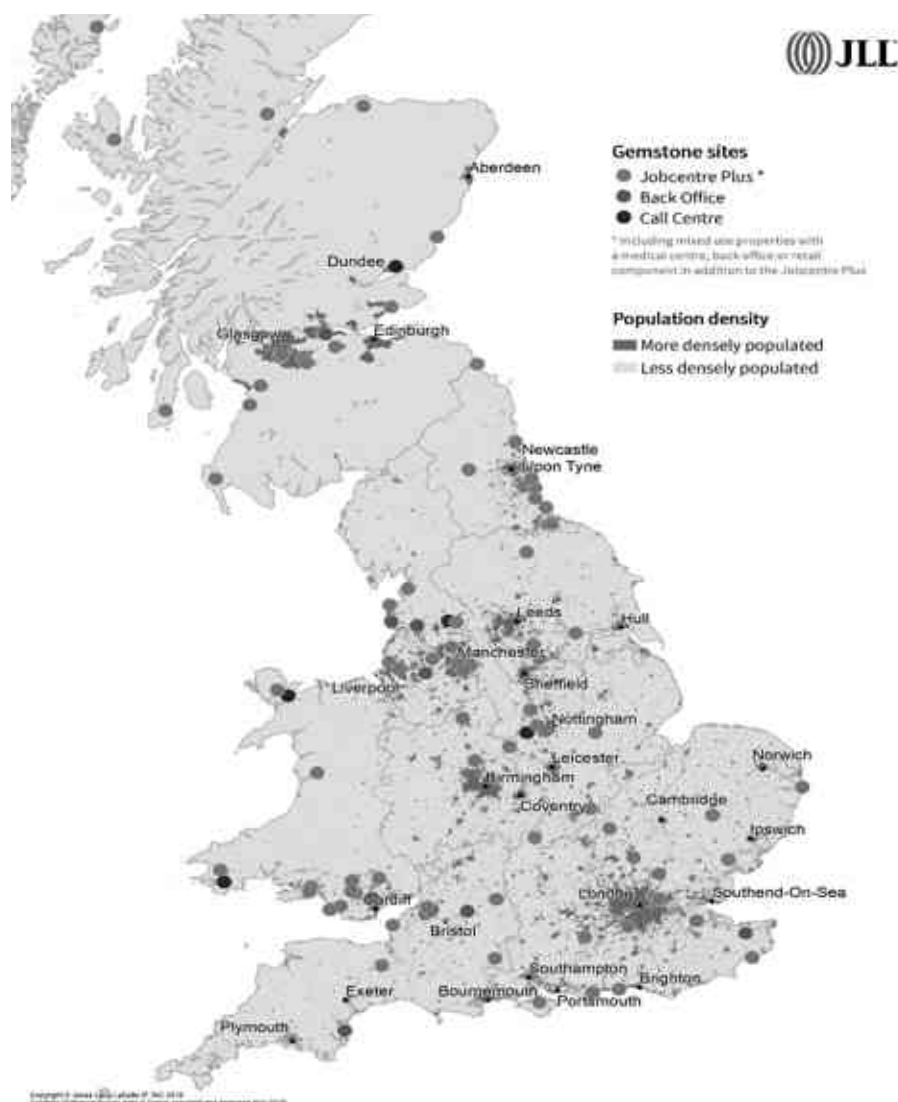
The UK’s unemployment rate stood at 3.8% in June 2019, having been at sub-4% levels since late 2018. Such lows were last recorded early in 1971. Unemployment has dropped substantially from the double-digit levels recorded during the economic restructuring of the 1980s and the early 1990s recession. Even during the Global Financial Crisis unemployment only rose to circa 8%, and has fallen steadily since. Levels are forecast to grow somewhat over the next 12 months as a result of the global economic slowdown and the uncertainty created by Brexit, but the downward trend will resume after this period.



Source: Bank of England

According to Eurostat on 31 July 2019, the UK has the fourth lowest unemployment rate in the EU, behind the Czech Republic, Germany and the Netherlands, and also the fourth highest employment rate of 75%, a figure only beaten by Sweden, the Netherlands and Germany. This can be attributed to a combination of relatively strong economic growth and flexible labour markets.

Unemployment is not distributed equally across the UK. According to National Statistics, in August 2019 it was notably higher in regions that were formerly heavily industrialised, such as the North East (5.3%) and West Midlands (4.6%), than in the South West (2.7%) and South East (2.9%). It is notably higher in the parts of the country where the portfolio in question is disproportionately located, as the map below shows.



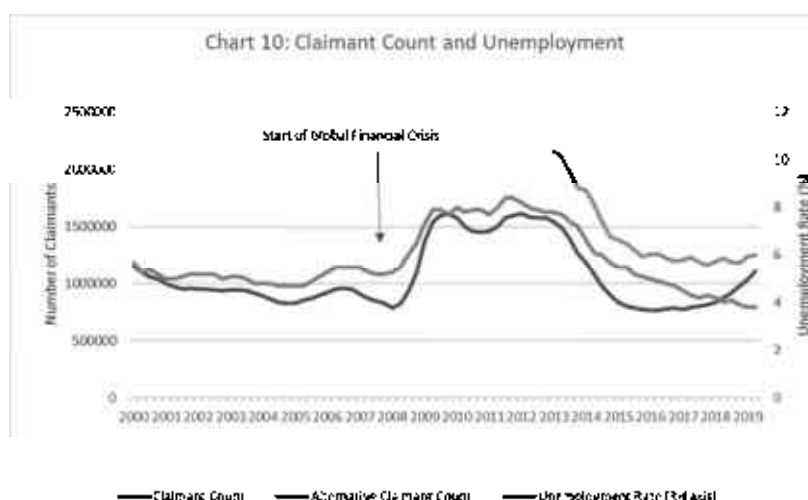
The unemployment figures referenced above are estimates of actual unemployment, i.e. include all those believed to be looking for work. The Claimant Count is a measure of the number of people claiming unemployment-related benefits. Before 2013 this was simply the number of people claiming Jobseekers' Allowance. However, since the gradual introduction of Universal Credit began in this year, some other benefit claimants (e.g. those claiming Housing Benefit or Child Tax Credit) are now deemed to be "searching for work" and are included in the statistics.

As of June 2019, the Claimant Count stood at 1,106,375, having risen from a low of 763,250 in March 2016. The most recent high of 1,608,700 was recorded in the aftermath of the GFC in March 2012. Given the fall in the unemployment rate, the recent increases are unlikely to be a direct result of changes in joblessness. Indeed, they can be attributed to the introduction of UC as explained above, which is gradually bringing more people in the category of 'searching for work' that the Claimant Count measures. This is designed to encourage and support these

claimants into work, but it does mean that the Claimant Count is expanding for reasons unrelated to changes in unemployment. However, it does demonstrate the rising demands on aspects of DWP services.

Nevertheless, the close relationship between joblessness and the Claimant Count (and hence the use of DWP services such as Jobcentre Plus) can be clearly seen. Given the Bank of England's forecast, it seems likely that the Claimant Count will increase slightly over the coming year or so, regardless of policy changes.

The graph also shows the "Alternative Claimant Count". This is a data series devised by DWP, which effectively models, from 2013, what the Claimant Count would be (and would have been historically) were the new UC categories of those deemed to be 'searching for work'. This enables the trends in Claimant Count to be more clearly understood, in that there has been no real significant change in claimant numbers over the past few years. It also demonstrates the increasing convergence between the two statistics as UC is rolled out. The more recent increase may reflect cyclical changes, or perhaps changes in the structural of unemployment – for example, more people choosing to claim benefits after a period of being jobless without registering for assistance.



Source: Department for Work and Pensions, National Statistics, Bank of England

There are also geographic variations in claimant count, as with unemployment. In proportional terms, it tends to be higher outside the South East (notwithstanding pockets of long-term worklessness in London). The North East, the West Midlands, Yorkshire & The Humber and Wales all stand out for their relatively high levels. The slowing in economic growth forecast for the next few years is likely to impact more strongly on many of these areas.

The government also estimates job vacancies, based on a sample of business submissions. These fell back around the period of the financial crisis, as the graph below shows. Since 2012 they have been on a rising trend, if slowing since 2014. However, vacancies fell back somewhat over the first two quarters of 2019, the first time this has happened for two consecutive readings since 2011/12. In combination with the rising claimant rate over recent quarters – a phenomenon which is exaggerated by the shift to Universal Credit, as explained above – this has produced a growing excess of those looking for work over vacancies, after a long period of balance.

The reduction in vacancies is probably a result of decreased hiring activity among companies as they seek to reduce costs in the face of Brexit-related risks and an anticipated global slowdown. This is likely to continue in the near term. The same combination of factors is likely to drive up the claimant count, as shown in the forecasts above. This will increase the demands on Jobcentre Plus and related facilities.

It is worth noting that there is not as direct a link as might be supposed between claimant numbers and vacancies. Many taking new roles may not be registered as claiming unemployment-related benefits, for example, or may be newly arrived immigrants. On the other hand, many vacancies may require specific skills, or may be in different geographies. For some time, employment growth rates have been higher in the southern regions, whereas unemployment has been higher in other parts of the UK. Mobility between regions is deterred by high housing costs in the more affluent locations.



Source: National Statistics

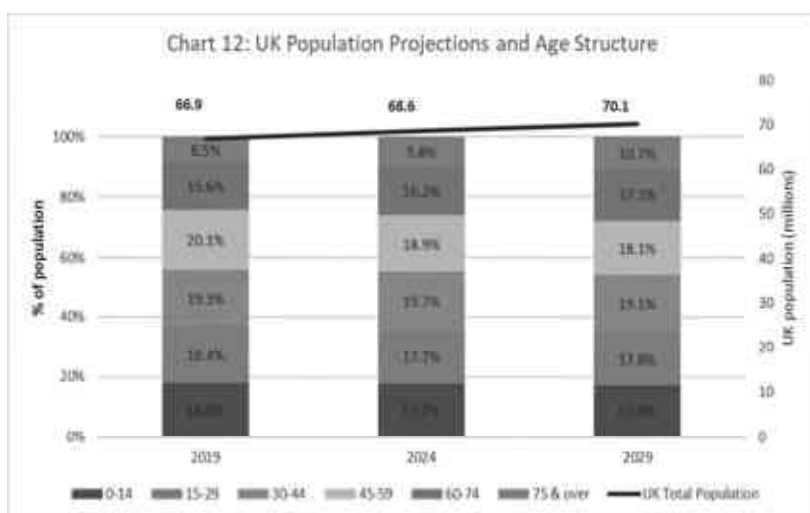
The Ageing Population

There are two other demographic and social trends that impact on the need for and workload of the DWP. The first is the demand for pensions caused by the ageing population (although the pension age is gradually increasing towards 67 – and demographic and economic pressures suggest this may move higher). The second is the growth in the private rented sector, which is increasing demand for housing benefit.

While the UK's demographics are more positive than much of Europe or countries such as Japan, the population will still age rapidly over the next few years. This will place huge demands on, for example, the National Health Service and social care provisions, as well on the pension system. The main cause is increased longevity, although a lower birth rate than was the case in the immediate post-war period are also a factor.

The population of the UK is forecast to grow from an estimated 66.9m in 2019 to 68.6m in 2024 and 70.1m in 2031. However, the composition of the population by age will change substantially over this period, as the median age rises from 40.9 to 42.3. The number of people aged under 15 will fall (-0.7% growth) and is only projected to increase by 1.5% and 3.8% for those aged 15-29 and 30-44 respectively. In contrast, the numbers of people aged between 60-74 will rise by 15.4% and those aged 75 years and over by 31.8%.

These shifts are shown in the graph below.



Source: National Statistics

Housing Benefit and the Private Rented Sector

Rising house prices, more stringent mortgage criteria (in particular around deposits) and reducing household sizes have increased the size of the private rented sector. This is not just a matter of demand: the supply of such homes has increased as more individuals have chosen to invest in the private rented sector, partly because of a combination of the effects rising house prices have had on their own housing equity, and partly because of the liberalisation of the so-called 'buy-to-let' mortgage market.

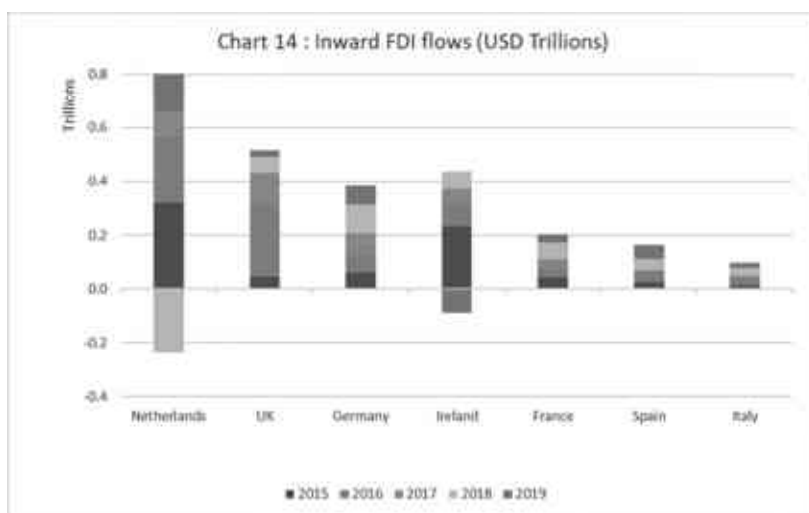
The trends can be seen in the chart below. Effectively, the decline in mortgage buyers mirrors the rise in private renters (although declining numbers of social tenants is also a factor). While the number of privately renting households stabilised over the 2016-17 period, the pressures leading to the sector's expansion remain in place. While growth may be slower in the future, it is unlikely to unwind, suggesting that housing benefit will remain a very significant part of both benefit expenditure and DWP workload.



Source: Department of Communities and Local Government

Historically, the UK has grown faster than its European peers and neighbours. GDP growth is derived from growth in productivity and growth in the size of the labour force. On both fronts the UK has been at, or close to, the top of the pack in Europe.

Productivity growth is a function of domestic and foreign investment. The UK is one of the top recipients of foreign direct investment (FDI) in Europe. It is a mature, stable economy with a stable and business-friendly political environment. It has an independent judiciary and press, with a strong rule of law, high transparency, and a business-favourable operating environment – in the World Bank Ease of Doing Business Survey 2018 the UK ranks 9th, beaten only by Norway and Denmark within Europe.



Source: Oxford Economics.

The UK is welcoming of foreign investment, and has the largest financial sector in Europe, making it a magnet for financial flows and investment. The UK has historically been seen as a gateway to Europe for goods and service providers.

In terms of the labour market, the UK has one of the most flexible labour markets in Europe and the world. According to the World Economic Forum's Labour Flexibility index, in 2018 the UK ranks 8th, behind Germany at 7th and Denmark at 5th. According to the Lithuanian Free Market Institute's employment flexibility index, the UK ranks fourth in the OECD and second in Europe, after Denmark. The UK has historically been welcoming of immigrants and was the only country in the EU to open its labour market to migrant workers from the new 10 mainly Eastern European economies that joined the EU in 2004. The UK has more top universities than any other European country, and attracts large numbers of international students, many of whom continue to work in the UK for several years post-graduation.

Compared to Europe as a whole, the UK population is generally younger and aging more slowly due to higher immigration. The UK working age population is forecast by the UN to continue to grow through 2100, while the populations of Germany and many other European countries are already at, or close to, their forecast peak.

Broadly speaking, the UK is forecast to continue to grow faster than the European average as growth in productivity and / or growth in the size of the labour force continue to outpace that of many of its neighbours.

Current economic conditions

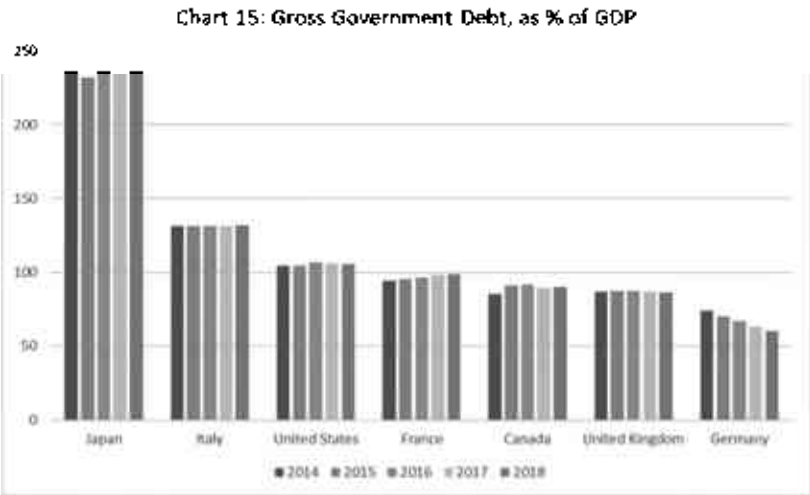
The UK economy is seeing slower GDP growth as business investment volume has softened and the labour market tightness has caused the economy to face capacity constraints. The slowdown is not forecast to descend into recession; instead, growth is forecast to stabilise and recover as Brexit-related uncertainty dissipates over the coming year.

Short term growth in the UK saw a temporary boost in Q1 2019 to 0.5% quarter-on-quarter. Ahead of the UK's originally scheduled departure from the EU on 31st March 2019, businesses increased production and stocks in order to mitigate any disruption that may have occurred as a result of a disorderly departure from the EU in April 2019. Businesses invested heavily in extra inventory, including bringing in substantial supplies of imports. Higher domestic business spending, which contributed 2.8 percentage points to GDP growth, was more than offset by high imports which caused net trade to subtract 3.0 percentage points from quarterly growth. Household spending, which rose by a healthy 0.6% quarter-on-quarter in Q1 2019, was largely unaffected by Brexit and was propped up by a strong labour markets and rising pay.

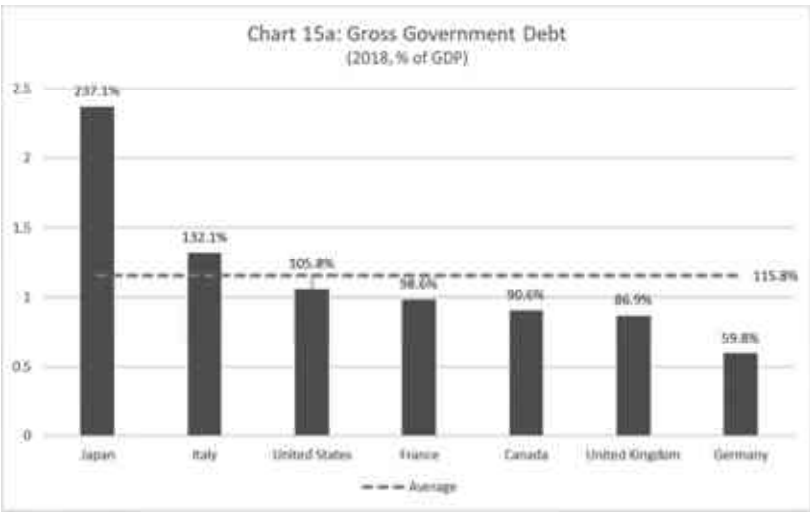
According to the IMF, the UK economy is forecast to expand by 1.2% year-on-year in 2019, its slowest pace of expansion since it experienced a recession during the Global Financial Crisis (GFC) of 2008-09. Looking further ahead, the IMF forecasts the UK economy to recover to a growth

rate of 1.6% in 2022 and the years thereafter. The UK’s trend rate of growth has fallen in recent years, from c.2.0%-2.5% before the GFC, to c.1.5%-2.0% as the economy continues to mature, productivity growth has weakened, and growth in the working age population has slowed. Arguably, the higher pre-GFC growth rates were a false representation of the real rate of potential growth as they were reliant on dangerous financial innovation, unsustainable rates of credit growth, and illusory asset price gains.

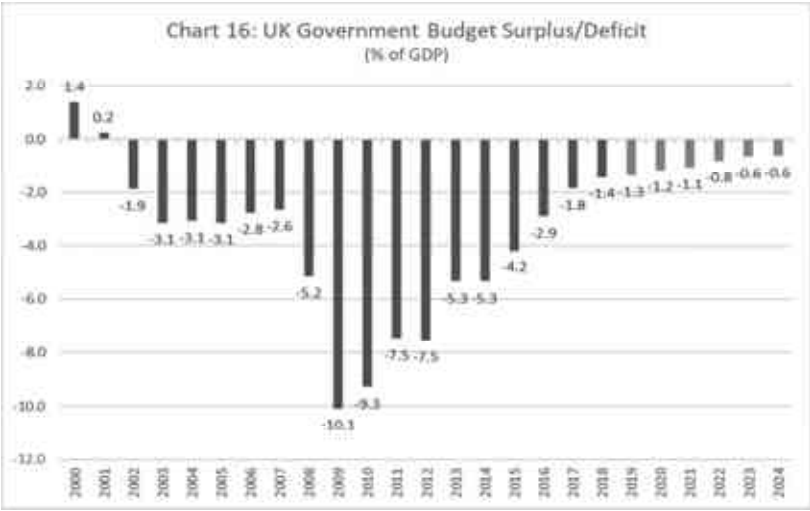
Compared to its G7 peers, UK GDP growth of 1.2% in 2019 is in the middle of the pack. The US economy is experiencing a boom period, underpinned by tax cuts and spending pledges, a strong labour market, and high consumer and business confidence levels. At the opposite end of the spectrum is Italy, which exited a short recession at the start of 2019 but continues to struggle with a challenging political situation, high debt, an unresolved banking crisis, and uncertain fiscal outlook.



Source: IMF



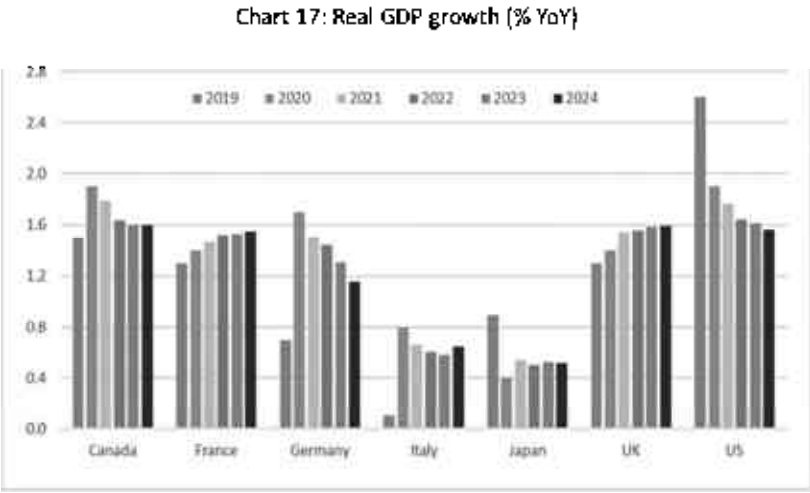
Source: IMF



Source: IMF

The UK government has been running a fiscal deficit each year since 2002. Up until the GFC in 2008-09, the government maintained a deficit at or below 3.1% of GDP. Fiscal stabilisers and active measures to counter the GFC caused the fiscal deficit to jump to 10.1% of GDP in 2009. A programme of fiscal austerity was imposed following the election of the Coalition government in 2010, and this saw spending rationalised and cut, with a target of returning the fiscal deficit to a sustainable level. Improving economic performance of the UK economy helped increase receipts and reduce spending, and by 2018 the deficit has shrunk to just 1.4% of GDP.

According to the IMF, 2019 is likely to be somewhat of a blip, with the coming years forecast to see a rebound in 2020 before a stabilisation and return to trend rates of GDP growth in the G7 countries thereafter. At 1.6% in the medium term, UK growth will be on par with that of Canada, France and US, and above that of Germany, Italy and Japan.



Source: IMF

GDP composition

The composition of the UK economy is such that over the last 12 months, consumer spending accounted for two-thirds of expenditure, government spending for about 18%, business investment for approximately 17%, and net trade was a net negative to the tune of approximately 2%. This is closely in line with the 10-year average.

Compared to other countries in the G7, the UK's economy is most similar to that of the US, where consumer spending accounts for 69% of expenditure and net exports exert a drag of 4% of GDP. In contrast, in Germany and France - and across the euro area as a whole - consumer spending accounts for a lower 55% of GDP, while government spending and business investment both account for larger shares of aggregate spending. Germany, in particular, stands out with net exports accounting for an average of 6% of GDP per year over the last decade.

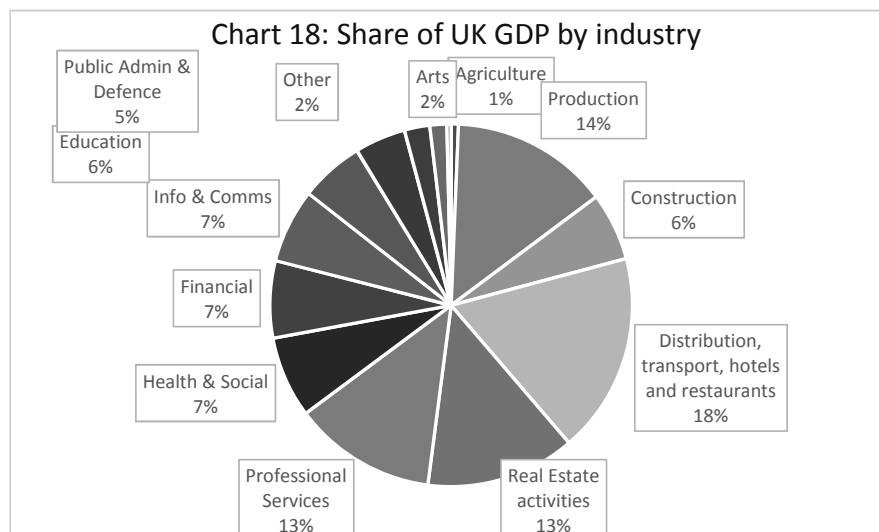
	Breakdown of GDP by expenditure, 10-year average (%)						
	GDP	Consumption	Gov't spending	Investment	Exports	Imports	Net Exports
United Kingdom	100	66	19	16	28	29	-1
United States	100	69	19	16	13	17	-4
Eurozone	100	55	21	20	44	41	3
France	100	55	24	22	29	31	-1
Germany	100	55	19	20	46	40	6
Italy	100	60	20	18	28	27	1

Source: National sources: UK ONS, Eurostat, US BEA, Japan Cabinet Office

There is no expectations for the composition of the UK GDP to change markedly over the coming years as change requires fundamental adjustments to the economic model and this requires sustained policy emphasis and takes several years to embed. The UK, for instance, has been trying to rebalance its economy to be more export oriented, yet the share of goods exports to GDP has changed just from 16.3% in 1999 to 16.5% in 2018, while imports have increased from 19.0% to 23.1% over the same period.

The gradual recovery in Euro area³ GDP growth rates over the coming years will increase demand for UK exports while the softer recovery in UK growth will temper the expansion in import demand. According to the IMF, the UK's current account balance will improve from a deficit of 4.2% in 2019 to 3.8% in 2023. A change in the UK's trading relationships arising from Brexit could have a substantial effect on UK exports and imports, and by extension the current account balance. Brexit is addressed separately below.

In productive terms, the UK economy is dominated by services, which account for approximately 79% of activity. Within the services sector, Real Estate Activities, Professional services, and Wholesale and Retail Trade are the largest individual sub-sectors, accounting for 13%, 12% and 11% of UK GVA respectively. In comparison, the manufacturing sector accounts for 10% of GVA, and the agricultural sector just 1%. In the US, GVA by industry is very similar: services account for 79% of GVA, manufacturing for 13% and agriculture for 1%.



Source: ONS.

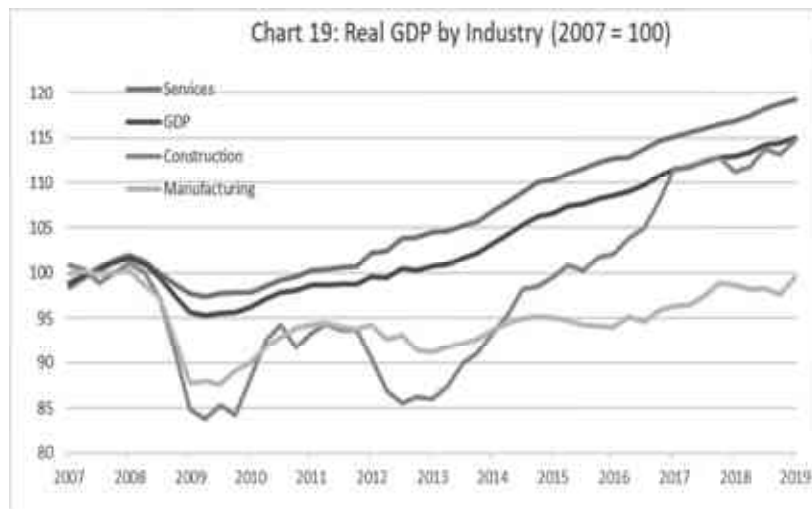
³ The area using the Euro currency

Share of UK GDP by Industry (nominal)

	2018 GVA (GBP, millions)	10 year share (%)
GDP	1,918,964	100
Agriculture	12,260	1
Production	271,433	14
Construction	116,308	6
Services	1,518,963	79
<i>Of which:</i>		
Distribution, transport, hotels and restaurants	343,267	18
Real Estate activities	255,683	13
Professional & Support Services	245,035	12
Human health and social work	139,421	7
Finances & insurance activities	131,871	8
Information and communication	126,992	6
Education	109,795	6
Public admin & defence	87,146	5
Other service activities	43,594	2
Arts, entertainment and recreation	29,065	1
HHS as employers	7,094	0

Source: ONS

The services sector has been the main driver of UK GDP since the GFC. Services output stood almost 20% above its pre-GFC level at the start of 2019, compared to a construction sector up 15% and a manufacturing sector still yet to break past its 2007 level.



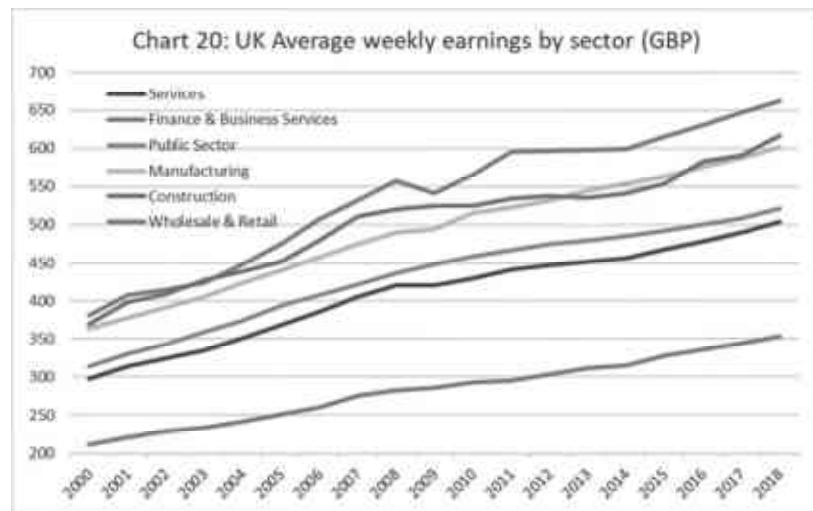
Source: ONS

Labour market

Conditions in the UK labour market are tight. According to the Office for National Statistics (ONS), employment stood at 32.7 million at the end of May 2019, while the proportion of the workforce employed was 76%, both all-time records. Furthermore, the unemployment rate of 3.8% for the three months between March and May 2019 was the lowest since December 1974. The number of temporary workers (employees on temporary rather than permanent contracts) continues to decline, with the share of workers who are seeking but cannot obtain full time employment also decreasing. The number of part time workers continues to increase, driven by an increase in workers who do not wish to work full time.

The level of job vacancies in the UK peaked at an all-time high at the turn of 2019 and remains elevated. According to the ONS, the UK continues to fill its labour shortage through immigration, with 52% of new vacancies filled over the last twelve months by UK nationals, and 48% by non-UK nationals (41 percentage points of this 48% were EU nationals).

However, as per the forecasts in the previous section, the UK joblessness rate is forecast to increase somewhat over the next few years as economic and employment growth slows.



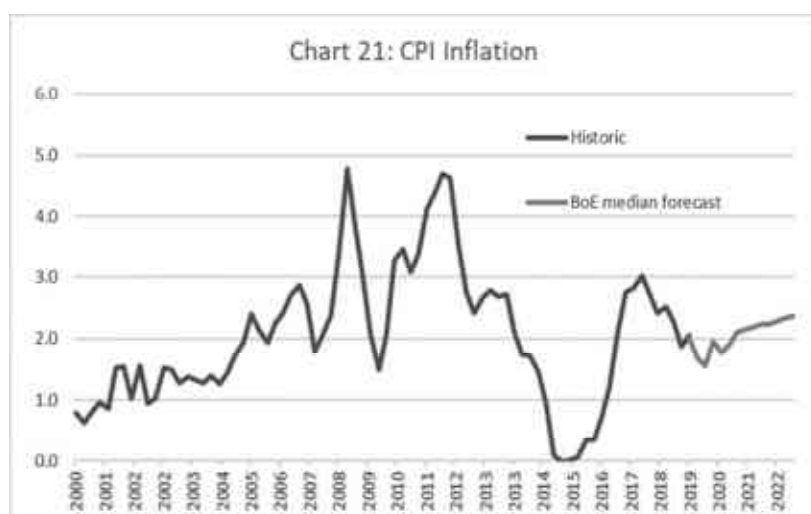
Source: National Statistics

All these factors indicate that the UK labour market is very tight. UK wage growth increased to 3.9% year-on-year in April 2019, the fastest pace of expansion since before the GFC. With low rates of inflation, real wages are rising quickly, though they remain below the pre-financial crisis peak. Including bonuses, real pay in May 2019 was 5.4% below its 2008 peak, though only 1.2% below in the less volatile and more closely watched measure that excludes bonuses. Continued tight labour market conditions will drive further acceleration in wage growth, all other things being equal.

Compared to their G7 peers, Germany and Japan have higher rates of employment, at 76.3% and 77.5% respectively, while the US (71.1%), France (65.1%) and Italy (58.2%) have lower rates. The pattern is similar, albeit in reverse, for unemployment rates. Wages are rising fastest in the US, at 3.9%, and in Germany, at 2.4%.

Inflation

Consumer price inflation in the UK is running at 2% per annum, in line with the Bank of England's target rate. The Bank expects that upward pressure on prices will build over the next few years as the pace of demand growth outstrips the pace of supply growth in the economy at large. However, uncertainty about the outlook is particularly high at the moment due to the UK's scheduled departure from the EU on 31st January 2020. The CPI is forecast to increase at an average of 2.1% p.a. from 2020 to 2022.



Source: ONS; Bank of England Inflation Report, August 2019. Inflation projections based on market interest rate expectations, other policy measures as announced.

On the demand side, the Bank expects that the balance of growth will remain broadly unchanged through the rest of 2019. Consumer spending will be the main driver of growth, underpinned by continued real income growth, while business investment is expected to fall further as Brexit-related uncertainty continues to encourage firms to delay spending. As world growth stabilises, the contribution from net trade to UK GDP will pick up, and government spending is expected to contribute positively to the demand picture, partly reflecting fiscal loosening announced in the government's 2018 Budget, March 2019 Spring Statement, and the new Government of Boris Johnson's stated additional spending aim announced in September 2019.

On the supply side, the Bank estimates that a small margin of spare capacity emerged in early 2019 due to weakness on the demand side. This is forecast to persist in the near term, but to turn negative (i.e. there be a capacity shortfall) as demand growth outstrips supply. Labour market conditions are tight and whilst the participation rate has increased, the Bank forecasts that it will flatten off as the net result of two offsetting forces: the aging of the population will pull down on participation rates, while the participation rate of older groups will continue to rise.

Business decisions to hire and to invest have faced a degree of postponement due to Brexit uncertainty, but the weight of this has fallen more heavily on investment than recruitment (as recruitment decisions tend to be less costly to reverse).

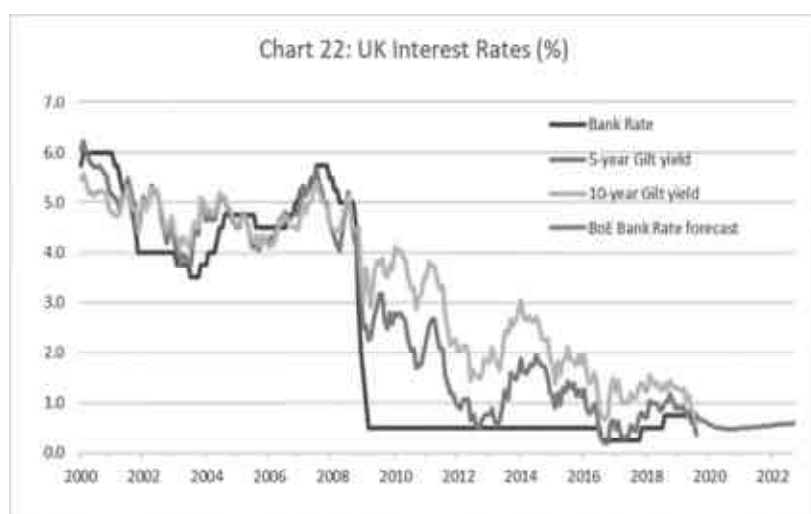
Monetary conditions

Monetary conditions in the UK and across the developed world remain accommodative or very accommodative. Central bank increases in base policy rates over the past two years have been insufficient to return interest rates to their neutral or restrictive levels. Interest rates that would qualify as neutral have come down since the Global Financial Crisis as economic actors have grown accustomed to very low policy rates and interest rate sensitivity has increased. Although untested, the UK neutral rate of interest is estimated to have fallen from around 5% to around 3%. Households and businesses remain comparably indebted as before the crisis, but with debt now being serviced at a lower rate.

As at January 2020, the UK Bank Rate is currently 0.75%. The next move in the Bank Rate is dependent on several factors, most important of these is the outlook for, and outcome of, Brexit. Although the Bank of England Governor has made clear that the Monetary Policy Committee would adjust interest rates depending on the pressures on inflation and economic and financial stability more broadly, markets largely anticipate the next move will be downward. Similarly, other central banks have or are close to entering easing cycles: the US Federal Open Markets Committee (FOMC) cut interest rates at its July meeting, and is expected to do so again before the year end.

Yields on UK government bonds fell sharply in 2019, as markets price in expectations for lower interest rates. During August 2019, the yield on 10-year UK government bonds fell to an all-time low below 0.5%, and below the Bank of England Bank Rate for the first time since the global financial crisis. Government bond yields have increased but remain very low by historic standards.

As of December 2019, UK 10-year government bond yields had compressed by over 50bps over the previous 12 months. Oxford Economics forecasts that they will stay below 1.5% until late 2021, although it should be noted there are always substantial risks around forecasting such financial metrics.



Source: Thomson Reuters; Bank of England.

For corporate bonds, yields have also fallen broadly in line with the reduction in government bond yields. Premiums for 10-year and 5-year AA corporate bonds over gilts have been stable for several years.

According to the Bank of England's credit conditions survey, the overall availability of credit to the corporate sector remained largely unchanged in Q2 for firms of all sizes, however, availability has been weakly decreasing for the past year and is expected to decrease slightly further in Q3. For the commercial real estate sector, lenders reported a sharp decline in willingness to provide credit to the sector in Q4 2018, coinciding with a marked deterioration in commercial property prices. Expectation of weaker CRE prices by lenders have had a mildly negative effect on willingness to lend through the first half of 2019, an effect that is expected to strengthen slightly in Q3.

In terms of demand, lenders reported a decrease in demand for corporate lending from small business and a slight decrease from large firms. Looking forward, lenders expected demand for credit to be broadly flat.

The Brexit referendum

On 23rd June 2016, the UK held a referendum on whether to remain a member of the European Union or leave the European Union (EU). On a turnout of 72.2% of registered voters, the Leave side won with 51.9% of the vote against Remain with 48.1%. In broad terms, London, Northern Ireland and Scotland voted to remain, while Wales and all the other English regions voted to leave.

Potential outcomes to Brexit

The UK is scheduled to leave the EU on 31st January 2020. The Conservative party won a large majority in the snap General Election held on 12th December 2019. As a result, legislation will likely be passed during January following a "meaningful vote" that will in principle approve the Deal agreed by Boris Johnson and the EU in October 2019. The UK will enter into a transition period during which it will continue to be treated as if it were a member of the EU. The transition period in the current Withdrawal Agreement provides for a transition until the end of 2020 or the end of 2022 if the UK requests an extension by June 2020. The terms of the extension could be altered if a new agreement is reached. During any extension the UK would negotiate the terms of its future trade agreement with the EU. However, Boris Johnson has stated his intention to pass legislation to rule out any extension and set the end of 2020 as a hard deadline to negotiate the future relationship.

If, over the remaining 11 months of 2020, the UK and EU will fail to agree on a future trading relationship, the UK will effectively leave the trading bloc with 'no deal' and will revert to WTO trading standards. Given the government position and short time scale available, any trade agreement that is reached would likely be narrow (covering goods only), shallow (covering tariffs and quotas only, not the much more important non-tariff barriers), and biased toward the EU (as they are the larger party, and not operating under the confines of a self-imposed timetable).

Economic impact of Brexit outcomes

For the economic impact assessment of Brexit outcomes we use figures from the government's official forecaster, the independent Office for Budget Responsibility (OBR) to provide a non-partisan assessment. Specifically, we draw upon the analysis in their *Fiscal risks report* of July 2019. In this study, the OBR uses the IMF's April 2019 World Economic Outlook as the basis for its assessment, updating the analysis for an EU departure date of end-October.

The forecast considers the impact of Brexit on economic variables and the public finances but does not consider how policymakers may alter public finances in any eventuality, i.e. it does not speculate on how the authorities will use fiscal policy to respond to a Brexit Deal or No Deal operating environment. Since the General Election has clarified the likely outcome to some degree, we can focus more on the 'Deal' case for

likely short-term impacts, with the timeline shifted from 31st October 2019 to 31st January 2020. However, if no further agreement is reached during the transition period, the 'No Deal' alternative impacts may again become pertinent. Since the General Election result remains very recent at the time of writing, no further impact assessments have yet been produced.

Base case: Deal

The base case scenario produced by the OBR in July 2019 assumed that the UK would secure a deal and leave the EU on 31st October 2019. Although the date has shifted to 31st January 2020, some three months later, this is a relatively insignificant delay and the overall picture is still relevant.

In this scenario the economy was forecast to continue along its present trajectory, i.e:

- GDP growth was forecast to rebound from 1.2% in 2019 to 1.5% in 2020 and to 1.6% in 2021 through 2023 (fourth quarter on fourth quarter of the previous year).
- Unemployment was forecast to fall from 4.1% to 4.0% and remains at this rate through 2023.
- The number of people in work was forecast to continue to grow, rising by approximately 150,000 people per annum
- CPI inflation was forecast to remain at, or very close to, 2.0% through to end-2023
- Residential house prices were forecast to rise by 1.3% in 2020 before price growth picks up to 3.7% in 2021 and 4.1% in 2022 and 2023
- Commercial real estate prices (determined by the OBR from HMRC stamp duty data) were forecast to contract by 1.6% in 2019-20 (fiscal year basis), to contract 0.9% in 2020-21, and to grow thereafter by 1.9% to 2.0% between FY2021 and FY2023.

In terms of the UK's public finances, they will also remain on the trajectory they were on following the March 2019 Budget (excluding all changes proposed by the Chancellor of the Exchequer on 4th September). The Public Sector Net Borrowing (PSNB) requirement is forecast to continue to fall as a share of GDP from 1.3% in 2019-20 to 0.5% in 2023-24. Public sector debt is forecast to fall from 82.2% in 2019-20 to 73.0% in 2023-24.

Alternative case: No Deal

For the No Deal scenario impact, which was also produced in July 2019 and assumed a 31st October exit date, the OBR used the IMF's Scenario A as its basis. This is the less disruptive of the two scenarios the IMF studies, the base assumptions of which can be found in the table below.

		The WEO Baseline	No-Deal Scenarios	
Trade Arrangements	Trade with third countries		A	B
	Trade with the European Union	No tariff increases; nontariff barriers gradually increase by 10 percent in tariff equivalent terms	The United Kingdom sets tariffs unilaterally to zero on 87 percent of its imports from mid-2019 to mid-2020; the United Kingdom loses access to most existing agreements; secures new agreements by 2021	
			Tariffs increase by 4 percent in mid-2019 (mid-2020 for UK imports subject to temporary tariff regime); nontariff barriers increase gradually by an additional 14 percent (in tariff equivalent terms) relative to baseline	
Border disruption		No	No	Yes
Tightening of financial conditions		No	Small	More severe

Source: IMF World Economic Outlook, April 2019

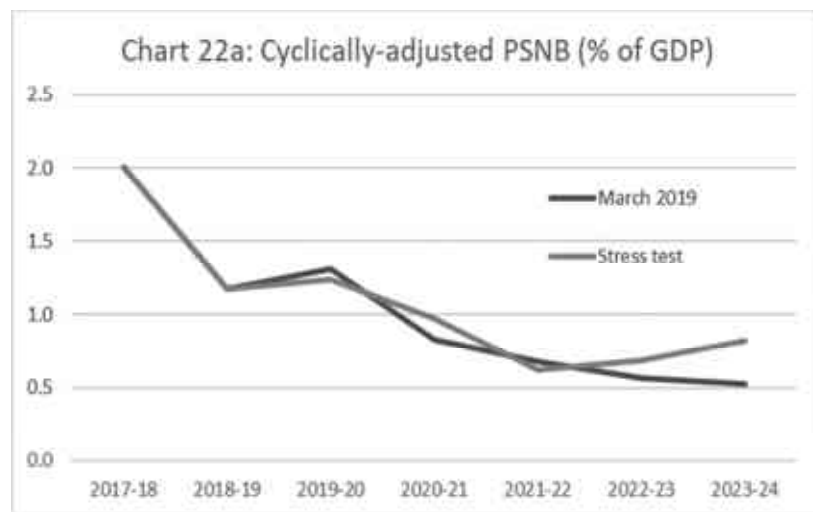
In the OBR update to IMF No Deal Scenario A:

- The UK was forecast to enter a **year-long recession** in Q4 2019. Real GDP would fall by 2.1%, similar to the early 1990s recession. By mid-2021, real GDP would be 4.0% lower than the OBR's March 2019 forecast. The economy would then pick up and GDP would be 1.6% lower than the baseline by Q1 2024.
- **Employment** was forecast to fall initially, with unemployment rising, peaking at just over 5% in 2021. Both would recover to only slightly below the OBR's March forecast by Q1 2024.
- **CPI inflation** was forecast to move higher initially, as a result of the weaker pound on top of the increase in tariffs on imports from the EU, raising import prices. CPI inflation would then drop below the baseline as the effect of higher import prices fades and spare capacity lowers domestically generated inflation.
- **Bank Rate** was forecast to be cut to 0.2% by end-2020. The BoE would then gradually increase the Bank Rate thereafter towards the level assumed in the OBR's March forecast. **No quantitative easing** was assumed: the Asset Purchase Facility would remain the same size as in the March forecast.
- The nominal **sterling** effective exchange rate was forecast to depreciate by 10% immediately and would be around 5% lower in real terms in Q1 2023.

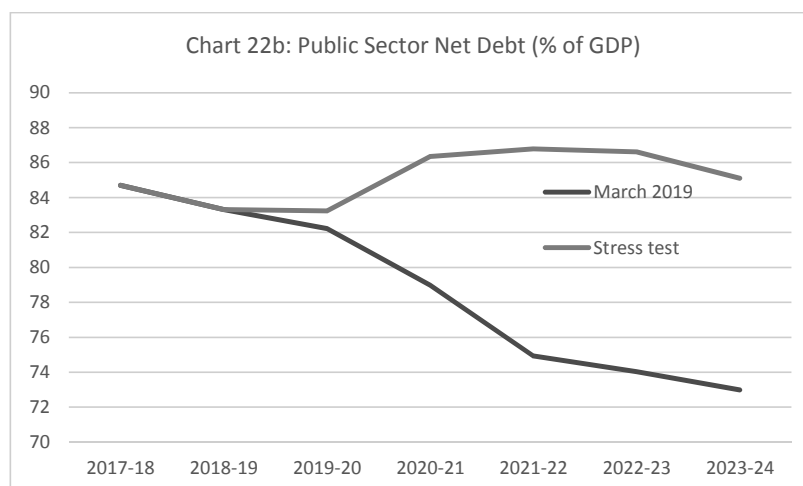
- **Equity prices** would fall 5% in Q4 2019, before rising in line with (the weaker) path for nominal GDP, ending 6.7% lower than the OBR's March forecast by April 2024.
- **House prices** were forecast to fall by almost 10% between the start of 2019 and mid-2021, to around 14% below the March forecast (which saw price growth over this period). House prices would recover back to 2018 levels by end-2023, but are 15% lower they would be in a Deal scenario.
- **Commercial property prices** were assumed to fall more steeply than those in the residential market. OBR base scenario was for commercial property prices to fall modestly. Commercial property transactions were forecast to fall by around 20% by the end of 2020, to 11% below the March forecast by Q1 2024.

Public finances were forecast to deteriorate as a result of a No Deal Brexit, with the PSNB requirement increasing by £30 billion compared to the base case, or by approximately 4.1% in value terms in 2021-22. However, as a percentage of GDP the increase in borrowing requirement in this scenario was minimal, amounting to just 0.2 percentage points of GDP in 2022-22 and 0.3 percentage points at peak in 2023-24.

The forecast improvement in net public debt initially reversed in the no-deal scenario, before rising from 83.3% in 2018-19 to a peak of 86.8% in 2021-22, and then dipping to 85.1% at the end of the forecast horizon.



Source: Office for Budget Responsibility, July 2019

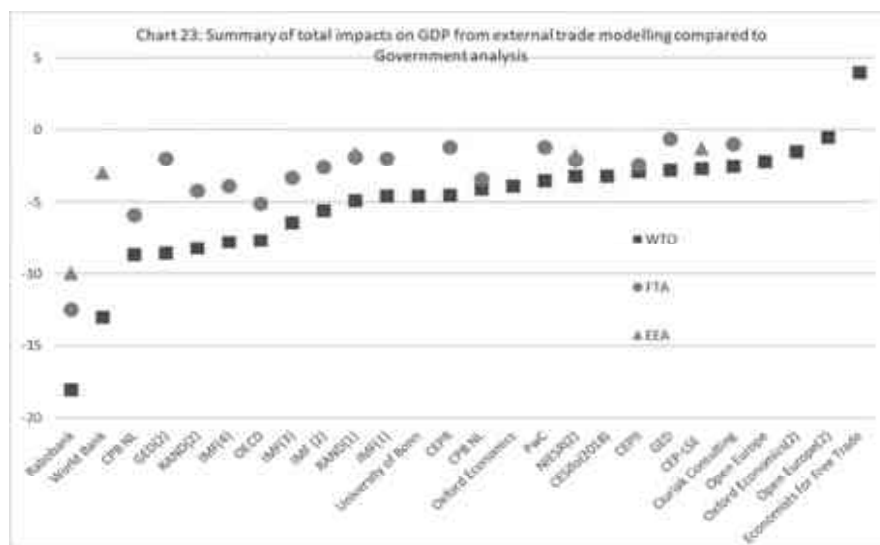


Source: Office for Budget Responsibility, July 2019.

Clearly, bearing in mind the new timeline, the above scenario is still relevant but would now have to be applied to a December 2020 no-deal, rather than the original date. Given that some of the more contentious issues will have been dealt with in the approved withdrawal agreement, the impacts might not be quite as severe, and the EU might be more open to mitigation measures.

Alternative forecasts

The IMF/OBR are not the only bodies that have forecasted the impact of a No Deal Brexit, albeit the OBR study is the most comprehensive for our areas of interest (commercial property and public finances). The focus of most studies has been on the impact of GDP. The chart below illustrates the range of GDP impacts across a range of forecasters as they have assessed several of the possible end-state outcomes for the UK and EU future relationship. The end state outcome is covered in more detail in a later section. Apart from *Economists for Free Trade 2018*, all forecasters predict that a No Deal Brexit will have a negative impact on GDP compared to other outcomes and a base case of today's membership arrangements.



Source : HMG EU Exit Analysis, November 2018, figure 5.1

Following a request from the House of Commons Treasury Committee, the **Bank of England** published its own analysis of how leaving the EU will affect the UK. It is important to note that due to the timing of publication and assumptions used by the Bank and the OBR, the forecasts are not a like-for-like comparison.

		Bank of England		OBR
		Deal	No Deal	No Deal (vs. Deal)
Real GDP	(at end-2024)	+1 ¾ to - ¾	-4 ¾ to -7 ¾	-1.6%
Unemployment	Peak %	4%	5 ¾% to 7 ½%	5.2%
CPI inflation	Peak %	2 ¼%	4 ¼% to 6 ½%	2.4%
Commercial Property prices	Maximum fall	N/A	-27% to -48%	-22%

Source: Bank of England *EU Withdrawal scenarios and monetary and financial stability*, 28/11/2018; Office for Budget Responsibility, *Fiscal risks report*, July 2018; JLL calculations

The Bank's forecasts for a No Deal are more negative than those of the OBR for each variable, with the OBR's forecasts not falling within the range provided by the Bank for any parameter. The difference results from a difference in the assumptions used, illustrating the difficulty of making a considered assessment of the impact of Brexit on a macro scale.

Once again, when assessing these scenarios, the new possible 'no deal' date of December 2020 needs to be taken into account.

Short term outlook for the UK economy

The immediate outlook of the UK economy is looking a little more certain since the result of the General Election, with the UK's formal departure from the EU now set at the 31st January 2020 and the Withdrawal Agreement set to be agreed, ensuring a transition period to the end of 2020. However, beyond this the impacts remain uncertain and will be largely dependent on the outcome of trade negotiations over the course of the year. Economic growth is likely to remain fairly subdued throughout 2020 as the medium- to long-term uncertainty persists. The pound is likely to remain under pressure and remain close to present levels; businesses are unlikely to embark on additional investment spending; and consumer and business confidence will likely remain subdued until clarity emerges.

Assuming some agreement is reached over the course of the year, be it a bare-bones trading arrangement or a full free-trade agreement, the removal of uncertainty would provide a boost to consumer and business confidence and likely result in an increase in business investment spending. Sterling would likely appreciate significantly when the threat of a No Deal outcome reduces. The stronger currency would reduce import prices and remove the upward pressure on CPI inflation that resulted from the post-referendum depreciation. Over time, this is likely to mean that imported goods prices flatline or fall. Household real income growth will be supported by the reduction in inflation. The government would then be able to embark on its fiscal plans to increase spending, drawing on the reserve fund created in case of a No Deal outcome.

In the event of a No Deal, which is now a possibility at end-December 2020, the UK would suffer a negative economic shock. There are three channels through which the effects would propagate. The first channel is through the financial markets. Sterling would depreciate, although probably not as severely as was forecast in the event of an earlier No Deal. In the near term, the currency is likely to overshoot, as financial markets frequently do. UK equity markets will face competing pressures. The FTSE 100 may well rise due to the high proportion of foreign currency earnings of firms comprising the index. These firms will see the sterling value of their non-sterling revenue increase. For firms with a more domestic focus, and those in other indices, the direction of movement is likely to be down as markets interpret the No Deal departure as negative for the UK's long-term economic prospects.

The second channel is through the real economy. Growth will slow, and the economy may contract, as is forecast by the plurality of forecasters, as uncertainty about the future will continue and barriers to trade would be erected overnight between the UK and its largest trade partner (as well as other markets). Due to countervailing measures put in place by firms in the UK and EU, and by governments on both sides, the full negative impact will be mitigated in the short term, potentially allowing time for solutions and process improvements to be found. Nonetheless, in the short term the impact would be negative.

The third channel is through government policy. The UK government is expected to pump money into the economy to provide an offsetting boost, as well as provide funds to firms to offset additional costs. This expenditure will cushion the impact of No Deal in the short term.

The future state of UK-EU relations

Whether the UK leaves the EU with a Deal, and enters a transition period, or No Deal and falls on to trading on WTO tariffs, neither outcome will be the end state for UK-EU trading relations. Both sides want a preferential trading relationship that is better than the WTO fall-back state. There are several existing options which provide a template for the future relationship, though the final outcome will depend on the objectives and trade off of both sides and will likely differ from the existing models.

In diminishing order of closeness to EU membership, we have:

- EEA membership, aka the Norway model. EEA = European Economic Area
- EFTA membership, aka the Swiss model. EFTA = European Free Trade Area
- A customs union, aka the Turkey model.
- An accession agreement, aka the Ukraine model
- A Free Trade Agreement (FTA), aka the Canada model
- No agreement, aka the WTO fall-back

The current UK government is seeking a trade agreement more distant and with more independence than the Canada model. In the event of a UK election returning a government of a different consistency, another trade model may be favoured (e.g. Labour favour a customs union model). The impact of the Canada model and other models can be seen in the **alternative forecasts** section above and in the **HMG long range forecast** section below. The more distant the relationship, the greater the increase in barriers to trade between the UK and EU. For example, in the Canada model, tariffs may be set at zero for most but not all goods, and there would likely be no preferential access for services companies, including financial services.

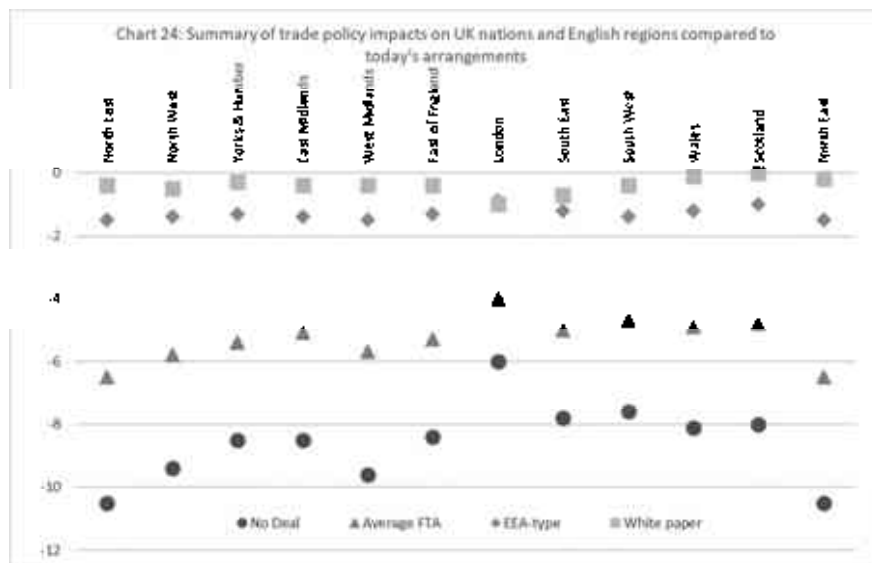
HMG long range forecasts

The UK government's Treasury department produced its own forecasts, assessing the impact of a range of outcomes based around the final relationship between the UK and EU, and the economic impact on GDP by fiscal year 2035-36. These forecasts were produced before the recent General Election. However, these remain relevant as longer-term scenarios remain similar despite the short-term certainty of a January 2020 departure from the EU. HMG's assessment of the impact on GDP can be seen in the table below:

	No Deal	Average FTA	EEA-type
GDP	-7.7 (-6.3 to -9.0)	-4.9 (-3.4 to -6.4)	-1.4 (-0.9 to -2.4)
GDP per capital	-7.6 (-6.2 to -8.9)	-4.9 (-3.4 to -6.4)	-1.4 (-0.9 to -2.3)

Note: Figures show percentage change in GDP compared to today's arrangements in 2035-36, under the scenario of 'no change to migration arrangements'. The alternative scenario of 'zero net inflow of EEA workers', produced for a larger negative impact on GDP.
Source: HMG EU Exit Analysis, November 2018.

The Treasury study further assessed the impact across the regions of the UK, which can be seen below:



Source: HMG EU Exit Analysis, November 2018

Region	No Deal	Average FTA	EEA-type
North East	-10.5 (-13.1 to -8.1)	-6.5 (-9.2 to -3.8)	-1.5 (-2.9 to -0.8)
North West	-9.4 (-11.7 to -7.2)	-5.8 (-8.3 to -3.4)	-1.4 (-2.6 to -0.7)
Yorkshire and the Humber	-8.5 (-10.4 to -6.6)	-5.4 (-7.3 to -3.3)	-1.3 (-2.6 to -0.7)
East Midlands	-8.5 (-10.2 to -6.7)	-5.1 (-6.9 to -3.2)	-1.4 (-2.8 to -0.8)
West Midlands	-9.6 (-11.7 to -7.5)	-5.7 (-7.8 to -3.4)	-1.5 (-3.0 to -0.8)
East of England	-8.4 (-10.2 to -6.6)	-5.3 (-7.3 to -3.3)	-1.3 (-2.5 to -0.6)
London	-6.0 (-8.5 to -3.0)	-4.0 (-6.5 to -1.5)	-0.9 (-2.1 to -0.1)
South East	-7.8 (-9.6 to -6.0)	-5.0 (-7.2 to -3.0)	-1.2 (-2.3 to -0.6)
South West	-7.6 (-9.3 to -6.1)	-4.7 (-6.5 to -2.9)	-1.4 (-2.6 to -0.7)
Wales	-8.1 (-9.8 to -6.4)	-4.9 (-6.8 to -3.0)	-1.2 (-2.5 to -0.5)
Scotland	-8.0 (-9.8 to -6.2)	-4.8 (-6.9 to -2.8)	-1.0 (-2.4 to +0.1)
North East	-10.5 (-13.1 to -8.1)	-6.5 (-9.2 to -3.8)	-1.5 (-2.9 to -0.8)

Note: Per cent change in GDP by FY2035-36 compared to today's arrangements. Analysis does not consider migration or regulation effects (which would make the figures more negative).

Source: HMG, EU Exit Analysis, November 2018

According to HMG's assessment, public finances will also be affected. Using the scenario of no change to migration arrangements (consistent with the GDP figures above):

Additional borrowing	No Deal	Average FTA	EEA-type
% of GDP	+2.4%	+1.8%	+0.5%
Value	+£95.1bn	+£72.0bn	+£22.5bn

Note: Additional borrowing compared in 2035-36 compared to Budget 2018 forecasts.

Source: HMG EU Exit Analysis.

Introduction to the UK commercial real estate market

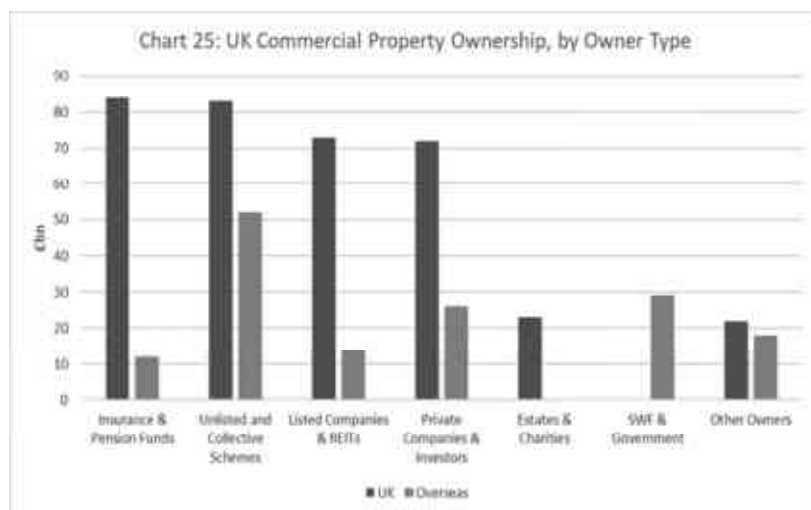
This section of the report provides an overview of the UK's commercial real estate market. This includes the office, retail, hotels, industrial and logistics sectors. It also includes the growing alternatives sectors, which are mainly orientated towards 'living', i.e. healthcare, student housing and private rented, large-scale residential. Transactions in all these sectors have increased strongly over the past few years, with investors attracted by the strong growth credentials, favourable demographics and, in some cases, index-linked rents. Despite the increase in volumes, however, these sectors remain small in stock terms compared with the traditional areas.

The Investment Property Forum (IPF), the industry body for investors in UK real estate, produces a regular report detailing the structure of the industry. The figures below are taken from its latest such survey, "The size and structure of the UK Property Market, year-end 2017", published in early 2019.

At the end of 2017, the total invested stock of UK property was £560bn, split between £509bn of commercial property and £49bn of residential. The total invested stock has grown at an average annual rate of 4.2% over past 14 years. This is partly the result of an increase in stock, but also the greater share of the total stock held for investment purposes (from 49% in 2003 to 54% in 2017).

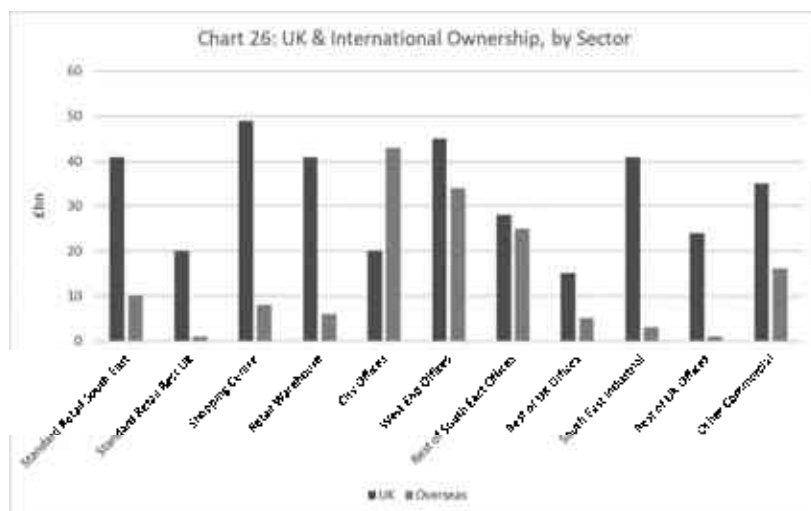
Offices account for the largest proportion of invested stock (42%) followed by retail (34%), industrial (14%) and other (10%).

There has also been a significant increase in overseas ownership over recent years, from circa 17% in 2003 to 30% in 2017. It is likely that this figure is now slightly higher. Overseas interests are focussed on London and South East offices; ownerships in other areas remain more domestic, although international investment is still a significant factor. Indeed, activity in areas such as industrial has increased over the past 12-24 months.



Source: Investment Property Forum

Although the value of residential stock held for institutional investment purposes remains comparatively low, it has increased rapidly in recent years - it is now 32% larger than in 2016. Its share of the total private rented stock has increased from 2% to 4% over the same time period.

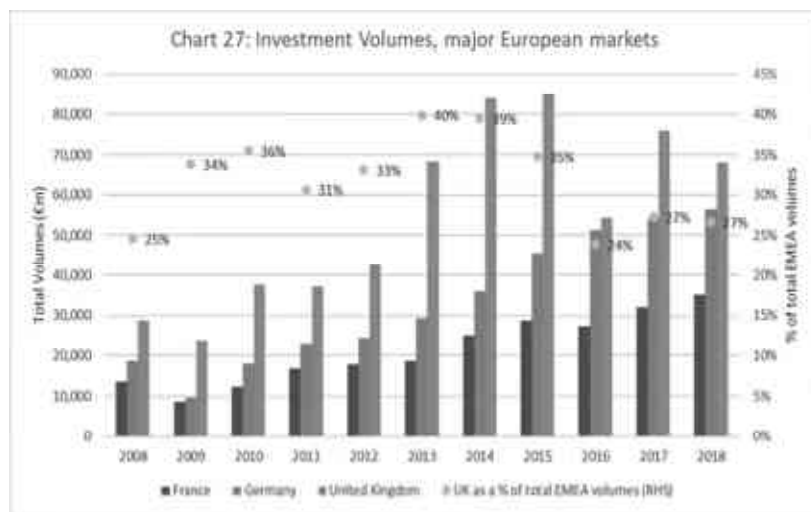


Source: IPF

Market Activity

The UK market is currently the second largest in the world after the US in transaction volumes. Transaction volumes in the UK recovered strongly from lows of below £30bn per annum seen in the immediate aftermath of the Global Financial Crisis. As can be seen in the graph below, in every year since 2013 except 2016, volumes have exceeded €60bn, even considering the falling pound which reduces volumes for 2017 and 2018 when converted into Euros (the volume in sterling is more equivalent to 2014 and 2015). Even in 2016, when the uncertainty around the referendum reduced activity, UK volumes still exceeded France and Germany. The UK is consistently the second most traded real estate market in the world, after the US.

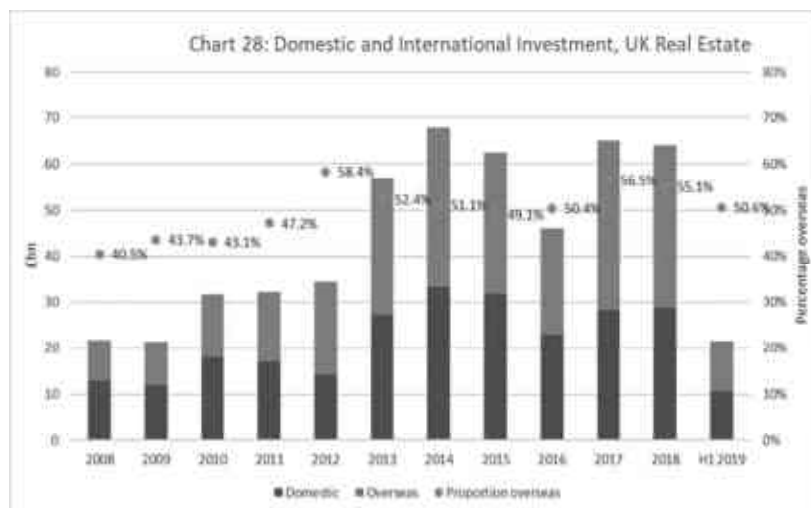
On average, between 2014 and 2018, the UK represented 30% of all European real estate transactions.



Source: JLL

(Note: in the graph above investment volumes for the UK have been converted from Pounds into Euros for each quarter, based on the average exchange rate for the quarter).

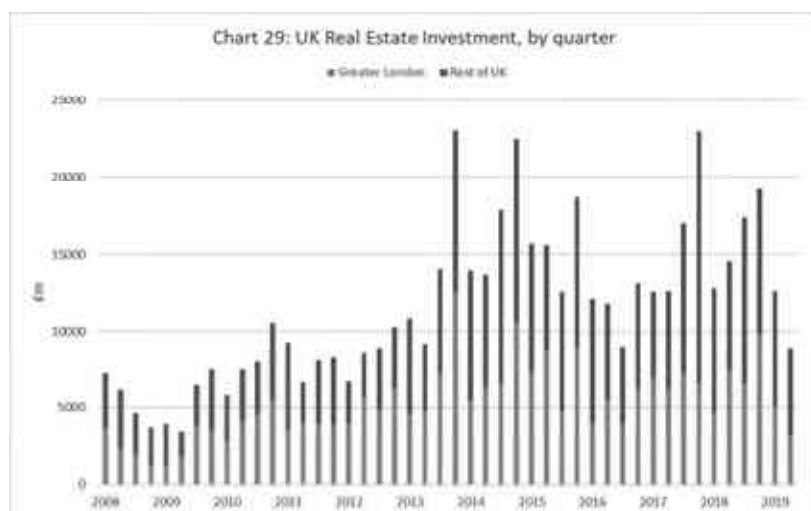
As the figures on stock above demonstrate, ownership of UK property is highly internationalised. This is even more the case for transactions. On average, over the ten years to the end of 2018, some 51.6% of transactions by volume involved overseas purchasers. The graph below shows the trend over the period. Since 2012, every year, except for one year, has seen more than 50% of transactions by volume involve an overseas purchaser.



Source: JLL

Overseas investors' activity is skewed towards offices, which accounted for 55% of their purchases over the 10-year period. Retail is the next largest sector at 13%, followed by Hotels (9%), Alternatives (9%) and Industrial (7%). Over the three years to end 2018, Alternatives have become more important (14%) and Retail less important (10%), reflecting the structural issues in the latter sector and the growing interest in the former, particularly in areas such as "build-to-let" residential, elderly living and student housing.

Activity in the first half of 2019 slowed somewhat compared to previous years, although it remains relatively robust given the backdrop.



Source: JLL

The pull factors for overseas investors

As mentioned above, the UK is the most international commercial real estate investment market. Below we look at the main reasons why overseas investors continue to flock to the UK market.

- 1) **Investor-favourable lease terms** – long leases with many of the overheads the responsibility of the tenant. In addition, the majority of rent reviews are upward only, again favouring the landlord.
- 2) **A highly liquid market** – The UK is the second most active transactional market after the US, but first when measured as a ratio to GDP. This also applies to larger lot sizes.
- 3) **A long history of respect for property rights** – Since the Law of Property Act (1925), the UK has some of the most transparent and robust property rights in the world.
- 4) **Few restrictions on foreign ownership**
- 5) **A resilient economy** with strong growth characteristics over the long-term – The trend growth rate is higher than the average EU country, due to one of the least regulated labour and capital markets. Indeed, the current unemployment rate of 3.8% (August 2019) is amongst the lowest in Europe. The favourable demographic profile of the UK shows that is one of the few G7 countries to see an increase in its working age population over the next decade. It has a well-known, well-developed and reputable jurisprudence.
- 6) **A well-developed professional and legal framework** – English law is the preferred governing law for business transactions worldwide, even those that don't have any geographic connection with the UK.
- 7) **The English language** – The most spoken language globally, and the de facto language of business around the world. Many investors into the UK come from countries where English is spoken or used to some degree hence allowing investors to be more comfortable transacting in the UK.
- 8) **Familiarity** with London and other key UK locations – Due to historic and cultural ties with many countries, many investors are familiar with London and other regional areas.

Due to the reasons above and more, the UK was ranked top of JLL's 2018 Global Real Estate Transparency Index (GRET). The UK regularly attains one of the top positions in this industry-leading biannual study.

The index tracks the most favourable operating environments for investors, developers and occupiers, taking several factors into account under the headings: performance measurement, market fundamentals, governance of listed vehicles, legal and regulatory frameworks, transaction process and sustainability.

JLL Global Real Estate Transparency Index, 2018



Type of investors

The uncertainty around the Brexit referendum, low supply levels and concern over the position in the cycle combined to reduce activity. The decline is most notable in London offices which, given the scale of purchases and its internationalisation, is most cyclical and reactive to political and economic events. The retail market is subdued but has been for some time. Stronger activity in the industrial, alternatives and hotels sectors have helped keep volumes at a relatively stable level.

The UK market, in volumes terms, is dominated by fund managers, pension funds and property companies, which accounted for 25.3%, 19.6% and 19.0% of the market respectively during the 2013-2018 period. Private Equity buyers are also significant at 12.6%, but their presence as buyers or vendors tends to be strongly cyclical. UK REITs account for around 10% of transactions. These tend to be focussed on specific sectors, for example (market caps provided are as of 30th August 2019):

- SEGRO, market cap £8.2bn, Industrial and Logistics
- Land Securities, market cap £5.9bn, London offices and national retail
- British Land, market cap £4.7bn, London offices and national retail
- Derwent London, market cap £3.3bn, London offices
- Hammerson, market cap £1.6bn, Retail and mixed-use

UK REITs, particularly those with a high retail exposure, are currently trading at historically high discounts to Net Asset Value. This is a result of a combination of market scepticism over the future of the retail sector and the uncertainty surrounding Brexit.

Private investors have made headlines with large acquisitions in the London office market, but overall, they are a relatively small part of the market at 9.1%. The remainder of the market (4.6%) is accounted for by corporate buyers.

The table below shows the largest single-asset office investment transactions outside Central London between 2016 and the first half of 2019.

Date	Property	Town	Region	Sale Price (£m)	Net Initial Yield	Purchaser
01/05/2016	Green Park	Reading	South East	563.00		Mapletree Investments
01/09/2017	Winnersh Triangle	Winnersh	South East	365.00		Frasers Centrepoint, TCC Group
01/09/2016	Bedfont Lakes	Staines	Outer London	360.00		Spelthorne Borough Council
01/01/2016	Bath Road Frontage	Slough	South East	325.00	6.28%	AEW
01/10/2018	Enterprise City, St Johns	Manchester	North West	300.00		Aviva Investors
01/02/2017	Brindley place	Birmingham	West Midlands	260.00	6.00%	HSBC
01/07/2017	Milton Park (50% stake)	Oxford	South East	246.00		CPPIB
01/10/2017	Spinningfields, 1	Manchester	North West	200.00	5.00%	Schroder REIM
01/09/2017	Birchwood Park	Warrington	North West	200.00		Warrington Borough Council
01/12/2017	Farnborough Bus Park	Farnborough	South East	174.60		Frasers Centrepoint Ltd
01/08/2016	St Peters Square, 1	Manchester	North West	164.00	5.25%	DEKA Immobilien
01/06/2019	Priory Ct. & Lewis Bldg.	Birmingham	West Midlands	139.00	6.43%	Gulf Finance House c/o Rasmala
01/09/2017	Chineham Park	Basingstoke	South East	139.00		Frasers Centrepoint, TCC Group
01/09/2017	Hillington Park	Glasgow	Scotland	137.00		Frasers Centrepoint, TCC Group
01/03/2018	India Buildings, Water St	Liverpool	North West	125.00		Legal & General Property
23/05/2019	4-8 St Andrew Square	Edinburgh	Scotland	120.00	4.45%	Kanam Grundinvest Fonds
01/08/2017	Uxbridge Business Park	Uxbridge	Outer London	119.00		TPG Real Estate
01/03/2016	Piccadilly Place	Manchester	North West	117.00		ARES
01/03/2018	New Bailey Square, 2	Salford	North West	113.00		Aviva Investors
01/03/2018	Aberdeen Intl Bus Park	Aberdeen	Scotland	112.50	6.92%	LCN Capital Partners LP
01/08/2017	Oxford Business Park	Oxford	South East	109.00		TPG Real Estate
01/12/2017	3 Hardman Square	Manchester	North West	107.25	4.90%	Royal London Asset Management
01/10/2017	New Waverley	Edinburgh	Scotland	105.71	4.29%	Legal & General Property
01/03/2016	Atria, Morrison Street	Edinburgh	Scotland	105.25		DEKA Immobilien
01/07/2017	101 Embankment	Manchester	North West	105.00	5.30%	M&G Investments
01/06/2019	Leonardo Innovation Hub	Edinburgh	Scotland	100.00	5.64%	Hyundai Asset Management
01/10/2018	Thames Valley Park	Reading	South East	100.00	6.60%	Valesco Group / AIP AM

Source: JLL

Many of the largest single transactions involve buyers from overseas. British buyers find it increasingly harder to compete in this space, given the scale and prices being paid.

Consensus Forecasts

The Investment Property Forum (IPF) produces consensus forecasts based on submissions from investment managers and real estate consultants. The most recent forecasts highlight that the office market looks set to outperform the wider property market over the next five years.

The full table is given below.

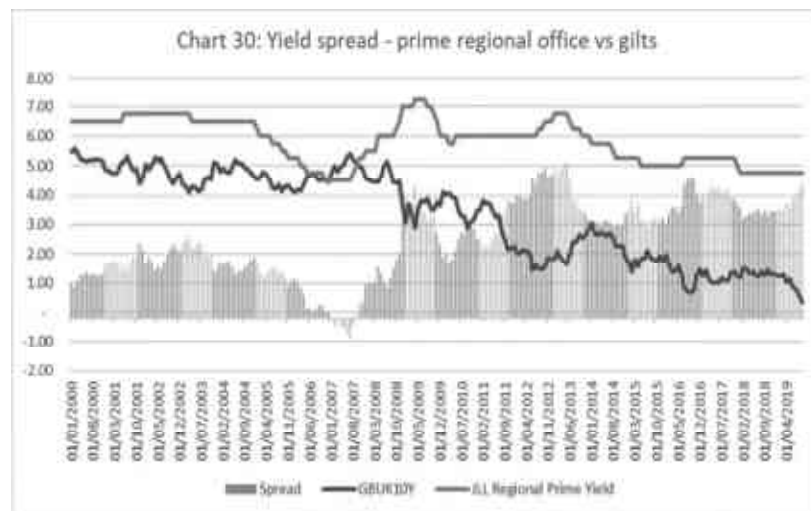
	Rental growth (%)				Capital Growth (%)				Total Return (%)			
	2019	2020	2021	2019/23	2019	2020	2021	2019/23	2019	2020	2021	2019/23
Office	0.7	0.6	1.3	1.3	-1.1	-1.1	0.5	0.2	2.9	3.1	4.9	4.6
Industrial	3.0	2.0	1.7	2.0	2.1	1.1	1.5	1.5	6.6	5.7	6.1	6.1
Std. Retail	-3.1	-2.1	-0.9	-1.2	-8.1	-4.4	-1.4	-2.7	-3.9	0.1	3.3	1.9
S/Centre	-4.7	-3.3	-1.8	-2.3	-13.8	-7.2	-3.7	-5.7	-8.8	-1.5	2.3	0.0
Retail WH	-3.8	-2.5	-1.0	-1.5	-10.8	-5.7	-1.9	-3.9	-5.2	0.5	4.6	2.4
All Prop.	-0.2	-0.1	0.6	0.5	-3.6	-1.8	-0.2	-0.8	0.9	2.9	4.7	4.0

Source: IPF, August 2019

Pricing

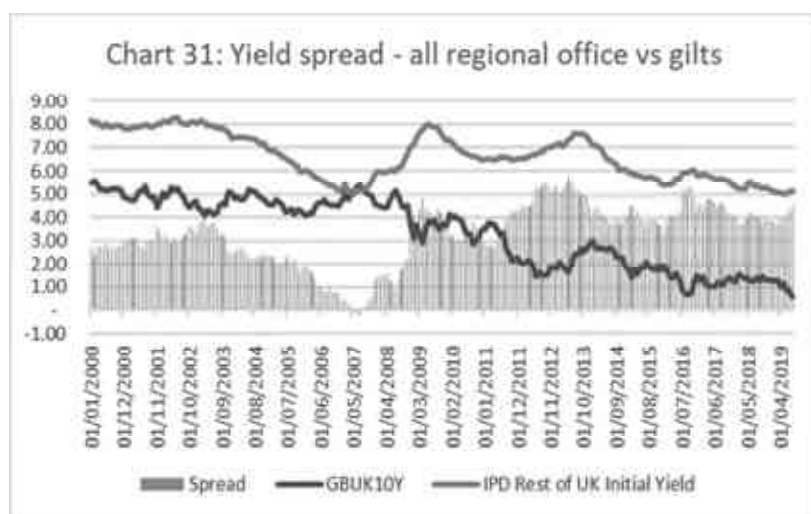
In the current low interest, low yield environment, many investors are looking increasingly to alternative asset classes in the search for yield. Real estate, with its annuity style income profile, benefits significantly from this. JLL's prime yields for the major regional city centres currently stand at 4.75% for Birmingham, Bristol, Edinburgh, Manchester and West London, and 5.0% for Glasgow, Leeds and the Thames Valley. There has been no movement over the past year, but over the past three years there has been 50 bps compression in Bristol and Edinburgh and 25bps compression in Birmingham, Glasgow, Leeds and the Western Corridor Markets. There has been no movement in Manchester over that period, but as the most traded market outside London and the South East, with a limited supply and strong growth dynamics, yields had fallen earlier in the cycle than in the other centres.

The chart below highlights the rising spread between prime office yields in the top regional cities and UK 10-year gilt yields.



Source: JLL, Refinitiv

Yields in secondary and tertiary locations will be higher and the spread will also therefore be greater. IPD produces net initial yields figures for a variety of subsectors. (An explanation of the IPD index is provided in endnote i). IPD's 'Office – Rest UK' net initial yield measure encompasses all offices outside of London and the South East, not just prime assets, and using this measure we can start to see the pattern of higher yields.

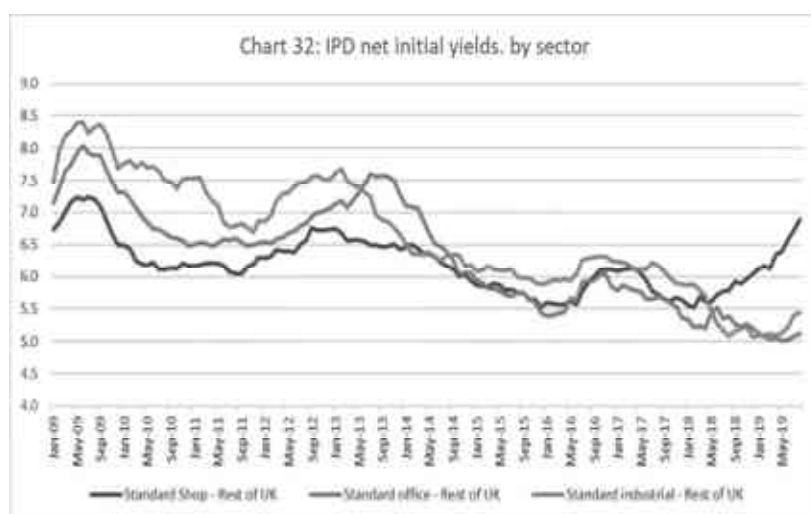


Source: IPD, Refinitiv

The graph below shows the movements in yields for the major sectors, for the market outside London and the South East. The major theme is yield compression, with the index falling from 7%-8% in early 2009 to sub 6% in 2015 – although there was some upward movement in 2012/2013 during the Eurozone crisis.

One notable change compared to earlier in the cycle, and indeed compared to previous cycles, was the narrowing of the gap between asset classes. In 2014/2015, the yields for regional retail (traditionally the strongest) and offices were virtually identical, whereas regional industrial (traditionally the weakest by some degree) was only slightly higher.

The industrial sector was perceived as most vulnerable to Brexit, which perhaps explains the increase in yields here in the 2016-2017 period. Since then, however, the market has recognised the importance of many such estates to 'urban logistics'/e-commerce operators (which may not be true for all units) and regional industrial yields have compressed to circa 5% (in some indices they are lower than office yields). Meanwhile, the retail sector has been struggling. While prime and convenience centres still thrive, there is recognition that the UK has too many shops and that internet retailing is a genuine challenge. Combined with weaker consumer confidence, this explains why yields in this sector outside London and the South East have risen to 5.75%. This is lower than some other indices would place retail, particularly for secondary markets.



Source: IPD

Performance by Region

Here we will analyse returns and pricing performance for all UK regions outside of Central London. First, looking at total returns, we see that performance across the regions can vary quite considerably. For example, in 2018 the total return for office assets in the Eastern region was 10.2%, more than double the 4.4% seen in Yorkshire & the Humber. The biggest differential was in 2013, when Outer London total returns (16.8%) were 15 percentage points higher than North West total returns (1.7%). Average total returns across the last 10 years have been highest in Eastern (9.9%) and Outer London (9.4%), and lowest in the North East (5.3%) and Yorkshire & the Humber (5.6%).

Office total returns by region:

	2013	2014	2015	2016	2017	2018	Average	CAGR 5 year (2013-2018)
East Midlands	5.3%	17.5%	13.7%	4.3%	11.8%	7.4%	7.6%	10.8%
Eastern	13.1%	23.8%	16.6%	5.9%	12.0%	10.2%	9.9%	13.6%
North East	7.3%	12.0%	11.4%	3.0%	8.7%	7.0%	5.3%	8.4%
North West	1.7%	17.4%	11.8%	1.3%	9.1%	9.4%	4.9%	9.7%
Outer London	16.8%	24.7%	19.5%	3.3%	8.4%	5.3%	9.4%	11.9%
Scotland	8.1%	13.0%	9.2%	-0.2%	6.3%	7.7%	5.9%	7.1%
South East	13.4%	22.2%	14.2%	0.6%	7.6%	6.3%	7.1%	9.9%
South West	6.6%	20.5%	15.8%	3.4%	12.3%	9.5%	7.1%	12.1%
Wales	9.6%	21.8%	11.5%	-0.8%	7.8%	8.8%	6.5%	9.6%
West Midlands	6.4%	19.0%	14.5%	0.8%	8.9%	7.5%	6.1%	10.0%
Yorks & Humber	5.4%	17.7%	14.1%	1.4%	9.4%	4.4%	5.6%	9.2%

Source: IPD

Capital value growth is the biggest driver behind changing total returns. As a result, we see similar patterns. Recent strong capital value growth has been seen in the North West, South West and Eastern regions, while Outer London, the East Midlands and Yorkshire & the Humber have seen weaker capital value growth.

Cumulative capital value growth across the last 10 years was highest in Outer London (37.5%) and Eastern (32.4%), and lowest in the North East (-10.4%) and Yorkshire & the Humber (-9.6%).

	2013	2014	2015	2016	2017	2018	2009 - 2018	CAGR 5 year (2013-2018)
East Midlands	-3.6%	9.2%	6.6%	-2.5%	4.4%	0.6%	-4.1%	3.6%
Eastern	5.1%	16.3%	10.3%	0.5%	6.1%	4.7%	32.4%	7.4%
North East	1.0%	4.9%	4.9%	-2.4%	3.3%	1.8%	-10.4%	2.5%

North West	-4.7%	10.5%	6.8%	-3.3%	4.8%	4.8%	-8.9%	4.6%
Outer London	9.9%	18.1%	14.1%	-0.8%	4.0%	1.1%	37.5%	7.0%
Scotland	1.0%	6.4%	3.3%	-6.0%	0.3%	2.2%	-6.2%	1.1%
South East	5.5%	15.1%	8.6%	-4.2%	2.5%	1.7%	4.9%	4.5%
South West	-0.9%	12.9%	8.7%	-2.1%	6.8%	4.5%	3.4%	6.0%
Wales	2.0%	14.0%	4.8%	-7.7%	0.8%	3.5%	-7.5%	2.8%
West Midlands	-1.1%	11.4%	9.7%	-3.1%	3.7%	2.8%	-4.6%	4.8%
Yorks & Humber	-1.5%	10.7%	7.8%	-4.3%	3.5%	-1.0%	-9.6%	3.2%

Office capital value growth by region:

Source: IPD

Looking at income return, the second component of total returns, we see this is generally more stable than capital value growth, but still with notable variations. Importantly, income return is higher in all regional markets than it is in Central and Inner London, where it is below 5% on average over the last 10 years. Capital value growth is generally lower across the regions, so income return accounts for a larger proportion of total returns, and strong income returns can lead to strong total returns in these markets.

Average income return across the last 10 years was highest in the East Midlands (7.9%) and Wales (7.1%), and lowest in Outer London (5.7%) and the North West (5.7%).

Office income return by region:

	2013	2014	2015	2016	2017	2018	Average
East Midlands	9.3%	7.7%	6.7%	7.0%	7.1%	6.8%	7.9%
Eastern	7.6%	6.6%	5.8%	5.5%	5.6%	5.3%	6.6%
North East	6.2%	6.9%	6.2%	5.5%	5.2%	5.1%	6.3%
North West	6.6%	6.3%	4.7%	4.7%	4.1%	4.3%	5.7%
Outer London	6.3%	5.7%	4.9%	4.1%	4.2%	4.2%	5.7%
Scotland	7.0%	6.3%	5.7%	6.2%	6.0%	5.3%	6.5%
South East	7.5%	6.3%	5.1%	5.0%	5.0%	4.5%	6.3%
South West	7.6%	6.7%	6.6%	5.6%	5.2%	4.8%	6.5%
Wales	7.4%	7.0%	6.4%	7.4%	6.9%	5.1%	7.1%
West Midlands	7.6%	6.9%	4.4%	4.0%	5.1%	4.6%	6.4%
Yorks & Humber	6.9%	6.4%	5.9%	5.9%	5.7%	5.5%	6.5%

Source: IPD

Rental value growth, like capital value growth, is more variable and volatile across the regions. In recent years, rental growth has generally been positive in most regions, following a period of negative rental growth in the years after the global financial crisis.

The trends across regions follow a similar pattern to capital value growth, as rental growth is the biggest driver of capital value growth. Cumulative rental value growth across the last 10 years was highest in Outer London (21.2%) and Eastern (16.5%), and lowest in Scotland (-11.9%) and the West Midlands (-10.2%).

Office rental value growth by region:

	2013	2014	2015	2016	2017	2018	2009 - 2018	CAGR 5 year (2013-2018)
East Midlands	-1.6%	1.0%	1.8%	1.9%	1.5%	2.3%	0.2%	1.7%
Eastern	1.5%	3.2%	6.6%	3.2%	4.3%	3.1%	16.5%	4.1%
North East	-1.1%	0.7%	4.2%	1.6%	0.6%	-0.1%	-8.5%	1.4%
North West	-0.6%	2.0%	3.3%	2.5%	1.6%	2.1%	4.0%	2.3%

Outer London	3.3%	9.8%	9.5%	2.9%	2.5%	0.7%	21.2%	5.0%
Scotland	1.6%	0.8%	0.9%	-2.3%	-2.4%	-1.0%	-11.9%	-0.8%
South East	2.0%	2.5%	4.0%	2.7%	2.0%	1.8%	2.3%	2.6%
South West	0.3%	2.9%	5.6%	4.4%	3.5%	2.5%	3.4%	3.8%
Wales	-0.5%	3.0%	0.8%	1.5%	2.8%	2.3%	-0.5%	2.1%
West Midlands	0.8%	0.4%	4.7%	1.3%	1.0%	1.1%	-10.2%	1.7%
Yorks & Humber	-1.3%	1.5%	2.1%	1.0%	1.5%	1.7%	-5.7%	1.6%

Source: IPD

Equivalent yield measures the time weighted average of initial yields and reversionary yields. Equivalent yields across the regions are significantly higher than in Central and Inner London, where they are typically around 5% - 6% annually.

Average equivalent yields across the last 10 years was highest in the East Midlands (9.1%) and the North West (8.7%), and lowest in Outer London (7.5%) and Scotland (7.9%).

Office equivalent yields by region:

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Average
East Midlands	9.6%	9.2%	9.5%	10.5%	10.6%	9.3%	8.0%	8.2%	7.7%	8.1%	9.1%
Eastern	9.1%	9.0%	8.8%	9.8%	9.1%	7.8%	7.3%	7.0%	7.1%	6.6%	8.2%
North East	9.6%	8.6%	8.6%	8.9%	8.7%	7.3%	7.2%	7.2%	6.8%	6.5%	7.9%
North West	10.1%	9.5%	9.8%	10.8%	10.5%	8.1%	7.1%	7.2%	6.8%	6.8%	8.7%
Outer London	9.2%	8.3%	8.4%	8.9%	8.0%	7.0%	6.4%	6.4%	6.0%	6.0%	7.5%
Scotland	8.7%	8.0%	8.3%	8.7%	8.5%	7.7%	7.1%	7.5%	7.5%	7.0%	7.9%
South East	9.4%	9.0%	9.1%	9.7%	9.2%	7.8%	7.0%	7.3%	7.1%	6.8%	8.3%
South West	9.3%	8.9%	9.0%	9.8%	9.3%	8.1%	7.2%	7.3%	6.8%	6.3%	8.2%
Wales	9.0%	8.2%	8.6%	8.9%	8.7%	7.9%	7.4%	8.9%	8.3%	6.9%	8.3%
West Midlands	9.1%	8.8%	9.0%	10.2%	10.0%	8.3%	7.0%	7.0%	6.9%	6.6%	8.3%
Yorks & Humber	8.8%	8.8%	8.9%	9.8%	9.0%	7.9%	7.0%	7.1%	6.9%	6.8%	8.1%

Source: IPD

A certain amount of care should be taken in interpreting the implications of IPD results for individual properties. The index is based on portfolios, which may have weightings to particular locations within regions which may have different characteristics to elsewhere (for example, there may be far more properties by value in Manchester than elsewhere in the North West, even when considered proportionally, as institutional ownership may be higher here).

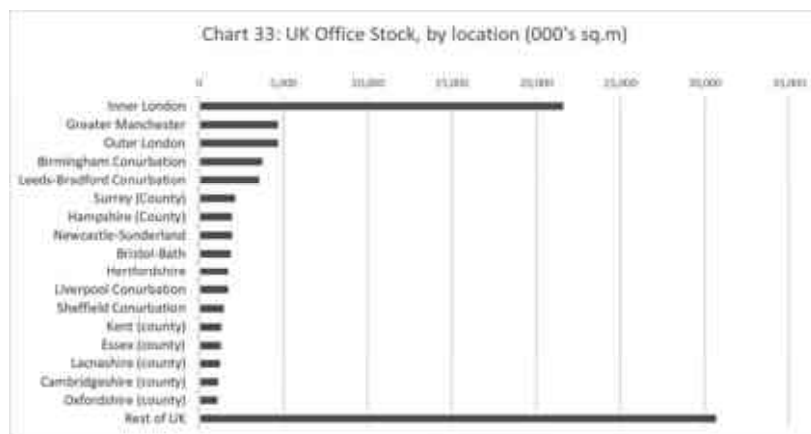
The UK Office Market

The UK's office stock amounts to 856.8m sq ft and is relatively concentrated in a handful of locations. According to the 2018/2019 Business Floorspace statistics produced by the UK Government's Valuation Office Agency, published in July 2019, The City of London, with 61.0m sq ft, and Westminster, with 58.6m sq ft, alone account for an eighth (12.5%) of the entire stock in England & Wales.

If other London Boroughs with significant office stocks - Tower Hamlets, Camden, Islington, Southwark, Lambeth, Hammersmith & Fulham, Hounslow and Hillingdon - are added to this picture, alongside the four English cities within the Big Six (Manchester, Birmingham, Leeds and Bristol), this figure rises to a third (33.4%).

Other cities with relatively significant office stocks include Liverpool (11.0m sq ft), Cardiff (10.7m sq ft), Sheffield (9.6m sq ft), Nottingham (8.0m sq ft), Bradford (8.0m sq ft), Milton Keynes (7.2m sq ft), Salford (6.4m sq ft) and Reading (6.2m sq ft). In short, 43 local authorities account for

50% of stock, with the remaining 50% distributed among some 450 authorities. Looking at city-regions and counties, rather than local authorities, the picture is somewhat sharper. The same statistics report that some 24.4% of the UK's office stock is Inner London, with Greater Manchester, Outer London and the Birmingham conurbation accounting for a further 15.0%. If another 10 major office locations are included (see below) the total reaches roughly half.



Source: Valuation Office Agency

Detailed statistics are not available for Scotland. However, in 2015 the Scottish Property Federation reported that there was 96.3m sq ft of existing space, together with 2.0m under construction. Five years earlier, a report by Edinburgh council on office stock concluded that there was 20.8m sq ft of office space in the city. CoStar estimates Edinburgh stock at 26.8m sq ft, and Glasgow at 40.1m sq ft. Together with Aberdeen at 13.5m sq ft, this demonstrates that the stock in Scotland is even more concentrated than in England & Wales, and in just three locations.

Typical lease contract arrangements for the Office sector

Lease terms: Lease terms are fixed and typically for 5-10 years.

Rent increase/review: Rents are reviewed to open market rent typically every 5 years. Reviews for shorter leases may be more frequent. Commercial leases typically impose upward only rent reviews which allow for rents to be increased but never decreased

Service charge: The tenant is responsible for pro-rate share in addition to the rent, payable quarterly

Break clauses: the landlord may grant a break clause which gives one or either party the right to end the lease sooner by giving notice either at any time or between specified dates.

Assignment/Subletting: Landlords approval for subletting and assignment is generally not to be unreasonably withheld but parameters are set out in the lease terms. Subleases are often granted outside the protection of the landlord and tenant act 1954.

Right to renew: the tenant has a statutory right to renew if the lease is contracted within the Landlord & Tenant act 1954. In leases under the Act, the tenant has the right to remain unless there are sufficient grounds for refusal from the landlord- for example the landlord wishes to redevelop the property or wishes to use it for their own business purpose. If the lease is outside the Act, there is no automatic right to renew

Repairs and insurance: Usually the tenant will have direct responsibility for repairing the internal parts included in the lease and the landlord will agree to repair and insure the external structure and the common parts retained by the landlord. The landlord's costs are typically borne by the tenants via the service charge.

Tenants will usually be made responsible for the regular redecoration of the premises let by the lease.

Alterations: The landlord may restrict alterations that can be made to the demise and alterations will usually require the landlord's consent. The landlord has the right to insist that the tenant removes the alterations and restores the premises at the end of the lease.

Dilapidations: The tenant has responsibility to return the building to its original condition at the end of the lease. The term 'dilapidations' is normally used to cover defects and disrepair that the tenant will be required to deal with or pay to have remedied when they vacate the premises at the end of the lease. Landlords cannot generally make dilapidations claims earlier than three years before the end of the lease.

VAT- Commercial owners can opt to charge VAT at the standard rate when selling or leasing their property. If the landlord has elected to pay VAT on the building, the tenant must pay VAT in addition to the rent- if the tenant can recover VAT this is not a major issue, but some businesses cannot recover the VAT.

Green clauses: Parties are increasingly encouraged to include provisions in the lease relating to sustainability and the environment to ensure that the property is used as sustainably as possible. Energy Performance Certificates (EPCs) are used to assess the energy efficiency of a building. These are required by law during a sale or letting and are developing an increased level of importance due to the introduction of Minimum Energy Efficiency Standards in April 2018. These prohibit the letting of properties with EPC ratings lower than E.

CENTRAL LONDON

The Central London office market is by far the largest in the UK in terms of both stock and take-up. It is split into 3 major markets – the West End, the City, and East London, each containing a number of submarkets. Rents are significantly higher in London than elsewhere – and indeed are among the highest in the world. It is also typically the most traded global city, having seen the highest investment volumes in seven of the last 10 years. Yields, however, remain relatively high compared to many European and Asian locations, a reflection of both higher interest rates and political uncertainty – although they are also lower than in the remainder of the UK.

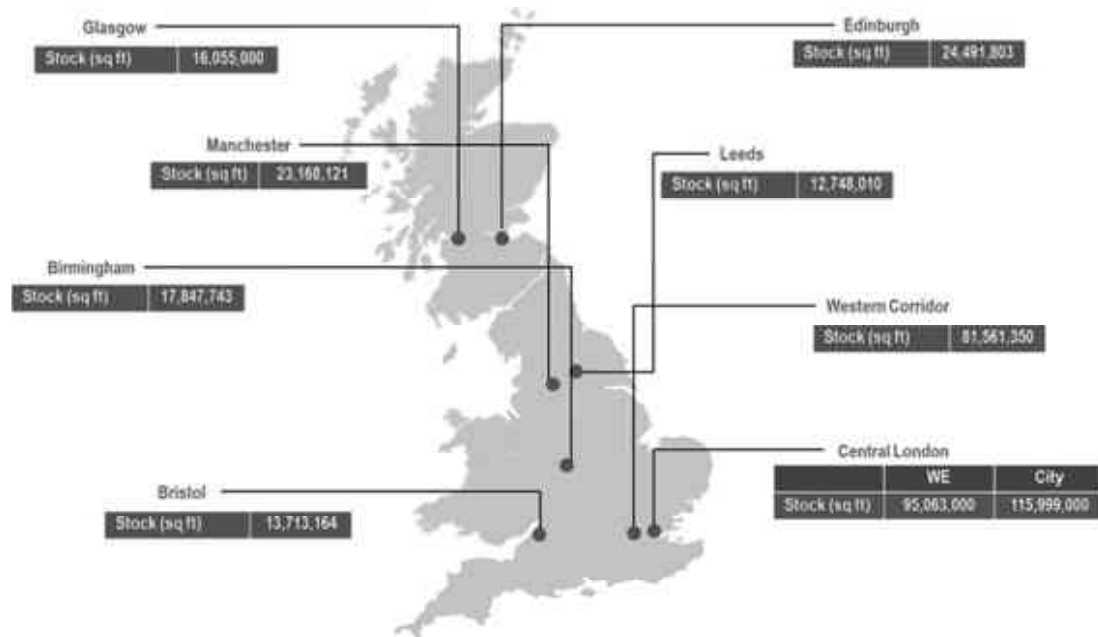
A number of key occupational drivers support sustained investment in Central London:

- **Take-up:** Despite the political uncertainty of the past few years, the Central London office leasing market has remained relatively stable. In only one quarter – Q2 2016, just before the EU referendum – did volumes dip below 2m sq ft. In Q2 2015, volumes reached their highest since the GFC, at just under 4m sq ft. Over the past five years, on average, the market has seen an average of 11.4m sq ft of office take-up, comprising 6.3m sq ft in the City (55%), 4.0m sq ft in the West End (35%) and 1.1m sq ft in East London (10%). Leasing volumes have remained robust despite the political uncertainty. London has retained its appeal as an international headquarters, given mainly the access to skilled talent, its universities, its flexible labour markets and its global transport connections. However, much of the resilience is a result of the fact that much of the demand is structural (i.e. driven by lease events, rather than expansion or consolidation).
- **Supply:** Vacancy rates in the West End and City both stood at 4.3% at the end of Q2 2019. This is in line with the average for the West End, and rather lower than average for the City. East London vacancy increased sharply in Q2 2019 as a result of new completions, with the stock increasing by some 465,000 sq ft in the one quarter. The market is significantly smaller than the other two and consequently one completion (or, indeed, one letting) can markedly change vacancy.
- **Development pipeline:** The current year, 2019, looks set to be a relatively strong year for completions, with 4.0m sq ft already developed although 65% of this had already been pre-let upon completion. In addition, a further 3.4m sq ft of upcoming supply has also been pre-let or presold to occupiers, leaving only 1m sq ft of new speculative space and 0.4m sq ft of refurbished space for the second half of the year. It is worth noting the high proportions of stock that have been pre-leased already for 2020, 2021 and 2022. The tight market conditions, and low development starts of the past few years have prompted many occupiers to look ahead to find the right office space, particularly as many companies are more focussed than before on quality and amenities, in a drive to improve staff retention, recruitment and efficiency. Beyond 2020, when some 4.2m sq ft of new and refurbished space will be delivered, the pipeline looks relatively thin. As usual, the delivery is skewed towards the City, with 4.3m sq ft of new and refurbished space due between Q3 2019 and the end of 2021, compared to 1.7m sq ft in the West End and 0.8m sq ft in East London.
- **Rents:** Prime rents have been relatively stable across Central London. In the City, low supply has meant that rents have increased for the first time since Q4 2015 to £72.50 per sq ft. West End prime rents fell back around the time of the referendum but have increased somewhat over the past year and at the time of writing stood at £117.50, having risen by £2.50 in Q2 2019. With the development of more London submarkets, and the increasing interest of London occupiers in previously fringe locations, these prime rents can be misleading. There are now higher rents in City submarkets such as Clerkenwell than in the City core, for example. In the West End, the prime rent applies to the Mayfair and St James submarkets, and in much of the remainder of the market rents of around £90 psf are more typical. Prime rents should not be seen as reflective of a market average. Rather, they are the best achievable rent in the core of that market; most achieved rents will form a tail behind the prime rent, although there will be some outliers at higher levels.

REGIONAL CITIES

The major markets outside Central London are:

- West London, the relatively diffuse office market located between Heathrow and Hammersmith, west of the West End
- Thames Valley, the area between Heathrow and Newbury, mainly along the M3, M4 and M40 corridors, and focussed on Reading. This area was historically popular with large companies, particularly US tech, seeking campus-type offices near Heathrow. Together with West London, this area is referred to as the Western Corridor.
- The 'Big Six' regional cities: Birmingham, Bristol, Edinburgh, Glasgow, Leeds and Manchester



Looking at total take-up in each of these areas over the past five years gives a rough indication of the relative size of these markets. Note that for the Big Six cities, this only includes city centre take-up.

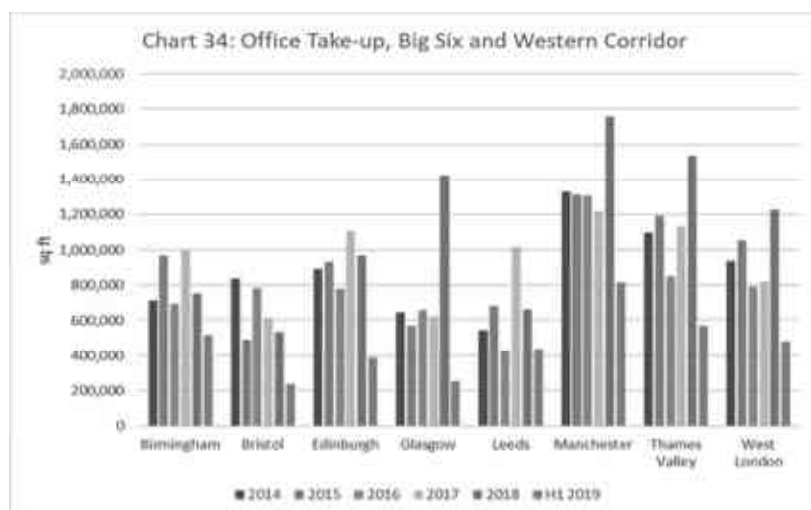
Market	Take-up, Q3 2014 to Q2 2019
Manchester	6.94m sq ft
Thames Valley	5.94m sq ft
West London	4.94m sq ft
Edinburgh	4.58m sq ft
Birmingham	4.43m sq ft
Glasgow	3.94m sq ft
Leeds	3.53m sq ft
Bristol	3.20m sq ft

Source: JLL

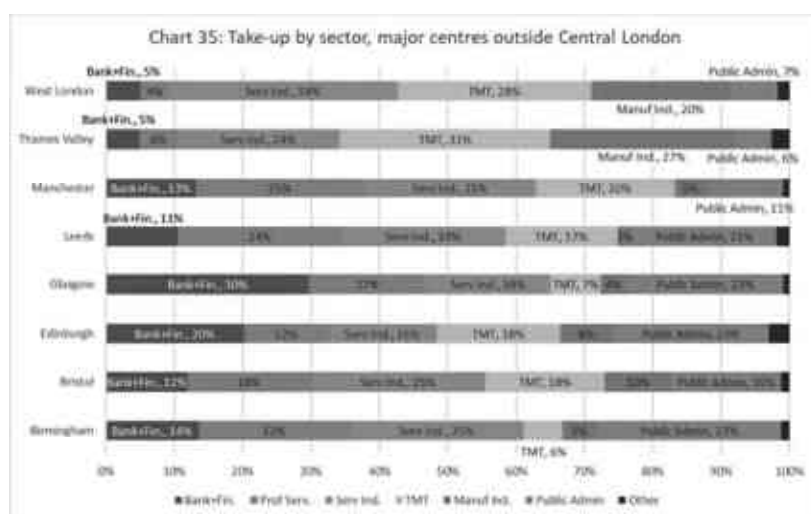
The chart below shows take-up within these cities and markets. Over past few years, the Big Six markets have been successively breaking records for take-up, with Glasgow (2018), Leeds (2017) and Birmingham (2017) recording more than 1m sq ft of take-up in a year for the first time, and Edinburgh (2017) the first since 2004. Nevertheless, it is evident that Manchester has become the most active of the Big Six markets by some distance, recording well in excess of 1m sq ft over each of the past five years. This reflects its broad sectoral mix, its strong position as a regional capital, its university offer and its international airport.

The Western Corridor markets, while seeing less activity over recent years than during the 1990s and 2000s with the tech focus moving to Central London, take-up volumes have remained stronger than any of the city markets other than Manchester – indeed, taken together they still represent the largest market outside Central London. Take-up in 2018 was particularly strong however – the strongest since 2013.

As with London, H1 2019 has been relatively robust, with Birmingham, Leeds, Manchester and the Western Corridor markets all reporting particularly strong activity.



Source: JLL



Source: JLL

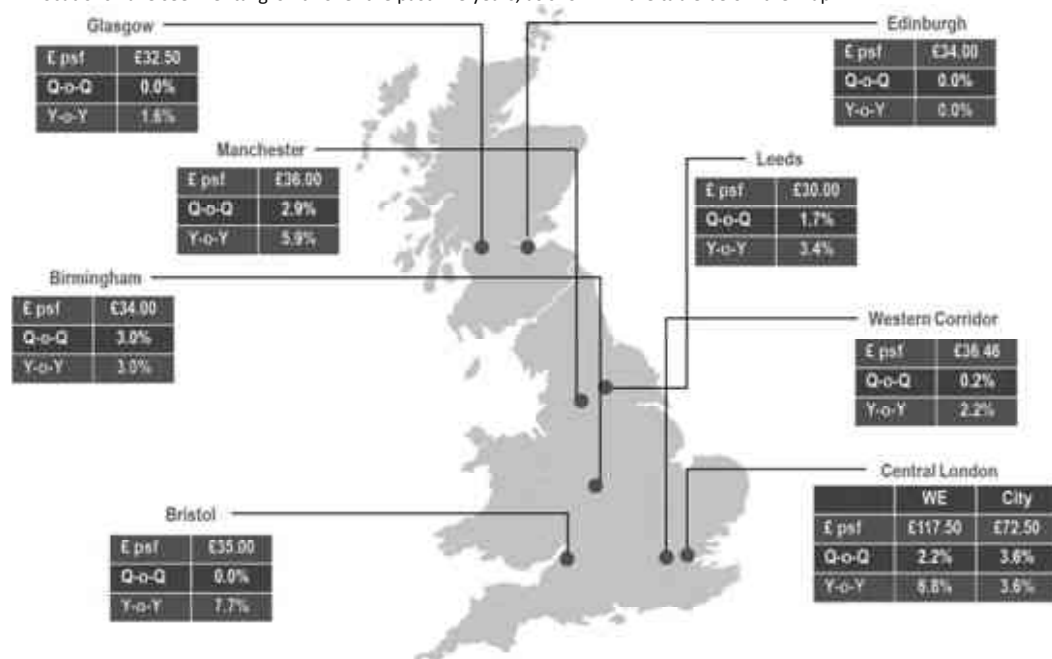
The sectoral mix within recent take-up varies considerably by market. West London and the Thames Valley still see high levels of TMT take-up and the presence of a large oil & gas and corporate sector explains the high proportion of manufacturing-related take-up. The Big Six cities are also more dependent on the public sector, with the possible exception of Manchester.

The cities mostly have a broad sectoral mix, but the higher proportions of TMT in Manchester, Edinburgh and Bristol are notable, as is the skew towards Professional Services in Birmingham, Leeds and Manchester. The high proportion of Banking & Finance in Glasgow is a result of large recent deals to companies such as Barclays and Morgan Stanley, reflecting its attractiveness for back office functions for many companies. The service industry is strong throughout the Big Six (unlike in the Western Corridor) although over the last eighteen months, as in London, much of this is the emergent flex space sector.

JLL has identified 3.6m sq ft of requirements in the Big Six (this figure is not exhaustive), with demand split relatively equally among professional, public sector, TMT, serviced offices and banking & finance (although TMT accounts for slightly more, at 22% of the total).

The map below shows the major locations, the rents for each and recent growth. Manchester has the highest rents of any of the Big Six, with prime rents now at £36.00 per sq ft – although average West London rents (the average of a prime rent across several locations) are still higher at £40.36 per sq ft. (Thames Valley rents stand at £32.57 per sq ft).

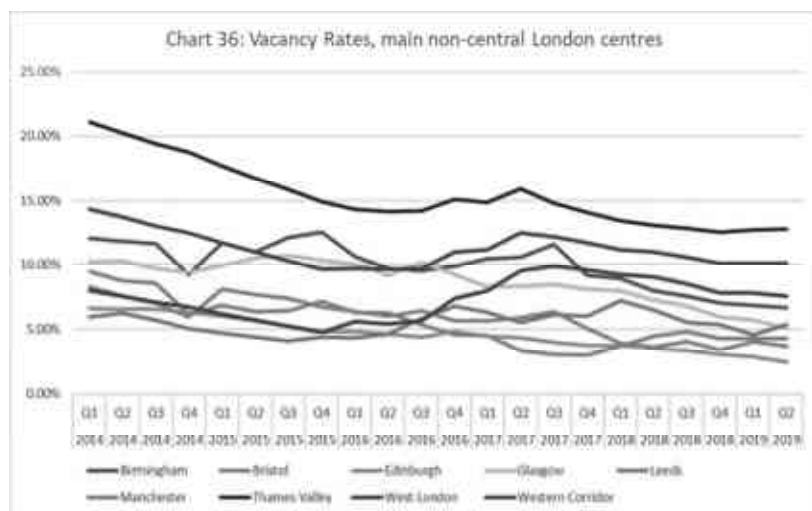
All locations have seen rental growth over the past five years, as shown in the table below the map.



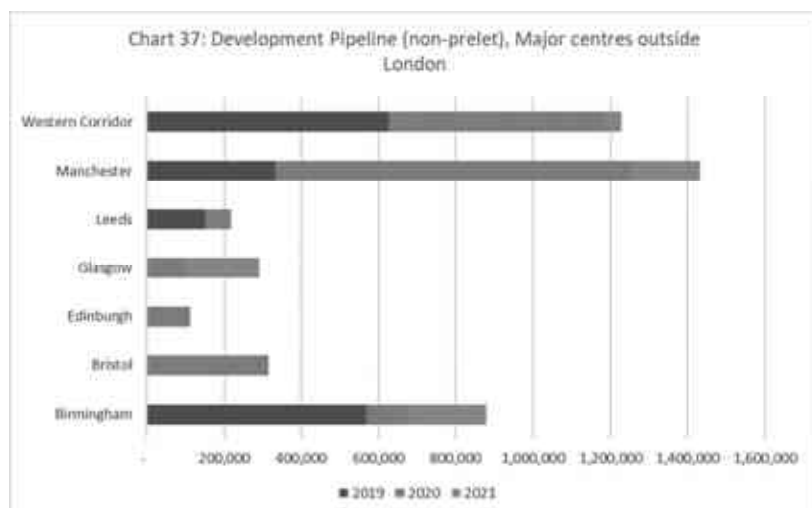
City	Rental Growth since Q2 2014
Bristol	27%
Thames Valley	26%
Leeds	20%
Birmingham	19%
Western Corridor	17%
Edinburgh	15%
Glasgow	14%
Cardiff	14%
Manchester	13%
West London	11%

Source: JLL

Vacancy rates for all the major centres have been on a downward trend for the past five years. Development has been limited compared to previous cycles. Caution has remained the watchword since the financial crisis, exacerbated by a more difficult financing environment and the refocussing of many of the larger office REITs on London. Vacancy rates are now critically low in Edinburgh (2.44%) and Manchester (3.70%).



Source: JLL



Source: JLL

The chart above shows space that is being, or definitely will be, developed speculatively in each location and has not been preleased during construction. The pipeline in the Big Six is highly concentrated in Manchester (over 1.4m sq ft) and Birmingham (just under 900k sq ft), with the focus predominately on new build space, with 75% on speculative space under construction in the Big 6, classified as new build. There is very little under development in the other four cities, which when combined with low vacancy rates, implies significant upward pressure on rents if demand remains robust. The pipeline is more significant in the Thames Valley and West London, although it is not particularly high by historic standards.

There are other schemes which could potentially be delivered over the timeline, which are not confirmed as definitely going ahead, particularly if the period is extended to 2022 and 2023. The total size of these schemes is given below:

	Potential 2019-2021	Potential 2022-2023
Birmingham	374,397 sq ft	520,000 sq ft
Bristol	390,000 sq ft	100,000 sq ft
Edinburgh	0	265,000 sq ft
Glasgow	95,000 sq ft	0
Leeds	290,000 sq ft	0
Manchester	255,000 sq ft	598,400 sq ft
Thames Valley	374,000 sq ft	238,640 sq ft
West London	408,000 sq ft	1,021,002 sq ft

Source: JLL

n.b. The figures for potential development should be seen as a maximum; not all schemes will proceed, several could be delayed in planning or for financial reasons, and phasing will be involved. We cannot guarantee that the numbers are exhaustive.

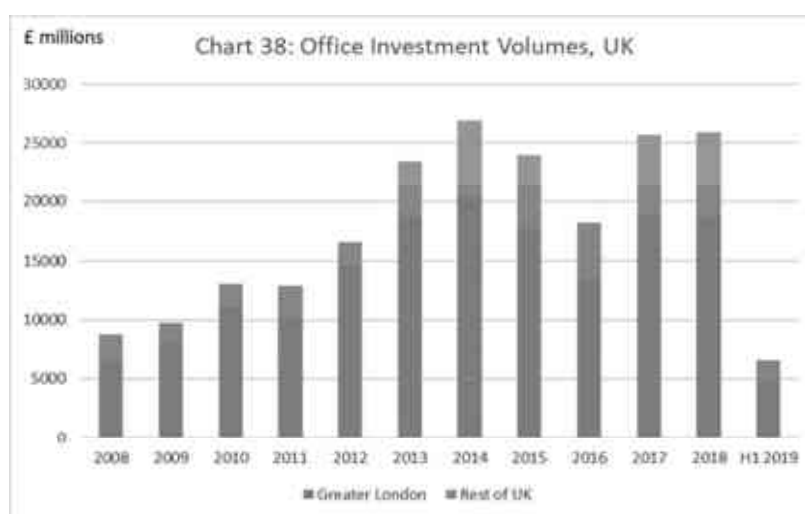
These figures include refurbishments, except for Edinburgh & Glasgow (new build only).

The Office Investment Market

The Office Market is the most transacted commercial sector in UK real estate, accounting for 43% of all transactions by value since 2014, although this is skewed by the 73% share in Greater London. Nevertheless, in most UK regions offices represented at least 25% of volumes over the period. The main exceptions are the North East and the East Midlands, where either there is proportionally less investible office stock or other sectors (such as logistics in the 'golden triangle' of the East Midlands) dominate the market.

As the graph below shows, volumes increased markedly from the end of the financial crisis, peaking in 2014 at £26.9m. Volumes fell back around the time of the EU referendum but rebounded strongly, with over £25m traded in 2017 and 2018. However, volumes in H1 2019 are the lowest for several years, with just £6.6m transacted.

The market outside London followed a broadly similar path, but volumes actually reached their highest level after the EU referendum, with volumes reaching £7.0bn in 2017 and £7.3bn in 2018, an all-time record. This is not an unusual pattern in property cycles, as investors move out of London to seek higher returns as yields in the capital compress.

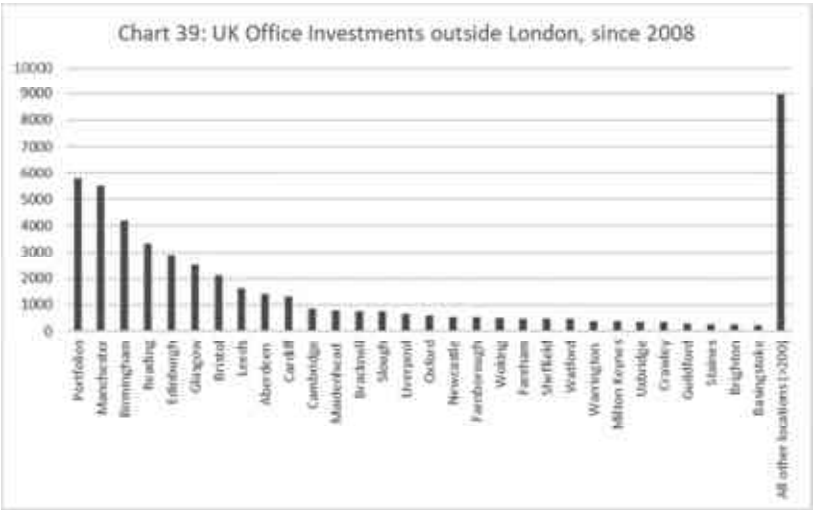


Source: JLL

As the graph shows, Greater London dominates the UK office investment market. Over the past five years, some £162.2bn of transactions took place in London, or 77% by value.

For comparison, Greater Manchester and the Birmingham conurbation totalled £5.5bn and £4.2bn respectively. However, within the market outside London, the 'Big Six' cities – Manchester, Birmingham, Edinburgh, Glasgow, Bristol and Leeds – together with Reading represent 50.7%

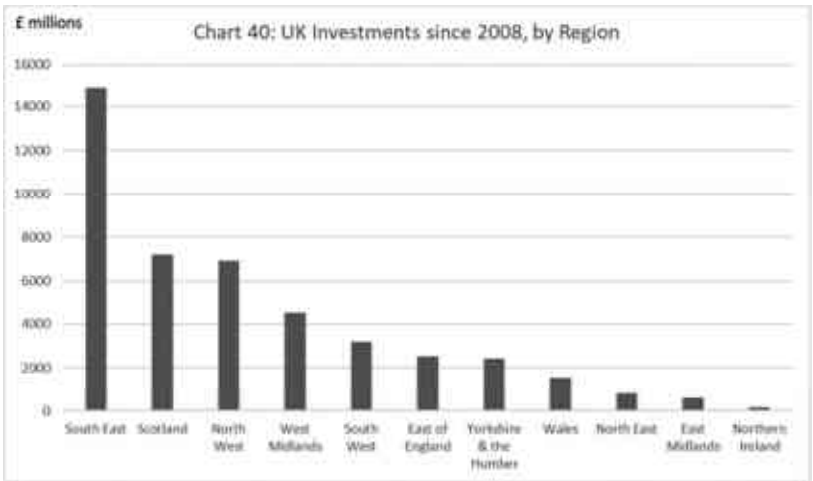
of transactions by volume. Two other cities – Cardiff and Aberdeen – have seen more than £1bn of deals. The list of locations seeing more than £500m is composed of more significant Western Corridor markets such as Maidenhead, Bracknell and Slough as well as Oxford, Cambridge and the two largest non-big 6 cities, Newcastle and Liverpool.



Source: JLL

n.b: For larger cities, e.g. Manchester, Birmingham, Leeds, Liverpool, Newcastle and Sheffield, the area used is the relevant metropolitan county (Greater Manchester, West Midlands, West Yorkshire, Merseyside, Tyne & Wear, South Yorkshire). For Bristol, Bath is also included. Towns within the Edinburgh and Glasgow conurbation have also been included where appropriate. Portfolios are included, some of which may feature Greater London properties.

It is also possible to look at the profile of investment by region, which in some ways provides a clearer picture. The South East is by far the most invested area outside London (£14.9bn), with more than twice the volumes seen in Scotland (£7.2bn) and the North West (£6.9bn). In some regions, such as Wales, the North East and the East Midlands, there has been relatively low levels of investment in offices.



Source: JLL

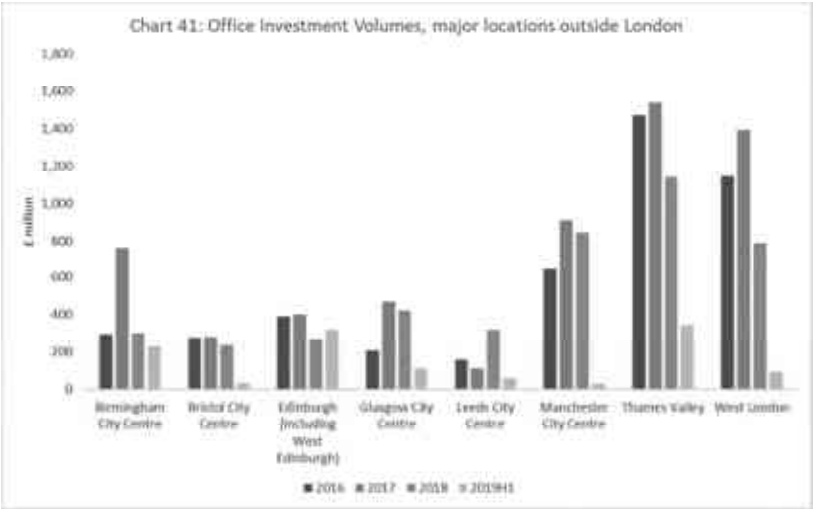
Office investment generally attracts a high degree of international investment. Overall, since the start of 2014, some 37% of office transactions, weighted by value, involved overseas purchasers, rising to 50% in Scotland and 72% in Greater London. In many regions, such as the North West and North East, overseas investors were less prominent, accounting for a quarter or less of the market over the same period.

There are some other significant differences in investment patterns between regions. Since 2014, Asia-Pacific investors have accounted for 41% of all international investment in offices, followed by European investors (20%), followed by North American investors (17%), with global funds and the Middle East accounting for 11% each.

These patterns are similar in Greater London and the South East, where Asia-Pacific investors were dominant over the period, accounting for 44% and 45% of international deals respectively. However, in Scotland and the North West, European investors were the largest group, representing 39% and 50% of cross-border transactions respectively. Indeed, in these markets – the two largest regionally outside London and the South East – Asia-Pacific investors were relatively or almost totally absent (10% and 3% respectively).

Looking across other regions, European, and to a lesser extent, North American investment is far more common than that from Asia-Pacific, the opposite of the case in London and the South East. There is no clear variation in the type of buyer active in the market by region, although the London and South East market tends to be more diverse, partly a result of its size.

Outside Greater London, a substantial proportion of office investment is focussed on the Thames Valley, the Big Six city centres of Manchester, Birmingham, Glasgow, Leeds and Bristol, and Edinburgh. Since 2015, these seven locations have accounted for over half (52%) of all investment outside the M25. Within the Big Six, Manchester accounted for 30% and Birmingham for 20%, meaning the two largest cities outside London account for half of the big six total.



Source: JLL

ASSET PROFILES SUMMARY TABLE (SEE BELOW)

S/ N	Property	Address	City / town	Usage	Location	Nearest Jobcentre		Nearest train station		Nearest bus stop		Number of amenities within 0.5-mile radius			
						Jobcentre location	Distance (miles)	Train station	Distance (Mins walked)	Bus stop location	Distance (Mins walked)	Super - markets *	Medical Practices **	Pubs and Restaurants	Schools ***
LONDON & THE SOUTH EAST															
1	Nutwood House, Canterbury	Chaucer Road, Canterbury, CT1 1ZZ	Canterbury	Back Office	City Centre	Ashford	15.0	Canterbury West	22	Law Courts	1	2	2	6	5
2	Broadlands House, Newport (IOW)	Staplers Road, Newport, Isle of Wight, PO30 2HX	Newport (IOW)	Job Centre Plus	Town centre	Ryde	6.7	Smallbrook Junction	136	Broadlands House	5	5	2	27	4
3	Beaufort House, Harlow	Crown Gate, Harlow, CM20 1NA	Harlow	Job Centre Plus	Town centre	Hertford	9.2	Harlow Town	19	College Grounds	6	5	4	9	8
4	Crown House, Chatham	The Brook, Chatham, ME4 4LQ	Chatham	Job Centre Plus	Town centre	Maidstone	9.0	Chatham	10	Pentagon Bus Station	5	2	3	13	5
5	High Road, Ilford	564-570 High Road, Ilford, IG3 8EJ	Ilford	Job Centre Plus	Town centre	Barking	2.7	Seven Kings	3	New Road Seven Kings	1	2	3	1	6
6	Crown House, Worthing	High Street, Worthing, BN11 1NG	Worthing	Job Centre Plus	Town centre	Hove	8.4	Worthing	13	High Street	1	6	9	29	4
7	The Forum, Stevenage	Stevenage, SG1 1EZ	Stevenage	Job Centre Plus /Retail	Town centre	Letchworth	6.2	Stevenage	9	The Forum	4	4	1	5	2
8	Palting House, Folkestone	Trinity Road, Folkestone, CT20 2RH	Folkestone	Job Centre Plus	Edge of town	Dover	10.2	Folkestone Central	10	Civic Centre	5	5	3	12	3
9	Crown Buildings,	40 Chapel Street South, Colchester,	Colchester	Job Centre	Edge of town	Witham	14.0	Colchester Town	8	Police Station	2	5	4	37	5

S/ N	Property	Address	City / town	Usage	Location	Nearest Jobcentre		Nearest train station		Nearest bus stop		Number of amenities within 0.5-mile radius			
						Jobcentre location	Distance (miles)	Train station	Distance (Mins walked)	Bus stop location	Distance (Mins walked)	Super - markets *	Medical Practices **	Pubs and Restaurants	Schools ***
Colchester CO2 7AZ Plus															
10	Crown Building, Banbury	Southam Road, Banbury, OX16 2EX	Banbury	Job Centre Plus	Edge of town	Daventry	17.9	Banbury	14	Coopers Gate	1	5	3	24	3
11	St Andrew's House, Bury St Edmunds	St Andrew's Street North, Bury St Edmunds, IP33 1TT	Bury St Edmunds	Job Centre Plus	Town centre	Mildenhall	19.1	Bury St Edmunds	9	Bus Station	1	6	5	33	4
12	Wyvern House, Bedford	53-57 Bromham Road, Bedford, MK40 2EH	Bedford	Job Centre Plus	Town centre	Biggleswade	11.8	Bedford Midland	7	Lansdowne Road	4	6	9	38	4
13	Gloucester House, Bognor Regis	High Street, Bognor Regis, PO21 1HH	Bognor Regis	Job Centre Plus	Town centre	Chichester	7.0	Bognor Regis	10	Gloucester Road	1	3	1	10	2
14	Rishton House, Lowestoft	Clapham Road South, Lowestoft, NR32 1RW	Lowestoft	Job Centre Plus	Town centre	Beccles	10.2	Lowestoft	4	Bus Station	2	3	3	3	4
15	South Western House, Aldershot	Station Road, Aldershot, GU11 1HP	Aldershot	Job Centre Plus	Town centre	Farnborough	4.0	Aldershot	2	Bus Station	1	3	1	15	3
16	East Street, Epsom	50 East Street, Epsom, KT17 1HQ	Epsom	Job Centre Plus	Town centre	Sutton	6.4	Epsom	8	Rainbow Leisure Centre	1	6	6	21	2
SOUTH WEST															
17	Spring Gardens House, Swindon	Princes Street, Swindon, SN1 2HY	Swindon	Job Centre Plus	Town centre	Cirencester	15.1	Swindon	10	Fleming Way	2	7	9	24	2

S/ N	Property	Address	City / town	Usage	Location	Nearest Jobcentre		Nearest train station		Nearest bus stop		Number of amenities within 0.5-mile radius			
						Jobcentre location	Distance (miles)	Train station	Distance (Mins walked)	Bus stop location	Distance (Mins walked)	Super - markets *	Medical Practices **	Pubs and Restaurants	Schools ***
18	Brendon House, Taunton	Upper High Street, Taunton, TA1 3RL	Taunton	Job Centre Plus	Town centre	Bridgwater	11.5	Taunton	19	Market House	4	7	1	3	5
19	Lodge House, Bristol	Fishponds Roads, Bristol, BS16 3HZ	Bristol	Back Office	City Suburb	Horfield	3.2	Stapleton Road	32	Lodge Causeway	1	5	4	2	5
20	St Paul's House, Chippenham	Marshfield Road, Chippenham, SN15 1LA	Chippenham	Back Office	Town Centre	Devizes	11.0	Chippenham	5	Station Hill	1	5	1	21	2
21	Cotswold House, Torquay	Warren Road, Torquay, TQ2 5UX	Torquay	Back Office	Town Centre	Brixham	7.6	Torquay	19	St Lukes Road North	6	3	1	17	2
22	Regent House, Weston Super Mare	High Street, Weston Super Mare, BS23 1JH	Weston Super Mare	Job Centre Plus/ Retail	Town centre	Clevedon	11.0	Weston-Super-Mare	11	High Street	1	3	2	21	6
23	Summerlock House, Salisbury	Summerlock Approach, Salisbury, SP2 7RW	Salisbury	Job Centre Plus	City Centre	Ringwood	16.7	Salisbury	7	Tesco	1	5	6	18	7
24	Monks Park Avenue, Bristol	1 Monks Park Avenue, Horfield, BS7 0UD	Bristol	Job Centre Plus	City Suburb	Bristol Temple Street	4.2	Filton Abbey Wood	24	Monk's Park Avenue	1	3	3	0	3
25	Kent Street, Bristol	17-19 Kent Street, Bedminster, Bristol, BS3 3NW	Bristol	Job Centre Plus	City Suburb	Bristol Temple Street	1.3	Bedminster	9	West Street	1	7	4	0	6
MIDLANDS															
26	Holborn House, Derby	Wyvern Business Park, Stanier Way, Derby, DE21 6BF	Derby	Call Centre	Business Park	Ilkeston	7.2	Spondon	59	Stephensons Way	1	2	1	1	1

S/ N	Property	Address	City / town	Usage	Location	Nearest Jobcentre		Nearest train station		Nearest bus stop		Number of amenities within 0.5-mile radius				
						Jobcentre location	Distance (miles)	Train station	Distance (Mins walked)	Bus stop location	Distance (Mins walked)	Super - markets *	Medical Practices **	Pubs and Restaurants	Schools ***	
27	Lothersdale House, Wellingborough	West Villa Road, Wellingborough, NN8 4TA	Wellingborough	Job Centre Plus	Town Centre	Rushden	6.1	Wellingborough	22	Morrisons	2	4	2	1		7
28	Upper Huntbach Street, Stoke On Trent	91 Upper Huntbach Street, Hanley, Stoke on Trent, ST1 2BX	Stoke On Trent	Job Centre Plus	Edge of town	Newcastle-under-Lyme	3.1	Stoke-On-Trent	35	Upper Huntbach Street	1	3	6	8		4
29	Crown House, Grantham	49A Castlegate, Grantham, NG31 6SY	Grantham	Job Centre Plus	Town centre	Sleaford	14.1	Grantham	14	National Junior School	3	5	4	3		9
30	Beecroft Road, Cannock	Beecroft Road, Cannock, WS11 1JR	Cannock	Job Centre Plus	Town centre	Brownhills	5.7	Cannock	11	Bus Station	4	5	6	16		7
31	Crown Buildings, Ilkeston	58 South Street, Ilkeston, DE7 8TU	Ilkeston	Job Centre Plus	Edge of town	Heanor	4.3	Ilkeston	23	Health Centre	1	5	4	0		8
32	Tannery House, Alferton	King Street, Alferton, DE55 7AF	Alferton	Job Centre Plus	Town centre	Heanor	7.4	Alferton	22	King Street	4	5	2	4		8
33	Acacia Walk, Nottingham	3 Acacia Walk, Beeston, Nottingham, NG9 2LW	Nottingham	Job Centre Plus	City Suburb	Long Eaton	3.7	Beeston	13	Bus Station	3	5	3	1		2
34	Crown House, Burton On Trent	New Street, Burton on Trent, DE14 3SL	Burton On Trent	Job Centre Plus	Town centre	Swadincote	5.0	Burton-On-Trent	13	New Street	1	7	4	22		3
YORKSHIRE & HUMBERSIDE																

S/ N	Property	Address	City / town	Usage	Location	Nearest Jobcentre		Nearest train station		Nearest bus stop		Number of amenities within 0.5-mile radius			
						Jobcentre location	Distance (miles)	Train station	Distance (Mins walked)	Bus stop location	Distance (Mins walked)	Super - markets *	Medical Practices **	Pubs and Restaurants	Schools ***
35	Elder House, Northallerton	East Street, Northallerton, DL6 1NU	Northallerton	Job Centre Plus	Town centre	Richmond	15.8	Northallerton	15	Town Hall	4	4	6	19	3
36	Low Hall, Pontefract	Market Street, Hemsworth, Pontefract, WF9 4HP	Pontefract	Job Centre Plus	Town centre	Pontefract	7.1	Fitzwilliam	38	Stand D Hemsworth Bus Station	2	3	1	10	6
37	Crown Buildings, Mexborough	Adwick Road, Mexborough, S64 0BD	Mexborough	Job Centre Plus	Edge of town	Wombwell	5.5	Mexborough	20	Arnold Crescent	1	0	1	0	5
38	Mulberry House, Goole	North Street, Goole, DN14 5RA	Goole	Job Centre Plus	Edge of town	Thorne	10.7	Goole	7	Goole North Street	1	5	3	12	3
<u>NORTH EAST</u>															
39	St Andrew's House, Hexham	Haugh Lane, Hexham, NE46 3RB	Hexham	Job Centre Plus	Edge of town	Consett	18.3	Hexham	9	Aldi	2	6	2	11	3
40	Ward Jackson House, Hartlepool	Wesley Square, Hartlepool, TS24 8EZ	Hartlepool	Job Centre Plus	Edge of town	Billingham	7.6	Hartlepool	7	Swainson Street	2	6	8	19	4
41	Hadrian House, Eston	81 High Street, Eston, Middlesbrough, TS6 9EH	Eston	Job Centre Plus	Town centre	Middlesbrough East	2.9	South Bank	49	Eston Square	1	3	0	2	2
42	Broadway House, Houghton Le Spring	Frederick Place, Houghton Le Spring, DH4 4AH	Houghton Le Spring	Job Centre Plus	Town centre	Chester-Le-Street	5.1	Chester-Le-Street	102	Houghton-Le-Spring	4	2	3	1	3

S/ N	Property	Address	City / town	Usage	Location	Nearest Jobcentre		Nearest train station		Nearest bus stop		Number of amenities within 0.5-mile radius			
						Jobcentre location	Distance (miles)	Train station	Distance (Mins walked)	Bus stop location	Distance (Mins walked)	Super - markets *	Medical Practices **	Pubs and Restaurants	Schools ***
43	John Street, Sunderland	60-66 John Street, Sunderland, SR1 1QT	Sunderland	Job Centre Plus	City Centre	Southwick	1.5	Sunderland	3	John Street	1	4	7	43	1
44	Reiverdale House, Ashington	Reiverdale Road, Ashington, NE63 9YU	Ashington	Job Centre Plus	Edge of town	Bedlington	7.4	Pegswood	67	Hawthorn Road Top	3	4	2	0	2
45	Hatfield House, Peterlee	St Cuthberts Road, Peterlee, SR8 1PB	Peterlee	Job Centre Plus	Town centre	Seaham	7.7	Seaham	135	St Cuthberts Road	2	5	5	1	2
46	St John's Square, Seaham	St Johns Square, Seaham, SR7 7JE	Seaham	Job Centre Plus	Town centre	Sunderland	6.3	Seaham	13	Bus Station	1	4	2	2	3
47	Norham House, Berwick Upon Tweed	15 Walkergate, Berwick Upon Tweed, TD15 1DS	Berwick Upon Tweed	Job Centre Plus	Town centre	Eyemouth	8.6	Berwick-Upon-Tweed	9	Chapel Street	1	0	3	17	3
<u>NORTH WEST</u>															
48	Peel Park, Blackpool	Brunel Way, Blackpool, FY4 5ES	Blackpool	Back Office	Business Park	St Annes	6.0	Blackpool South	55	DWP Peel Park	4	1	0	0	0
49	Hilden House, Warrington	Winnarleigh Street, Warrington, WA1 1LA	Warrington	Back Office	Town centre	Widnes	6.2	Warrington Bank Quay	5	Town Hall	2	6	10	22	3
50	Blackburn Road, Burnley	Blackburn Road, Burnley, BB12 7NQ	Burnley	Call Centre	Business Park	Accrington	4.0	Hapton	48	Shuttleworth Mead	2	0	0	0	0
51	Mitre House, Lancaster	Church Street, Lancaster,	Lancaster	Job Centre	City Centre	Morecambe	3.3	Lancaster	10	Bus Station	3	6	6	23	5

S/ N	Property	Address	City / town	Usage	Location	Nearest Jobcentre		Nearest train station		Nearest bus stop		Number of amenities within 0.5-mile radius			
						Jobcentre location	Distance (miles)	Train station	Distance (Mins walked)	Bus stop location	Distance (Mins walked)	Super - markets *	Medical Practices **	Pubs and Restaurants	Schools ***
	Lancaster	LA1 1EQ		Plus						Taxi Rank					
52	Heron House, Stockport	Wellington Street, Stockport, SK1 3BE	Stockport	Job Centre Plus	Town centre	Didsbury	4.4	Stockport	6	Heron House	2	5	4	39	6
53	Duchy House, Preston	96 Lancaster Road, Preston, PR1 1NS	Preston	Back Office	City Centre	Leyland	7.0	Preston	12	Great Times	1	9	7	28	4
54	Palatine House, Preston	Lancaster Road, Preston, PR1 1NS	Preston	Back Office	City Centre	Leyland	7.0	Preston	12	Great Times	1	9	7	28	4
55	St Martin's House, Bootle	Stanley Road, Bootle, L69 9BN	Bootle	Back Office	Town centre	Everton	3.1	Bootle Oriol Road	7	St Martins House	1	5	7	3	3
56	Wilmslow Road, Manchester	96 Wilmslow Road, Manchester, M14 5BJ	Manchester	Job Centre Plus	City Suburb	Alexandra Park	1.4	Levenshulme	38	Rusholme Ctr	1	2	6	11	5
57	Beech House, Hyde	Clarendon Road, Hyde, SK14 2LP	Hyde	Job Centre Plus	Town centre	Ashton-under-Lyne	3.1	Hyde Central	8	Beech House	1	6	4	18	4
58	Lee-Moran House, Burnley	Victoria Street, Burnley, BB11 1DD	Burnley	Job Centre Plus	Town centre	Nelson	4.5	Burnley Manchester Road	11	Chicago Rock Taxi Rank	2	7	6	10	4
59	Roydale House, Leigh	2-10 Windermere Road, Leigh, WN7 1UT	Leigh	Job Centre Plus	Town centre	Ashton-in-Makerfield	7.2	Hag Fold	58	The Avenue	1	11	7	10	6
60	Hougoumont House,	29 Hougoumont Avenue, Waterloo,	Liverpool	Job Centre	City Suburb	Bootle	2.7	Waterloo (Merseyside)	4	South Road	1	3	5	10	3

S/ N	Property	Address	City / town	Usage	Location	Nearest Jobcentre		Nearest train station		Nearest bus stop		Number of amenities within 0.5-mile radius				
						Jobcentre location	Distance (miles)	Train station	Distance (Mins walked)	Bus stop location	Distance (Mins walked)	Super - markets *	Medical Practices **	Pubs and Restaurants	Schools ***	
	Liverpool	Liverpool, L22 0PB		Plus												
61	Springfield House, Liverpool	416 Eaton Road, Liverpool, L12 3HT	Liverpool	Job Centre Plus	City Suburb	Huyton	2.9	Broad Green	23	East Prescott Road	3	2	3	2	5	
62	Silver Street, Bury	Silver Street, Bury, BL9 0DP	Bury	Job Centre Plus	Town centre	Heywood	3.6	Kearsley	109	Art Gallery (Stop LL)	1	5	7	15	10	
63	Roskell House, Fleetwood	11-27 Kemp Street, Fleetwood, FY7 6JX	Fleetwood	Job Centre Plus	Town centre	Blackpool	8.0	Poulton-Le-Fylde	125	London Street (Blackpool Tramway)	1	4	3	15	2	
SCOTLAND																
64	Glasgow Benefits Centre, Glasgow	Northgate, 96 Milton Street, Glasgow, G4 0DX	Glasgow	Back Office	City Centre	Laurieston	1.9	Glasgow Queen Street	13	William Harley Library	6	7	0	72	2	
65	Parklands, Falkirk	Callendar Boulevard, Falkirk, FK1 1XT	Falkirk	Back Office	Business Park	Grangemouth	2.8	Falkirk Grahamston	32	Ramsay Avenue	10	1	0	2	3	
66	Atlas Road, Glasgow	200 Atlas Road, Glasgow, G21 4DL	Glasgow	Job Centre Plus	City Suburb	Laurieston	3.3	Springburn	4	Wellfield Street	4	1	3	4	4	
67	Coustonholm Road, Glasgow	8 Coustonholm Road, Glasgow, G43 1SS	Glasgow	Job Centre Plus	City Suburb	Laurieston	2.1	Pollokshaws East	3	Pollokshaws East Rail Station	3	7	6	9	4	
68	Bowling Green Street, Bellshill	417 Main Street, Bellshill, ML4 1HT	Bellshill	Job Centre Plus	City Suburb	Hamilton	4.1	Bellshill	13	Bellshill DSS	1	4	3	2	3	

S/ N	Property	Address	City / town	Usage	Location	Nearest Jobcentre		Nearest train station		Nearest bus stop		Number of amenities within 0.5-mile radius				
						Jobcentre location	Distance (miles)	Train station	Distance (Mins walked)	Bus stop location	Distance (Mins walked)	Super - markets *	Medical Practices **	Pubs and Restaurants	Schools ***	
69	Wallacetoun House, Ayr	John Street, Ayr, KA8 0BX	Ayr	Job Centre Plus/ Medical Centre	Edge of town	Irvine	13.5	Ayr	12	Albert Terrace	2	7	4	32	4	
70	Claverhouse Industrial Park, Dundee	6 Jack Martin Way, Dundee, DD4 9FF	Dundee	Call Centre	Business Park	Forfar	13.6	Dundee	64	Pensions Office	1	1	0	0	2	
71	Crown Building, Kilnarnock	12 and 14 Woodstock Street, Kilnarnock, KA1 2BN	Kilnarnock	Job Centre Plus	Edge of town	Irvine	7.4	Kilnarnock	8	Nelson Street	3	5	5	1	5	
72	Flemington House, Motherwell	600 Windmillhill Street, Motherwell, ML1 2HN	Motherwell	Job Centre Plus	Edge of town	Hamilton	3.2	Shieldmuir	20	Fern Street	2	2	3	0	5	
73	Whitburn Road, Bathgate	31-33 Whitburn Street, Bathgate, EH48 1HG	Bathgate	Job Centre Plus	Town centre	Livingston	8.2	Bathgate	10	Job Centre Plus	1	6	2	10	2	
74	Heron House, Falkirk	Wellside Place, Falkirk, FK1 5SE	Falkirk	Job Centre Plus	Town centre	Grangemouth	3.8	Falkirk Grahamston	9	Wellside Place	2	7	5	5	3	
75	Pollokshaws Road, Glasgow	159-181 Pollokshaws Road, Glasgow, G41 1PU	Glasgow	Job Centre Plus	Town centre	Newlands	2.3	Pollokshields East	12	Devon Street	1	2	3	7	2	
76	Trinity Road, Elgin	13-21 Trinity Road, Elgin, IV30 1RJ	Elgin	Job Centre Plus	Edge of town	Forres	12.4	Elgin	17	Trinity Road	2	5	4	3	6	

S/ N	Property	Address	City / town	Usage	Location	Nearest Jobcentre		Nearest train station		Nearest bus stop		Number of amenities within 0.5-mile radius			
						Jobcentre location	Distance (miles)	Train station	Distance (Mins walked)	Bus stop location	Distance (Mins walked)	Super - markets *	Medical Practices **	Pubs and Restaurants	Schools ***
77	Discovery House, Stornoway	2 Castle Street, Stornoway, HS1 2BA	Stornoway	Job Centre Plus	Town centre	Portree	80.1	Achnasheen	1104	Castle Street	2	2	1	20	1
78	St John Street, Stranraer	12 St John Street, DG9 7EL	Stranraer	Job Centre Plus	Town Centre	Girvan	29.3	Stranraer	14	Port Rodie	2	3	4	2	2
79	Hall Street, Campbeltown	40 Hall Street, Campbeltown, PA28 6BZ	Campbeltown	Job Centre Plus	Town centre	Girvan	188.5	Ardrossan Harbour	120	Campbeltown Ferry Terminal	10	2	2	6	2
80	Castlestead House, Montrose	4 Castle Place, Montrose, DD10 8AL	Montrose	Job Centre Plus	Town centre	Arbroath	12.5	Montrose	6	St Andrews Church	1	4	2	1	3
81	High Street, Dingwall	3 High Street, Dingwall, IV15 9HL	Dingwall	Job Centre Plus	Town centre	Inverness	13.8	Dingwall	5	Royal Hotel	1	2	2	9	2
82	Bayfield Road, Portree	Bayfield Road, Portree, Isle of Skye, IV51 9EN	Portree	Job Centre Plus	Town Centre	Stornoway	80.1	Kyle Of Lochalsh	678	Skye Batiks	2	1	2	19	2
83	Waggon Road, Leven	9 Waggon Road, Leven, KY8 4PT	Leven	Job Centre Plus	Town centre	Glenrothes	7.6	Markinch	116	Health Centre	1	4	1	1	1
WALES															
84	Parc Menai, Bangor	Parc Menai, Bangor, LL57 4FD	Bangor	Call Centre	Business Park	Caernarfon	6.8	Llanfairpwll	91	Ffordd y Parc	1	0	0	0	0
85	Crown Buildings, Bridgend	Angel Street, Bridgend, CF31 4AA	Bridgend	Job Centre Plus	Town centre	Porthcawl	7.6	Bridgend	8	Recreation Centre	4	5	2	25	5

S/ N	Property	Address	City / town	Usage	Location	Nearest Jobcentre		Nearest train station		Nearest bus stop		Number of amenities within 0.5-mile radius			
						Jobcentre location	Distance (miles)	Train station	Distance (Mins walked)	Bus stop location	Distance (Mins walked)	Super - markets *	Medical Practices **	Pubs and Restaurants	Schools ***
86	High Street, Swansea	37-38 High Street, Swansea, SA1 1LS	Swansea	Job Centre Plus	City Centre	Morrison	3.0	Swansea	2	Orchard Street	1	7	5	41	2
87	Crown Buildings, Caerphilly	Claude Road, Caerphilly, CF83 1WT	Caerphilly	Back Office	Edge of town	Pontypridd	7.3	Caerphilly	7	Wesley Methodist Chapel	3	1	0	1	3
88	Cleddau Bridge Business Park, Pembroke Dock	Pembroke Dock, SA72 6UP	Pembroke Dock	Call Centre	Business Park	Milford Haven	6.7	Pembroke Dock	18	Cleddau Bridge Business Park	1	0	0	2	0
89	Crown Buildings, Aberdare	Greenbach Street, Aberdare, CF44 7HU	Aberdare	Job Centre Plus/Back office	Edge of town	Merthyr Tydfil	6.8	Aberdare	12	Library	2	3	3	12	4
90	Oldway House, Swansea	Clase Road, Morriston, Swansea, SA6 8BT	Swansea	Job Centre Plus	City Suburb	Swansea	3.0	Llansamlet	39	Post Office	2	3	3	1	4
91	Thistle House, Tonypandy	Llwynypia Road, Tonypandy, CF40 2EP	Tonypandy	Job Centre Plus	Town centre	Porth	2.9	Llwynypia	12	Bus Station	2	2	2	3	1
92	Bridge Street, Llangefni	Bridge Street, Llangefni, LL77 7YJ	Llangefni	Job Centre Plus	Edge of town	Bangor	14.2	Llanfairpwll	121	Ysgol y Bont	1	4	4	2	0
93	Quay Street, Haverfordwest	16-20 Quay Street, Haverfordwest, SA61 1BH	Haverfordwest	Job Centre Plus	Town centre	Milford Haven	7.8	Haverfordwest	11	Quay Street	1	5	3	9	1
94	Hannah Street, Porth	35 Hannah Street, Porth, CF39 9RB	Porth	Job Centre Plus	Town centre	Tonypandy	2.8	Porth	8	Morrisons	1	3	2	1	3

S/ N	Property	Address	City / town	Usage	Location	Nearest Jobcentre		Nearest train station		Nearest bus stop		Number of amenities within 0.5-mile radius			
						Jobcentre location	Distance (miles)	Train station	Distance (Mins walked)	Bus stop location	Distance (Mins walked)	Super - markets *	Medical Practices **	Pubs and Restaurants	Schools ***
95	Crown Buildings, Abertillery	Portland Street, Abertillery, NP13 1YF	Abertillery	Job Centre Plus	Edge of town	Pontypool	10.1	Llanhilleth	59	Alma Street	3	2	1	1	1
96	Dock Street, Porthcawl	Dock Street, Porthcawl, CF36 3BL	Porthcawl	Job Centre Plus	Town centre	Bridgend	7.8	Pyle	84	Esplanade Hotel	2	1	2	9	2
97	Maengwyn Street, Machynlleth	43-45 Maengwyn, Machynlleth, SY20 8EB	Machynlleth	Job Centre Plus	Town centre	Dolgellau	15.8	Machynlleth	9	Wynstay Arms Hotel Q	1	1	2	3	1

*Includes Large & Small Supermarkets **Includes GP Practices & Hospitals ***Includes Primary, Secondary & Independent Schools

Project Gemstones



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A handwritten signature in grey ink, appearing to read 'Jon Neale', is positioned below the contact information.

Jones Lang LaSalle Limited

Jones Lang LaSalle

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Project Gemstones

TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION FOR AND ACCEPTANCE OF THE UNITS IN SINGAPORE

Applications are invited for the subscription of the Units at the Offering Price per Unit on the terms and conditions set out below and in the printed application forms to be used for the purpose of the Offering and which forms part of the prospectus (the “**Application Forms**”) or, as the case may be, the Electronic Applications (as defined herein).

Investors applying for the Units in the Offering by way of Application Forms or Electronic Applications are required to pay in (in the case of Public Offer Units) Singapore dollars and (in the case of Placement Units) in pound sterling, the Offering Price of £0.68 per Unit (such amount being S\$1.21 based on the exchange rate of £1.00 to S\$1.7794), subject to a refund of the full amount or, as the case may be, the balance of the applications monies (in each case without interest or any share of revenue or other benefit arising therefrom) where (i) an application is rejected or accepted in part only, or (ii) if the Offering does not proceed for any reason.

- (1) Your application must be made in a minimum of 1,000 Units and integral multiples of 100 Units thereof. Your application for any other number of Units will be rejected.
- (2) You may apply for the Units only during the period commencing at 9.00 p.m. on 28 January 2020 and expiring at 12.00 noon on 4 February 2020. The Offering period may be extended or shortened to such date and/or time as the Manager may agree with the Joint Bookrunners, subject to all applicable laws and regulations and the rules of the SGX-ST.
- (3) (a) Your application for the Units offered in the Singapore Public Offer (the “**Public Offer Units**”) may be made by way of the printed **WHITE** Public Offer Units Application Forms or by way of Automated Teller Machines (“**ATM**”) belonging to the Participating Banks (“**ATM Electronic Applications**”), the Internet Banking (“**IB**”) website of the relevant Participating Banks (“**Internet Electronic Applications**”) or the DBS Bank Ltd. (“**DBS Bank**”) mobile banking interface (“**mBanking Applications**”, which together with the ATM Electronic Applications and Internet Electronic Applications, shall be referred to as “**Electronic Applications**”).
- (b) Your application for the Units offered in the Placement Tranche (the “**Placement Units**”) may be made by way of the printed **BLUE** Placement Units Application Forms (or in such other manner as the Joint Bookrunners may in their absolute discretion deem appropriate).
- (4) **You may not use your CPF Funds to apply for the Units.**
- (5) **Only one application may be made for the benefit of one person for the Public Offer Units in his own name. Multiple applications for the Public Offer Units will be rejected, except in the case of applications by approved nominee companies where each application is made on behalf of a different beneficiary.**

You may not submit multiple applications for the Public Offer Units via the Public Offer Units Application Form, or Electronic Applications. A person who is submitting an application for the Public Offer Units by way of the Public Offer Units Application Form may not submit another application for the Public Offer Units by way of Electronic Applications and vice versa.

A person, other than an approved nominee company, who is submitting an application for the Public Offer Units in his own name should not submit any other applications for the Public Offer Units, whether on a printed Application Form or by way of Electronic Application, for any other person. Such separate applications will be deemed to be multiple applications and shall be rejected.

Joint or multiple applications for the Public Offer Units shall be rejected. Persons submitting or procuring submissions of multiple applications for the Public Offer Units may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the Securities and Futures Act, and such applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications (other than as provided herein) will be liable to be rejected at our discretion.

- (6) **Multiple applications may be made in the case of applications by any person for (i) the Placement Units only (via Placement Units Application Forms or such other form of application as the Joint Bookrunners may in their absolute discretion deem appropriate) or (ii) the Placement Units together with a single application for the Public Offer Units.**
- (7) Applications from any person under the age of 18 years, undischarged bankrupts, sole proprietorships, partnerships, chops or non-corporate bodies, joint Securities Account holders of CDP will be rejected. Applications may be made by any joint Securities Account holders of CDP for the Placement Units.
- (8) Applications from any person whose addresses (furnished in their printed Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Bank, as the case may be) bear post office box numbers will be rejected. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of the application.
- (9) The existence of a trust will not be recognised. Any application by a trustee or trustees must be made in his/her or their own name(s) and without qualification or, where the application is made by way of a printed Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 10 below.
- (10) **Nominee applications may only be made by approved nominee companies.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies will be rejected.
- (11) **If you are not an approved nominee company, you must maintain a Securities Account with CDP in your own name at the time of your application.** If you do not have an existing Securities Account with CDP in your own name at the time of application, your application will be rejected (if you apply by way of an Application Form) or you will not be able to complete your application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your CDP Securities Account number or provide an incorrect CDP Securities Account number in your Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected.

- (12) Subject to paragraphs 13 to 17 below, your application is liable to be rejected if your particulars such as name, National Registration Identity Card (“**NRIC**”) or passport number or company registration number, nationality and permanent residence status, and CDP Securities Account number provided in your Application Form, or in the case of an Electronic Application, contained in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained by CDP. If you have more than one individual direct Securities Account with CDP, your application shall be rejected.
- (13) **If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allocation from CDP will be sent to your address last registered with CDP.**
- (14) This Prospectus and its accompanying documents (including the Application Forms) have not been registered in any jurisdiction other than in Singapore. The distribution of this Prospectus and its accompanying documents (including the Application Forms) may be prohibited or restricted (either absolutely or unless various securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

Without limiting the generality of the foregoing, neither this Prospectus and its accompanying documents (including the Application Forms) nor any copy thereof may be taken, transmitted, published or distributed, whether directly or indirectly, in whole or in part in or into the United States or any other jurisdiction (other than Singapore) and they do not constitute an offer of securities for sale into the United States or any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such an offer. The Units have not been and will not be registered under the Securities Act and may not be offered or sold within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state laws. The Units are being offered and sold outside the United States (including institutional and other investors in Singapore) in offshore transactions as defined in and in reliance on the exemption from registration provided by Regulation S. There will be no public offer of Units in the United States. Any failure to comply with this restriction may constitute a violation of securities laws in the United States and in other jurisdictions.

The Manager reserves the right to reject any application for Units where the Manager believes or has reason to believe that such applications may violate the securities laws or any applicable legal or regulatory requirements of any jurisdiction.

No person in any jurisdiction outside Singapore receiving this Prospectus or its accompanying documents (including the Application Form) may treat the same as an offer or invitation to subscribe for any Units unless such an offer or invitation could lawfully be made without compliance with any regulatory or legal requirements in those jurisdictions.

- (15) The Manager reserves the right to reject any application which does not conform strictly to the instructions or with the terms and conditions set out in this Prospectus (including the instructions set out in the accompanying Application Forms, in the ATMs and IB websites of the relevant Participating Banks and the mobile banking interface (“**mBanking Interface**”) of DBS Bank) or, in the case of an application by way of an Application Form, the contents of which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up or improper form of remittance.

- (16) The Manager further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions and terms and conditions set out in this Prospectus (including the instructions set out in the accompanying Application Forms and in the ATMs and IB websites of the relevant Participating Banks and the mBanking Interface of DBS Bank), and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof. Without prejudice to the rights of the Manager, each of the Joint Bookrunners as agents of the Manager, has been authorised to accept, for and on behalf of the Manager, such other forms of application as the Joint Bookrunners may, in consultation with the Manager, deem appropriate.
- (17) The Manager reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot, any application, without assigning any reason therefor, and none of the Manager, nor any of the Joint Bookrunners will entertain any enquiry and/or correspondence on the decision of the Manager. This right applies to applications made by way of Application Forms and by way of Electronic Applications and by such other forms of application as the Joint Bookrunners may, in consultation with the Manager, deem appropriate. In deciding the basis of allocation, the Manager, in consultation with the Joint Bookrunners, will give due consideration to the desirability of allocating the Units to a reasonable number of applicants with a view to establishing an adequate market for the Units.
- (18) In the event that the Manager lodges a supplementary or replacement prospectus (“**Relevant Document**”) pursuant to the Securities and Futures Act or any applicable legislation in force from time to time prior to the close of the Offering, and the Units have not been issued, the Manager will (as required by law) at the Manager’s sole and absolute discretion either:
- (a) within two days (excluding any Saturday, Sunday or public holiday) from the date of the lodgment of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to withdraw your application and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document; or
 - (b) within seven days of the lodgment of the Relevant Document, give you a copy of the Relevant Document and provide you with an option to withdraw your application; or
 - (c) deem your application as withdrawn and cancelled and refund your application monies (without interest or any share of revenue or other benefit arising therefrom) to you within seven days from the lodgment of the Relevant Document.

Any applicant who wishes to exercise his option under paragraphs 18(a) and 18(b) above to withdraw his application shall, within 14 days from the date of lodgment of the Relevant Document, notify the Manager whereupon the Manager shall, within seven days from the receipt of such notification, return all monies in respect of such application (without interest or any share of revenue or other benefit arising therefrom).

In the event that the Units have already been issued at the time of the lodgment of the Relevant Document but trading has not commenced, the Manager will (as required by law) either:

- (i) within two days (excluding any Saturday, Sunday or public holiday) from the date of the lodgment of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to return to the Manager the Units which you do not wish to retain title in and take all reasonable steps

to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document; or

- (ii) within seven days from the lodgment of the Relevant Document, give you a copy of the Relevant Document and provide you with an option to return the Units which you do not wish to retain title in; or
- (iii) deem the issue as void and refund your payment for the Units (without interest or any share of revenue or other benefit arising therefrom) within seven days from the lodgment of the Relevant Document.

Any applicant who wishes to exercise his option under paragraphs 18(i) and 18(ii) above to return the Units issued to him shall, within 14 days from the date of lodgment of the Relevant Document, notify the Manager of this and return all documents, if any, purporting to be evidence of title of those Units, whereupon the Manager shall, within seven days from the receipt of such notification and documents, pay to him all monies paid by him for the Units without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the Units issued to him shall be deemed to be void.

Additional terms and instructions applicable upon the lodgment of the Relevant Document, including instructions on how you can exercise the option to withdraw, may be found in such Relevant Document.

- (19) The Units may be reallocated between the Placement Tranche and the Singapore Public Offer for any reason, including in the event of excess applications in one and a deficit of applications in the other at the discretion of the Joint Bookrunners, in consultation with the Manager subject to any applicable laws.
- (20) There will not be any physical security certificates representing the Units. It is expected that CDP will send to you, at your own risk, within 15 Market Days after the close of the Offering, and subject to the submission of valid applications and payment for the Units, a statement of account stating that your Securities Account has been credited with the number of Units allocated to you. This will be the only acknowledgement of application monies received and is not an acknowledgement by the Manager. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renouncee any instrument of transfer and/or other documents required for the issue or transfer of the Units allocated to you. This authorisation applies to applications made both by way of Application Forms and by way of Electronic Applications.
- (21) You irrevocably authorise CDP to disclose the outcome of your application, including the number of Units allocated to you pursuant to your application, to the Manager, the Joint Bookrunners and any other parties so authorised by CDP, the Manager and/or the Joint Bookrunners.
- (22) Any reference to “you” or the “Applicant” in this section shall include an individual, a corporation, an approved nominee company and trustee applying for the Units by way of an Application Form or by way of Electronic Application or by such other manner as the Joint Bookrunners may, in their absolute discretion, deem appropriate.

- (23) By completing and delivering an Application Form and, in the case of: (i) an ATM Electronic Application, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key on the ATM, (ii) in the case of an Internet Electronic Application, by clicking “Submit” or “Continue” or “Yes” or “Confirm” or any other button on the IB website screen, or (iii) in the case of an mBanking Application, by transmitting “Submit” or “Continue” or “Yes” or “Confirm” or any other icon via the mBanking Interface in accordance with the provisions herein, you:
- (a) irrevocably agree and undertake to purchase the number of Units specified in your application (or such smaller number for which the application is accepted) at the Offering Price and agree that you will accept such number of Units as may be allocated to you, in each case on the terms of, and subject to the conditions set out in, the Prospectus and its accompanying documents (including the Application Forms) and the Trust Deed;
 - (b) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Prospectus and its accompanying documents (including the Application Form) and those set out in the IB websites, mBanking Interface or ATMs of the relevant Participating Banks, the terms and conditions set out in this Prospectus and its accompanying documents (including the Application Forms) shall prevail;
 - (c) in the case of an application by way of a Public Offer Units Application Form or an Electronic Application, agree that the Offering Price for the Public Offer Units applied for is due and payable to the Manager upon application;
 - (d) in the case of an application by way of a Placement Units Application Form or such other forms of application as the Joint Bookrunners may in their absolute discretion deem appropriate, agree that the Offering Price for the Placement Units applied for is due and payable to the Manager upon application;
 - (e) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by the Manager in determining whether to accept your application and/or whether to allocate any Units to you;
 - (f) (i) consent to the collection, use, processing and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, Securities Account number, share application amount, the outcome of your application (including the number of Invitation Shares allocated to you pursuant to your application) and other personal data (“**Personal Data**”) by the Unit Registrar, CDP, Securities Clearing Computer Services (Pte) Ltd (“**SCCS**”), SGX-ST, the Participating Banks, the Manager, the Joint Issue Managers, the Joint Bookrunners and/or other authorised operators (the “**Relevant Parties**”) for the purpose of the processing of your application for the Invitation Shares, and in order for the Relevant Parties to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”) and warrant that such Personal Data is true, accurate and correct, (ii) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Parties, you have obtained the prior consent of such beneficial owner(s) for the collection, use, processing and disclosure by the Relevant Parties of the Personal Data of such beneficial owner(s) for the Purposes, (iii) agree that the Relevant Parties may do anything or disclose any Personal Data or matters without notice to you if the Joint Bookrunners considers them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body, and (iv) agree that you will indemnify the Relevant Parties in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties. You also agree that the Relevant Parties shall be entitled to enforce this indemnity (collectively, the “**Personal Data Privacy Terms**”);

- (g) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and none of the Manager nor any of the Joint Bookrunners will infringe any such laws as a result of the acceptance of your application;
 - (h) agree and confirm that you are outside the United States; and
 - (i) understand that the Units have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable state securities laws. There will be no public offer of the Units in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.
- (24) Acceptance of applications will be conditional upon, among others, the Manager being satisfied that:
- (a) permission has been granted by the SGX-ST to deal in and for the quotation of all of the (i) Units comprised in the Offering, (ii) the Initial Units, (iii) the Cornerstone Units and (iv) Units which will be issued to the Manager from time to time in full or part payment of the Manager's fees on the Main Board of the SGX-ST. Units to be issued to the property managers from time to time in full or part payment of the fees payable to the property managers;
 - (b) the Underwriting Agreement, referred to in the section on "Plan of Distribution" in this Prospectus, has become unconditional and has not been terminated; and
 - (c) the Authority has not served a stop order which directs that no or no further Units to which this Prospectus relates be allotted or issued ("**Stop Order**"). The Securities and Futures Act provides that the Authority shall not serve a Stop Order if all the Units have been issued, sold, and listed for quotation on the SGX-ST and trading in them has commenced.
- (25) In the event that a Stop Order in respect of the Units is served by the Authority or other competent authority, and:
- (a) the Units have not been issued (as required by law), all applications shall be deemed to be withdrawn and cancelled and the Manager shall refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days of the date of the Stop Order; or
 - (b) if the Units have already been issued but trading has not commenced, the issue will (as required by law) be deemed void and the Manager shall refund your payment for the Units (without interest or any share of revenue or other benefit arising therefrom) to you within 14 days from the date of the Stop Order.

This shall not apply where only an interim Stop Order has been served.

- (26) In the event that an interim Stop Order in respect of the Units is served by the Authority or other competent authority, no Units shall be issued to you until the Authority revokes the interim Stop Order. The Authority is not able to serve a Stop Order in respect of the Units if the Units have been issued and listed on the SGX-ST and trading in them has commenced.

- (27) Additional terms and conditions for applications by way of Application Forms are set out in the section “Additional Terms and Conditions for Applications using Printed Application Forms” on pages G-8 to G-10 of this Prospectus.
- (28) Additional terms and conditions for applications by way of Electronic Applications are set out in the section “Additional Terms and Conditions for Electronic Applications” on pages G-12 to G-17 of this Prospectus.
- (29) All payments in respect of any application for Public Offer Units, and all refunds where (a) an application is rejected or accepted in part only or (b) the Offering does not proceed for any reason, shall be made in Singapore dollars.
- (30) All payments in respect of any application for Placement Units, and all refunds where (a) an application is rejected or accepted in part only or (b) the Offering does not proceed for any reason, shall be made in pound sterling.
- (31) No application will be held in reserve.
- (32) This Prospectus is dated 28 January 2020. No Units shall be allotted or allocated on the basis of this Prospectus later than 12 months after the date of this Prospectus.

Additional Terms and Conditions for Applications using Printed Application Forms

Applications by way of an Application Form shall be made on, and subject to the terms and conditions of this Prospectus, including but not limited to the terms and conditions set out below, as well as those set out under the section entitled “Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore” on pages G-1 and G-25 of this Prospectus and the Trust Deed.

- (1) Applications for the Public Offer Units must be made using the printed **WHITE** Public Offer Units Application Forms and printed **WHITE** official envelopes “A” and “B”, accompanying and forming part of this Prospectus.

Applications for the Placement Units must be made using the printed **BLUE** Placement Units Application Forms (or in such manner as the Joint Bookrunners may in their absolute discretion deem appropriate), accompanying and forming part of this Prospectus.

Without prejudice to the rights of the Manager and the Joint Bookrunners, the Joint Bookrunners, as agents of the Manager, have been authorised to accept, for and on behalf of the Manager, such other forms of application, as the Joint Bookrunners may (in consultation with the Manager) deem appropriate.

Your attention is drawn to the detailed instructions contained in the Application Forms and this Prospectus for the completion of the Application Forms, which must be carefully followed. **The Manager reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus (or, in the case of applications for the Placement Units, followed) which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittances.**

- (2) You must complete your Application Forms in English. Please type or write clearly in ink using **BLOCK LETTERS**.

- (3) You must complete all spaces in your Application Forms except those under the heading "FOR OFFICIAL USE ONLY" and you must write the words "**NOT APPLICABLE**" or "**N.A.**" in any space that is not applicable.
- (4) Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it appears on your NRIC (if you have such an identification document) or in your passport and, in the case of a corporation, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your common seal (if any) in accordance with your Memorandum and Articles of Association or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your Memorandum and Articles of Association or equivalent constitutive documents must be lodged with Elite Commercial REIT's Unit Registrar. The Manager reserves the right to require you to produce documentary proof of identification for verification purposes.
- (5)
 - (a) You must complete Sections A and B and sign page 1 of the Application Form.
 - (b) You are required to delete either paragraph 7(c) or 7(d) on page 1 of the Application Form. Where paragraph 7(c) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
 - (c) If you fail to make the required declaration in paragraph 7(c) or 7(d), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
- (6) You (whether an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation. If you are an approved nominee company, you are required to declare whether the beneficial owner of the Units is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation.
- (7) You may apply and make payment for your application for the Public Offer Units in Singapore dollars and for the Placement Units in pound sterling using only cash. Each application must be accompanied by a cash remittance in Singapore currency or, as the case may be, pound sterling for the full amount payable in Singapore dollars (in the case of Public Offer Units) and pound sterling (in the case of Placement Units) of the Offering Price, in respect of the number of Units applied for. The remittance must in the form of a **BANKER'S DRAFT or CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**ELITE C-REIT UNIT ISSUE SGD ACCOUNT**" (in the case of an application for Public Offer Units) or "**ELITE C-REIT UNIT ISSUE GBP ACCOUNT**" (in the case of an application for Placement Units) crossed "**A/C PAYEE ONLY**" with your name, CDP Securities Account number and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. No combined Banker's Draft or Cashier's Order for different CDP Securities Accounts shall be accepted. Remittances bearing "**NOT TRANSFERABLE**" or "**NON-TRANSFERABLE**" crossings will be rejected.

- (8) Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post, in the event of oversubscription for the Units, within 24 hours of the balloting (or such shorter period as the SGX-ST may require), at your own risk. Where your application is rejected or accepted or in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within 14 Market Days after the close of the Offering, PROVIDED THAT the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account. If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will be returned to you within three Market Days after the Offering is discontinued.
- (9) Capitalised terms used in the Application Forms and defined in this Prospectus shall bear the meanings assigned to them in this Prospectus.
- (10) By completing and delivering the Application Forms, you agree that:
- (a) in consideration of the Manager having distributed the Application Form to you and by completing and delivering the Application Form before the close of the Offering:
 - (i) your application is irrevocable;
 - (ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom; and
 - (iii) you represent and agree that you are located outside the United States (within the meaning of Regulation S);
 - (b) all applications, acceptances or contracts resulting therefrom under the Offering shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
 - (c) in respect of the Units for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification by or on behalf of the Manager and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of the Manager;
 - (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
 - (e) reliance is placed solely on information contained in this Prospectus and that none of the Manager, the Sponsors, the Joint Issue Managers, the Joint Bookrunners or any other person involved in the Offering shall have any liability for any information not contained therein;
 - (f) you accept and agree to the Personal Data Privacy Terms set out in this Prospectus; and
 - (g) you irrevocably agree and undertake to purchase the number of Units applied for as stated in the Application Form or any smaller number of such Units that may be allocated to you in respect of your application. In the event that the Manager decides to allocate any smaller number of Units or not to allocate any Units to you, you agree to accept such decision as final.

Procedures Relating to Applications for the Public Offer Units by Way of Printed Application Forms

- (1) Your application for the Public Offer Units by way of printed Application Forms must be made using the **WHITE** Public Offer Units Application Forms and **WHITE** official envelopes "**A**" and "**B**".
- (2) You must:
 - (a) enclose the **WHITE** Public Offer Units Application Form, duly completed and signed, together with correct remittance for the full amount payable at the Offering Price in Singapore currency in accordance with the terms and conditions of this Prospectus and its accompanying documents, in the **WHITE** official envelope "**A**" provided;
 - (i) write your name and address;
 - (ii) state the number of Public Offer Units applied for; and
 - (iii) tick the relevant box to indicate form of payment;
 - (b) **SEAL THE WHITE OFFICIAL ENVELOPE "A"**;
 - (c) write, in the special box provided on the larger **WHITE** official envelope "**B**" addressed to Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, the number of Public Offer Units you have applied for;
 - (d) insert the **WHITE** official envelope "**A**" into the **WHITE** official envelope "**B**" and seal the **WHITE OFFICIAL ENVELOPE "B"**; and
 - (e) affix adequate Singapore postage on the **WHITE** official envelope "**B**" (if dispatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND** the documents at your own risk to Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, so as to arrive by 12.00 noon on 4 February 2020 or such other date(s) and time(s) as the Manager may agree with the Joint Bookrunners. **Courier services or Registered Post must NOT be used.**
- (3) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or which are not honoured upon their first presentation are liable to be rejected. Except for application for the Placement Units where remittance is permitted to be submitted separately, applications for the Public Offer Units not accompanied by any payment or any other form of payment will not be accepted.
- (4) **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

Procedures Relating to Applications for the Placement Units by Way of Printed Application Forms

- (1) Your application for the Placement Units by way of printed Application Forms must be made using the **BLUE** Placement Units Application Forms.
- (2) The completed and signed **BLUE** Placement Units Application Form and your remittance, in accordance with the terms and conditions of this Prospectus, for the full amount payable at the Offering Price, as the case may be, for each Unit in respect of the number of Placement Units applied for, with your name, CDP Securities Account number and address clearly written on the reverse side, must be enclosed and sealed in an envelope to be provided by you. Your application for Placement Units must be delivered to Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623, to arrive by 12.00 noon on 4 February 2020 or such other date(s) and time(s) as the Manager may agree with the Joint Bookrunners. **Courier services or Registered Post must NOT be used.**
- (3) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or which are not honoured upon their first presentation are liable to be rejected.
- (4) **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

Additional Terms and Conditions for Electronic Applications

Electronic Applications shall be made on and subject to the terms and conditions of this Prospectus, including but not limited to the terms and conditions set out below and those under the section “Terms, Conditions and Procedures for Application for and Acceptance of the Units in Singapore” on pages G-1 to G-25 of this Prospectus, as well as the Trust Deed.

- (1) The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks (in the case of ATM Electronic Applications), the IB website screens of the relevant Participating Banks (in the case of Internet Electronic Applications) and the mBanking Interface of DBS Bank (in the case of mBanking Applications). DBS Bank is the only Participating Bank through which mBanking Applications may be made.
- (2) For illustration purposes, the procedures for Electronic Applications for Public Offer Units through ATMs, the IB website of DBS Bank and the mBanking Interface (together the “**Steps**”) are set out in pages G-18 to G-25 of this Prospectus. The Steps set out the actions that you must take at ATMs, the IB website or the mBanking Interface of DBS Bank to complete an Electronic Application. The actions that you must take at the ATMs or the IB websites of the other Participating Banks are set out on the ATM screens, the IB website screens of the respective Participating Banks. Please read carefully the terms and conditions of this Prospectus and its accompanying documents (including the Application Form), the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application.
- (3) Any reference to “you” or the “Applicant” in these Additional Terms and Conditions for Electronic Applications and the Steps shall refer to you making an application for Public Offer Units through an ATM of one of the relevant Participating Banks, the IB website of a relevant Participating Bank or the mBanking Interface of DBS Bank.

(4) If you are making an ATM Electronic Application:

- (a) You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks. An ATM card issued by one Participating Bank cannot be used to apply for Public Offer Units at an ATM belonging to other Participating Banks.
- (b) You must ensure that you enter your own CDP Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or do not key in your own CDP Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own CDP Securities Account number when using the ATM card issued to you in your own name. Using your own CDP Securities Account number with an ATM card which is not issued to you in your own name will render your Electronic Application liable to be rejected.
- (c) Upon the completion of your ATM Electronic Application, you will receive an ATM transaction slip ("**Transaction Record**"), confirming the details of your ATM Electronic Application. The Transaction Record is for your retention and should not be submitted with any printed Application Form.

(5) If you are making an Internet Electronic Application or a mBanking Application:

- (a) You must have an existing bank account with, and a User Identification ("**User ID**") as well as a Personal Identification Number ("**PIN**") given by, the relevant Participating Bank.
- (b) You must ensure that the mailing address of your account selected for the application is in Singapore and you must declare that the application is being made in Singapore. Otherwise, your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time you make the application.
- (c) Upon the completion of your Internet Electronic Application through the IB website of the relevant Participating Bank or the mBanking Interface of DBS Bank, there will be an on-screen confirmation ("**Confirmation Screen**") of the application which can be printed out or screen captured by you for your record. This printed record or screen capture of the Confirmation Screen is for your retention and should not be submitted with any printed Application Form.

(6) In connection with your Electronic Application for Public Offer Units, you are required to confirm statements to the following effect in the course of activating the Electronic Application:

- (a) that you have received a copy of the Prospectus (in the case of Electronic Applications) and have read, understood and agreed to all the terms and conditions of application for the Public Offer Units and the Prospectus prior to effecting the Electronic Application and agree to be bound by the same;
- (b) you accept and agree to the Personal Data Privacy Terms set out in this Prospectus; and
- (c) where you are applying for the Public Offer Units, that this is your only application for the Public Offer Units and it is made in your name and at your own risk.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you press the "Enter" or "OK" or "Confirm" or "Yes" or any other relevant key in the ATM or click "Confirm" or "OK" or "Submit" or "Continue" or "Yes" or any other relevant button on the website screen or the mBanking Interface. By doing so, you shall be treated as signifying your confirmation of each of the three statements above. In respect of statement 6(b) above, your confirmation, by pressing

the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key in the ATM or clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button, shall signify and shall be treated as your written permission, given in accordance with the relevant laws of Singapore, including Section 47(2) of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars of your account(s) with that Participating Bank to the Relevant Parties.

By making an Electronic Application you confirm that you are not applying for the Public Offer Units as a nominee of any other person and that any Electronic Application that you make is the only application made by you as the beneficial owner. You shall make only one Electronic Application for the Public Offer Units and shall not make any other application for the Public Offer Units whether at the ATMs of any Participating Bank, the IB websites of the relevant Participating Banks or the mBanking Interface of DBS Bank or on the Application Forms. Where you have made an application for the Public Offer Units on an Application Form, you shall not make an Electronic Application for the Public Offer Units and vice versa.

- (7) You must have sufficient funds in your bank account with your Participating Bank at the time you make your ATM Electronic Application, Internet Electronic Application or mBanking Application, failing which such Electronic Application will not be completed. Any Electronic Application which does not conform strictly to the instructions set out in this Prospectus or on the screens of the ATMs or on the IB website of the relevant Participating Bank or the mBanking Interface of DBS Bank, as the case may be, through which your Electronic Application is being made shall be rejected.
- (8) You may apply and make payment for your application for the Public Offer Units in Singapore currency through any ATM or IB website of your Participating Bank or the mBanking Interface of DBS Bank (as the case may be) by authorising your Participating Bank to deduct the full amount payable from your bank account(s) with such Participating Bank.
- (9) You irrevocably agree and undertake to subscribe for and to accept the number of Public Offer Units applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of such Public Offer Units that may be allocated to you in respect of your Electronic Application. In the event that the Manager decides to allocate any lesser number of such Public Offer Units or not to allocate any Public Offer Units to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key in the ATM or clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the Internet screen or the mBanking Interface of DBS Bank) of the number of Public Offer Units applied for shall signify and shall be treated as your acceptance of the number of Public Offer Units that may be allocated to you and your agreement to be bound by the Trust Deed.
- (10) The Manager will not keep any application in reserve. Where your Electronic Application is unsuccessful, the full amount of the application monies will be returned (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank, within 24 hours of the balloting (or such shorter period as the SGX-ST may require) provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account.

Where your Electronic Application is accepted or rejected in full or in part only, the balance of the application monies, as the case may be, will be returned (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank, within 14 Market Days after the close of the Offering provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated unit issue account.

If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will be returned to you within three Market Days after the Offering is discontinued.

Responsibility for timely refund of application monies (whether from unsuccessful or partially successful Electronic Applications or otherwise) lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any money to you from an unsuccessful or partially successful Electronic Application, to determine the exact number of Public Offer Units, if any, allocated to you before trading the Units on the SGX-ST. None of the SGX-ST, CDP, SCCS, the Participating Banks, the Manager, the Joint Issue Managers, the Joint Bookrunners assume any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

- (11) If your Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Bank.
- (12) Applicants who make ATM Electronic Applications through the ATMs of the following Participating Banks may check the provisional results of their ATM Electronic Applications as follows:

Bank	Telephone	Other Channels	Operating Hours	Service expected from
DBS Bank Ltd. (including POSB) ("DBS Bank")	1800 339 6666 (for POSB account holders) 1800 111 1111 (for DBS account holders)	IB http://www.dbs.com ⁽¹⁾	24 hours a day	Evening of the balloting day
Oversea-Chinese Banking Corporation Limited ("OCBC")	1800 363 3333	Phone Banking/ATM/ Internal Banking http://www.ocbc.com ⁽²⁾	24 hours a day	Evening of the balloting day
United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited ("UOB Group")	1800 222 2121	ATM (Other Transactions "IPO Enquiry")/ Internet Banking http://www.uobgroup.com ⁽³⁾	24 hours a day	Evening of the balloting day

Notes:

- (1) Applicants who have made Internet Electronic Applications through the IB websites of DBS Bank or mBanking Applications through the mBanking Interface of DBS Bank may also check the results of their applications through the same channels listed in the table above in relation to ATM Electronic Applications made at the ATMs of DBS Bank.
- (2) Applicants who have made Electronic Application through the ATMs of OCBC may check the results of their applications through OCBC Personal Internet Banking, OCBC ATMs or OCBC Phone Banking services.
- (3) Applicants who have made Electronic Application through the ATMs or the IB website of the UOB Group may check the results of their applications through UOB Personal Internet Banking, UOB ATMs or UOB Phone Banking services.

- (13) ATM Electronic Applications shall close at 12.00 noon on 4 February 2020 or such other date(s) and time(s) as the Manager may agree with the Joint Bookrunners. All Internet Electronic Applications and mBanking Applications must be received by 12.00 noon on 4 February 2020, or such other date(s) and time(s) as the Manager may agree with the Joint Bookrunners. Internet Electronic Applications and mBanking Applications are deemed to be received when they enter the designated information system of the relevant Participating Bank.
- (14) You are deemed to have irrevocably requested and authorised the Manager to:
- (a) register the Public Offer Units allocated to you in the name of CDP for deposit into your Securities Account;
 - (b) return or refund (without interest or any share of revenue earned or other benefit arising therefrom) the application monies, should your Electronic Application be rejected or if the Offering does not proceed for any reason, by automatically crediting your bank account with your Participating Bank, with the relevant amount within 24 hours after balloting (or such shorter period as the SGX-ST may require), or within three Market Days if the Offering does not proceed for any reason, after the close or discontinuation (as the case may be) of the Offering, PROVIDED THAT the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated unit issue account; and
 - (c) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should your Electronic Application be rejected or accepted in part only, by automatically crediting your bank account with your Participating Bank, at your risk, with the relevant amount within 14 Market Days after the close of the Offering, PROVIDED THAT the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated unit issue account.
- (15) You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdown, fires, acts of God and other events beyond the control of the Participating Banks, the Manager, the Joint Issue Managers, the Joint Bookrunners, and if, in any such event the Manager, the Joint Issue Managers, the Joint Bookrunners, and/or the relevant Participating Bank do not receive your Electronic Application, or any data relating to your Electronic Application or the tape or any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against the Manager, the Joint Issue Managers, the Joint Bookrunners, and/or the relevant Participating Bank for any Public Offer Units applied for or for any compensation, loss or damage.
- (16) The existence of a trust will not be recognised. Any Electronic Application by a trustee must be made in his own name and without qualification. The Manager shall reject any application by any person acting as nominee (other than approved nominee companies).
- (17) All your particulars in the records of your Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank and the Relevant Parties shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you must promptly notify your Participating Bank.

- (18) You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected. You should promptly inform CDP of any change in address, failing which the notification letter on successful allocation will be sent to your address last registered with CDP.
- (19) By making and completing an Electronic Application, you are deemed to have agreed that:
- (a) in consideration of the Manager making available the Electronic Application facility, through the Participating Banks acting as agents of the Manager, at the ATMs and Internet Banking websites of the relevant Participating Banks and the mBanking Interface of DBS Bank:
 - (i) your Electronic Application is irrevocable;
 - (ii) your Electronic Application, the acceptance by the Manager and the contract resulting therefrom under the Public Offer shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts; and
 - (iii) you represent and agree that you are not located in the United States (within the meaning of Regulation S);
 - (b) none of CDP, the Manager, the Joint Issue Managers, the Joint Bookrunners and the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to the Manager, or CDP or the SGX-ST due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 15 above or to any cause beyond their respective controls;
 - (c) in respect of the Public Offer Units for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of the Manager and not otherwise, notwithstanding any payment received by or on behalf of the Manager;
 - (d) you will not be entitled to exercise any remedy for rescission for misrepresentation at any time after acceptance of your application;
 - (e) reliance is placed solely on information contained in this Prospectus and that none of the Manager, the Sponsors, the Joint Issue Managers, the Joint Bookrunners or any other person involved in the Offering shall have any liability for any information not contained therein; and
 - (f) you irrevocably agree and undertake to subscribe for the number of Public Offer Units applied for as stated in your Electronic Application or any smaller number of such Public Offer Units that may be allocated to you in respect of your Electronic Application. In the event the Manager decides to allocate any smaller number of such Public Offer Units or not to allocate any Public Offer Units to you, you agree to accept such decision as final.

Steps for ATM Electronic Applications for Public Offer Units through ATMs of OCBC

Instructions for ATM Electronic Applications will appear on the ATM screens of the respective Participating Bank. For illustration purposes, the steps for making an ATM Electronic Application through an OCBC ATM are shown below. Certain words appearing on the screen are in abbreviated form (“A/C”, “amt”, “appln”, “&”, “I/C”, “No.”, “SGX” and “Max” refer to “Account”, “amount”, “application”, “and”, “NRIC”, “Number”, “SGX-ST” and “Maximum”, respectively). Instructions for ATM Electronic Applications on the ATM screens of Participating Banks (other than OCBC), may differ slightly from those represented below.

Step 1: Insert your personal OCBC ATM Card.

2: Select “LANGUAGE”.

3: Enter your PIN.

4: Select “MORE SERVICES”.

5: Select “INVESTMENT SERVICES”.

6: Select “Electronic Security Application”.

7: Select “ELITE”.

8: For an applicant making an “Electronic Application” at the “ATM” for the first time:

- For non-Singaporeans – Press the “Yes” if you are a permanent resident of Singapore, otherwise, press the “No”.
- Enter your 12-digit CDP Securities Account number and press “Yes” to confirm that the CDP Securities Account number you have entered is correct.

9: Read and confirm your personal particulars.

10: Read and understand the following statements which will appear on the screen:

PLEASE NOTE AND ACKNOWLEDGE THAT:

- WHERE APPLICABLE, A COPY OF THIS PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT OR SUPPLEMENTARY DOCUMENT HAS BEEN LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE AND/OR SGX-ST, WHICH ASSUMES NO RESPONSIBILITY FOR THEIR CONTENTS.
- WHERE APPLICABLE, A COPY OF THE SIMPLIFIED DISCLOSURE DOCUMENT/SUPPLEMENTARY DOCUMENT AND/OR PRODUCT HIGHLIGHTS SHEET HAS BEEN ANNOUNCED OR DISSEMINATED TO THE SECURITIES MARKET OPERATED BY THE SECURITIES EXCHANGE WHICH ASSUMES NO RESPONSIBILITY FOR THEIR CONTENTS.

- WHERE APPLICABLE, THE PROSPECTUS/OFFER INFORMATION STATEMENT/ DOCUMENT/SUPPLEMENTARY DOCUMENT/SIMPLIFIED DISCLOSURE DOCUMENT AND/OR PRODUCT HIGHLIGHTS SHEET IS AVAILABLE AT VARIOUS PARTICIPATING BANKS, AND CAN BE OBTAINED FROM THE ISSUE MANAGER(S).
- ALL INVESTMENTS COME WITH RISK, INCLUDING THE RISK THAT YOU MAY LOSE ALL OR PART OF YOUR INVESTMENT.
- YOU ARE RESPONSIBLE FOR YOUR OWN INVESTMENT DECISIONS.
- YOU SHOULD READ THE PROSPECTUS/OFFER INFORMATION STATEMENT/ DOCUMENT/SUPPLEMENTARY DOCUMENT/SIMPLIFIED DISCLOSURE DOCUMENT AND/OR PRODUCT HIGHLIGHTS SHEET BEFORE SUBMITTING YOUR APPLICATION TO SUBSCRIBE FOR THE SECURITIES IN THE MANNER SET OUT IN THE ABOVEMENTIONED DOCUMENT(S).
- YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS OF APPLICATION SET OUT IN THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/ SUPPLEMENTARY DOCUMENT/SIMPLIFIED DISCLOSURE DOCUMENT AND/OR PRODUCT HIGHLIGHTS SHEET.
- YOU CONSENT TO THE DISCLOSURE OF YOUR NAME, NRIC/PASSPORT NO., ADDRESS, NATIONALITY, SECURITIES A/C NO., QTY OF SECURITIES APPLIED FOR AND CPF INVESTMENT A/C NO., TO SHARE REGISTRAR, CDP, CPF, SCCS, SGX-ST, ISSUERS AND VENDORS.
- THIS APPLICATION IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.
- I AM NOT A U.S. PERSON/UNITED STATES PERSON AS REFERRED TO IN THE PROSPECTUS/DOCUMENT.

PRESS "CONFIRM" TO CONFIRM THAT YOU HAVE READ AND UNDERSTOOD.

- 11: Enter the number of securities you wish to apply for.
- 12: Select the type of bank account from which to debit your application moneys.
- 13: Check the details of your securities application appearing on the screen and press "CONFIRM" to confirm your application.
- 14: Transaction is completed. Remove the ATM Transaction Record for your reference and retention only.

Steps for Internet Electronic Application for Public Offer Units through the IB Website of OCBC

For illustrative purposes, the steps for making an Internet Electronic Application through the OCBC IB website are shown below. Certain words appearing on the screen are in abbreviated form (“A/C”, “&”, “amt”, “I/C” and “No.” refer to “Account”, “and”, “Amount”, “NRIC” and “Number”, respectively).

Step 1: Go to the OCBC website (www.ocbc.com).

- 2: Click on “Login to Internet Banking – Personal Banking”.
- 3: Enter your access code and PIN.
- 4: Under “Investments & Insurance” on the top navigation, select “Initial public offering”.
- 5: Enter your one-time password.
- 6: Under “Apply for IPO”, click “Yes” to represent and warrant that you are (1) currently living in Singapore, (2) your country of residence, (3) that your mailing address is in Singapore, (4) that you are not a U.S. person (click on the blue ‘i’ icon to read the definition of U.S. person below), and that (5) you have complied with all applicable laws and regulations.

“U.S. person” is defined in Rule 902 of Regulation S under the US Securities Act 1933 to mean:

- (i) any natural person resident in the United States;
- (ii) any partnership or corporation organised or incorporated under the laws of the United States;
- (iii) any estate of which any executor or administrator is a U.S. person;
- (iv) any trust of which any trustee is a U.S. person;
- (v) any agency or branch of a foreign entity located in the United States;
- (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and
- (viii) any partnership of corporation if:
 - a. organised or incorporated under the laws of any foreign jurisdiction; and
 - b. formed by a U.S. person principally for the purpose of investing in securities not registered under the Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in §230.501(a)) who are not natural persons, estates or trusts.

7: Read and acknowledge the Important Declaration below:

Electronic security application (ESA)

(1) Investment Risk

All investments involve risk. You should read the Offering Documents in connection with the offer to understand more about the security in question before making any application. You need to apply for the security in question in the manner set out in the Offering Documents

(2) Offering Documents

Offering Documents are defined as the prospectus, offer information statement, simplified disclosure document, product highlights sheet, document or profile statement (and a replacement copy of or addition to these documents, if relevant) Where applicable, these Offering Documents have been lodged with and registered by the Monetary Authority of Singapore or the Singapore Exchange Securities Trading Limited, each of which takes no responsibility for its or their contents

Information in connection with the offering of securities is contained in the Offering Document. No person is authorised to give any information or make any representation in connection with the offering of securities listed on our website.

Please read the Offering Documents in its entirety and the section headed “Risk Factors” to understand the security in question. Copies of Offering Documents can be obtained through the following means:

A. Digital Copy

The offer of securities on OCBC Internet Banking is accompanied with a copy of the Offering Documents in PDF format;

B. Physical Copy

Physical copies of the Offering Documents can be obtained from the issue manager or if applicable (as provided for in the Offering Documents) the parties stated in the Offering Document including, but not limited to, OCBC branches in Singapore, members of the Association of Banks in Singapore, members of the Singapore Exchange Securities Trading Limited and merchant banks in Singapore during normal banking or working hours;

C. Warranty

We do not represent or warrant that the information in an Offering Document listed on our website is accurate or complete; and

D. Context

Words and expressions not defined in this application have the same meaning as in the main prospectus, offer information statement, document or profile statement, unless the context gives them a different meaning.

(3) Distribution

A. Singapore only

The securities mentioned in this application have not been approved for offer, subscription, sale or purchase by any authority outside Singapore and are meant to be available only to residents of Singapore. The information in this application is not intended to be or does not constitute a distribution, an offer to sell or a solicitation of an offer to buy any securities in any country in which such a distribution or offer is not authorised to any person.

B. United States

The information herein is not to be published or distributed in or into United States of America. The securities mentioned in this application have not been and will not be registered under the U.S. Securities Act of 1933 as amended (the '**U.S. Securities Act**') or the securities laws of any state of the United States and must not be offered or sold in the United States or to, or for the account or benefit of, any person within the United States or any 'U.S. person' (as defined in Regulation S under the U.S. Securities Act). There will be no offer of the securities mentioned in this application in the United States. Any failure to comply with this restriction may break United States securities laws.

(4) Laws & Regulations

You must comply with all laws and regulations that apply to you when accessing the information in this application. If you are in any doubt about which laws and regulations apply to you or the action you should take, you must check with your professional advisers immediately

Important Note:

- (a) all investments come with risk, including the risk that the investor may lose all or part of his investment;
- (b) the potential investor is responsible for his own investment decisions; and
- (c) the potential investor should read the prospectus, offer information statement and product highlights sheet (as applicable) before making the application to subscribe for the securities or units in a CIS.

- 8: Click on the box "I have read and understood the declaration", and click "Confirm".
- 9: Select "ELITE".
- 10: Click on "here" to read the Offering Documents for the relevant Security.

11: Read the following terms and conditions:

Electronic security application (ESA)

(1) Investment Risk

- (a) all investments come with risk, including the risk that the investor may lose all or part of his investment;
- (b) the potential investor is responsible for his own investment decisions; and
- (c) the potential investor should read the prospectus, offer information statement and product highlights sheet (as applicable) before making the application to subscribe for the securities or units in a CIS.

(2) Offering Documents

Offering Documents are defined as the prospectus, offer information statement/document or profile statement (and a replacement copy of or addition to these documents, if relevant).

Click to read the Offering Documents in connection with the offer to understand more about the security in question.

A. Information in the Offering Documents

Any information falling outside the demarcated areas of the electronic Offering Documents does not form part of the Offering Documents for the security offered herein. The security is offered based on the information in the electronic Offering Documents set out within the demarcated area.

B. Non-Distribution Rights for Digital Copies of Offering Documents

You are not to copy, forward or distribute in any manner the Offering Documents to any other person.

C. Usage

You agree not to use the information contained in Offering Documents for any purpose other than to evaluate an investment in the security.

D. Physical Copies of Offering Documents

Physical copies can be obtained from the issue manager or parties stated in the Offering Documents including, but not limited to, OCBC branches in Singapore, members of the Association of Banks in Singapore, members of the Singapore Exchange Securities Trading Limited and merchant banks in Singapore during normal banking or working hours.

Please confirm all of the following:

Acceptance of Terms of Application

You have read, understood and agreed to all terms of application set out in the Offering Documents.

Consent to Disclosure

You consent to disclose your name, I/C or passport number, address, nationality, CDP Securities Account number, CPF Investment Account number (if applicable) and application details to registrars of securities, SGX, SCCS, CDP, CPF Board, issuer/vendor(s) and the issue manager(s).

U.S. person

You are not a U.S. person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended)

U.S. Securities Act:

The securities mentioned herein have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from or in a transaction subject to, the registration requirements of the U.S. Securities Act and applicable state security laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of United States securities laws.

Application

This application is made in your own name and at your own risk.

For FIXED/MAXIMUM price securities application, this is your **only** application. For TENDER price securities application, this is your **only** application at the selected tender price.

For 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to availability at the point of application.

Foreign Currency

For FOREIGN CURRENCY securities, subject to the terms of the issue, please note the following: The application monies will be debited from your bank account in S\$, based on the Bank's prevailing board rates at time of application. Any refund monies will be credited in S\$ based on the Bank's prevailing board rates at the time of refund. The different prevailing board rates at the time of application **and** at the time of refund of application monies may result in either a foreign exchange profit or loss. Alternatively, application monies may be debited and refunds credited in S\$ at the same exchange rate.

- 12: Click on the box "Yes I have read & agree to the terms and condition", and click "Next."

- 13: Input details for the securities application whether by cash and/or CPF, the number of units and click “Next”.
- 14: Verify the details of your securities application and click “Submit” to confirm your application.
- 15: You may print a copy of the IB Confirmation Screen for your reference and retention.

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LIST OF PRESENT AND PAST PRINCIPAL DIRECTORSHIPS OF DIRECTORS AND EXECUTIVE OFFICERS

(A) Directors of the Manager

(1) David Lim Teck Leong

Current Directorships

Allium Healthcare (Singapore) Pte. Ltd.
Argo Group Pte Ltd
Eastlog Project Services Sdn Bhd
New Toyo International Holdings Limited
G. K. Goh Holdings Limited
LCG Holdings Pte Ltd
Indo Port Holding Pte Ltd
Dandelion Investment Holdings Limited, BVI
Eastlog Projects Limited, BVI
Wellcorp Holdings Pte Ltd
Mezzanine Holdings Limited, BVI
Cepu Pte Ltd
Cybermax Pte Ltd
Joy Big Investments Limited, BVI
Racha Resort Co Ltd, Thailand
Eastlog Holding Pte Ltd
Quad Energy Pte Ltd
Growth Asia Investments Limited, BVI
Eruca Limited, BVI
Wong Circuits (Holding) Pte. Ltd.
David Lim & Partners LLP (formerly known as
David Lim & Partners)
Elite Commercial REIT Management Pte. Ltd.

Past Directorships (for a period of five years preceding the Latest Practicable Date)

T.M. Tarah Pte Ltd
Brixham Services Limited, BVI
Mahakarya Offshore Services Pte Ltd
L&T & IDPL Trustee Manager Pte Ltd
Croesus Retail Asset Management Pte Ltd
Pan Asia Mobile (M) Sdn Bhd, Malaysia
LH Group Limited (now known as Pacific Star
Development Limited)
Tien Wah Press Holdings Berhad, Malaysia

(2) Nicholas David Ashmore

Current Directorships

Ratho Consulting Ltd
Elite Commercial REIT Management Pte. Ltd.

Past Directorships (for a period of five years preceding the Latest Practicable Date)

Nil

(3) Koo Tsai Kee

Current Directorships

Temasek Foundation Cares CLG Limited
Elite Commercial REIT Management Pte. Ltd.

Past Directorships (for a period of five years preceding the Latest Practicable Date)

Hubbard Investments Pte. Ltd.
Hopkins Investments Pte. Ltd.

(4) Tan Huay Lim

Current Directorships

ASL Marine Holdings Ltd.
Koufu Group Limited
Dasin Retail Trust Management Pte Ltd, the
Trustee-Manager of Dasin Retail Trust
Zheneng Jinjiang Environment Holding
Company Limited
Elite Commercial REIT Management Pte. Ltd.

Past Directorships (for a period of five years preceding the Latest Practicable Date)

Ren Ci Hospital
Singapore Hokkien Huay Kuan
Hong Leong Asia Ltd.
Auric Pacific Group Limited
Singapore Hokkien Huay Kuan Cultural
Academy Pte Ltd
Yunnan Realty Pte Ltd
The Hokkien Foundation
Sun Yat Sen Nanyang Memorial Hall
Company Limited
Singapore Chinese Chamber of Commerce
and Industry
KPMG LLP

(5) Evan Cheah Yean Shin

Current Directorships

Sunway Property Development (Zhuhai)
Co. Ltd
Sunway Management Services Sdn Bhd
(Formerly known as Allson International
Hotels & Resorts Sdn Bhd)
Sunway RE Capital Pte Ltd
Sun Sea Capital Management Ltd
Sun Sea Ltd
Sun Sea Capital Sdn Bhd
Sunway RE Capital Advisors (SG) Pte Ltd
Pasir Mas Holdings Sdn Bhd
Sunway Money Sdn Bhd
Monumental Productions Sdn Bhd
Sunway (Tianjin) Management Consultancy
Co. Ltd
Sunway Popbox Sdn Bhd
Sunway Pharma Sdn Bhd
Sunway Ventures Sdn Bhd
Sunway Winstar Sdn Bhd
Sunway Hsing Yeat Sdn Bhd
Sunway Construction Sdn Bhd
Sunway Construction Group Berhad
Sunway Systems Sdn Bhd
Sunway S & I Systems Sdn Bhd
Sunway Technology Sdn Bhd
Sunway Pals Loyalty Sdn Bhd
Eastern Glory Enterprises Limited
Sunway Real Estate (China) Ltd
Sunway City (S'pore) Pte. Ltd

Past Directorships (for a period of five years preceding the Latest Practicable Date)

Sunway Quantum Sdn Bhd (formerly known
as Sunway Ordera Sdn Bhd)

Current Directorships

Sunway Marketing Sdn Bhd
Sunway Investment Management Consultancy
(Shanghai) Co. Ltd
Sunway Management Sdn Bhd
Tianjin Eco-City Sunway Property
Development Co. Ltd
Sunway Global Limited
Sunway Spun Pile (Zhuhai) Co. Ltd
Sunway Daechang Forging (Anhui) Co. Ltd
Sunway Hydraulic Industries (Wuhu) Co. Ltd
Sungei Way Properties Sdn Bhd
Jef-San Enterprise Sdn Bhd
Hitachi Sunway Information Systems
(Singapore) Pte Ltd
Hitachi Sunway Information System Sdn Bhd
Sunway MSC Sdn Bhd
Sunway Digital Wave Sdn Bhd
Sunway Trading (Shanghai) Pte Ltd
Timah Menderang Sdn Bhd
Active Equity Sdn Bhd
PRK Builders Sdn Bhd
Sungei Way Corporation Sdn Bhd
Elite Commercial REIT Management Pte. Ltd.
Sunway RE Capital Advisors (SG) Pte Ltd

(6) Victor Song Chern Chean**Current Directorships**

SGHAL Hub Pte. Ltd.
Elite Partners Logistics I Spółka Z
Ograniczoną Odpowiedzialnością
Elite Global Logistics Fund Pte. Ltd.
Elite Partners Holdings Pte. Ltd.
Elite Partners Capital Pte. Ltd.
KoAsia Fund Pte. Ltd.
Elite Logistics Holdings Pte. Ltd.
Regal Sheen Investment Pte. Ltd.
Challock Investments Spółka Z Ograniczoną
Odpowiedzialnością
Elite Commercial REIT Management Pte. Ltd.

**Past Directorships (for a period of five
years preceding the Latest Practicable
Date)****Past Directorships (for a period of five
years preceding the Latest Practicable
Date)**

HalaHub International Pte. Ltd.
Viva Real Estate Asset Management Pte. Ltd.

(7) Tan Dah Ching

Current Directorships

Elite Partners Capital Pte. Ltd.
Richz Technology (S) Pte Ltd
TSH Corporation Limited
Elite Logistics Holdings Pte. Ltd.
Elite Partners Holdings Pte. Ltd.
Elite Commercial REIT Management Pte. Ltd.

Past Directorships (for a period of five years preceding the Latest Practicable Date)

Nil

(8) Tan Hai Peng Micheal

Current Directorships

Elite Partners Capital Pte. Ltd.
Ho Lee Properties (UK) Pte. Ltd.
Anchorvale Pte Ltd
Marco Polo Marine Ltd.
Unique Invesco Pte. Ltd.
TPSC Asia Group Holding Limited
Clear Vision Ventures Limited
Fortune Knight International Limited
Ho Lee Plumbing Pte. Ltd.
HLG Investment Holdings Pte. Ltd.
First Harvest Enterprises Limited
TPSC Asia Pte. Ltd.
TPSC Holdings Pte. Ltd.
HLMG Holdings Pte. Ltd.
AMB Incheon Logistics Facility Ltd
Viva Investment Management Pte. Ltd.
Serangoon EC Pte Ltd
Huge Development Pte Ltd (in liquidation)
Warehouse@Tuas Pte. Ltd.
Wee Poh Construction Co. (Pte) Ltd
The alternative Pte Ltd
Ho Seng Lee Realty Pte Ltd
Ho Lee Development Pte Ltd
Ho Lee Properties Pte Ltd
Ho Lee Industrial Pte Ltd
Ho Seng Lee Construction Pte. Ltd.
Logistics Engineering Pte Ltd
Ho Lee Group Pte Ltd
Khai Wah Development Pte Ltd
Ho Lee Construction Pte Ltd
Ho Lee Machinery Pte Ltd
Teck Lee Holdings Pte Ltd
Orient Gold Investments Limited
Elite Partners Holdings Pte. Ltd.
Elite Commercial REIT Management Pte. Ltd.

Past Directorships (for a period of five years preceding the Latest Practicable Date)

KTM Investments Holding Pte. Ltd.
LHF Investments Pte. Ltd.
Viva Industrial Trust Management Pte. Ltd.
Viva Asset Management Pte. Ltd.
Evia Real Estate (7) Pte. Ltd.
Evia Real Estate (6) Pte. Ltd.
Evia Real Estate (5) Pte. Ltd.
Dietionary Farm Holding Pte. Ltd.
Evia Aviation Pte. Ltd.
Evia Real Estate (3) Pte. Ltd.
Evia Real Estate (2) Pte. Ltd.
Evia Real Estate Pte. Ltd.
Evia Real Estate Management Pte. Ltd.
Autotrax International Pte. Ltd.
7000 AMK Pte. Ltd.
LH Aluminium Industries Pte. Ltd.
(in liquidation)
Pacific Star Development Limited
Durabeau Industries Pte Ltd (in liquidation)
14 Hectares Pte. Ltd.
Ban Kim Lee Development Pte Ltd
AMB Incheon Distribution Centre 1 LTD
AMK Food Court Pte Ltd
Ho Seng Lee Industries Pte Ltd
(in liquidation)
Jinwoo Industry LLC

(9) Tan Kok Heng

Current Directorships

Sunway RE Capital Pte. Ltd.
Elite Commercial REIT Management Pte. Ltd.
Sunway RE Capital Advisors (SG) Pte Ltd
Sunway RE Capital Advisors (UK) Pte Ltd
Sunway Residence (Guernsey) Limited

Past Directorships (for a period of five years preceding the Latest Practicable Date)

Shaw Brothers (M) Sdn Bhd
Darby Park (Vietnam) Limited
Aster Investment Holding Pte Ltd
Aster (Dunearn) Pte. Ltd.
Aster (Alexandra) Pte. Ltd.
Aster (Kilang) Pte. Ltd.
Sim Darby Property (Dunearn) Private Limited
Darby Park (Management) Pte. Ltd.
Darby Park (Singapore) Pte. Ltd.
Sime Darby Property (Alexandra) Private Limited
Sime Darby Property (Amston) Pte Ltd
Sime Darby Property (Kilang) Private Limited
Sime Darby Property (Vietnam) Pte Ltd
Sime Darby Property Singapore Limited
Sime Darby Real Estate Management Pte. Ltd.
Battersea Project Holding Company Limited
Sapphire Industrial Asset Investment Holding Pte. Ltd.
Sapphire Australian Industrial Asset Investment Holding Pte. Ltd.
087 Capital Pte Ltd

(B) Executive Officers of the Manager

(1) Ms Shaldine Wang

Current Directorships

Elite UK Commercial Holdings Limited
Elite UK Commercial Investments Limited
Elite UK Commercial Limited
Elite Gemstones Properties Limited

Past Directorships (for a period of five years preceding the Latest Practicable Date)

Sapphire Australian Industrial Asset Investment Holding Pte. Ltd.
Sime Darby Asset Management (Australia) Pty Ltd
Xcellcrest Trading Pte. Ltd.

(2) Mr Cheah Zhuo Yue

Current Directorships

Nil

Past Directorships (for a period of five years preceding the Latest Practicable Date)

Nil

(3) Mr Jonathan Edmunds

Current directorships

Nil

Past Directorships (for a period of five years preceding the Latest Practicable Date)

Nil

(4) Ms Leng Tong Yan

Current Directorships

Nil

Past Directorships (for a period of five years preceding the Latest Practicable Date)

Nil

AIFMD DISCLOSURES

*This **Appendix I** should be read by any prospective investor domiciled, or with a registered office, in a member state of the European Economic Area (“EEA”). The Manager is due to offer Units that are anticipated to be marketed in certain member states of the EEA.*

Elite Commercial REIT will be an “alternative investment fund” (“AIF”), as defined in the Alternative Investment Fund Managers Directive 2011/61/EU of the European Parliament and of the European Council (the “AIFMD”). Elite Commercial REIT Management Pte. Ltd. (the “Manager”) is considered the “alternative investment fund manager” of Elite Commercial REIT (the “AIFM”), as defined in the AIFMD.

No.	Article 23 ¹ reference	Summary of Disclosure Requirement	Cross-reference to Section(s) in the Prospectus/Additional Disclosure
1.	(1)(a)	Description of the investment strategy and objectives of the AIF	Sections in the Prospectus • Overview – Overview of Elite Commercial REIT • Overview – Key Strategies • Strategy
2.	(1)(a)	If the AIF is a feeder AIF, information on where the master AIF is established	Not applicable
3.	(1)(a)	If the AIF is a fund of funds, information on where the underlying funds are established	Not applicable
4.	(1)(a)	A description of the types of assets in which the AIF may invest	Sections in the Prospectus • Overview – Overview of Elite Commercial REIT • Strategy – Investment Strategy • Strategy – Key Strategies • The Formation and Structure of Elite Commercial REIT – The Trust Deed – Operational Structure
5.	(1)(a)	The investment techniques that the AIF, or the AIFM on behalf of the AIF, may employ	Sections in the Prospectus • Overview – Overview of Elite Commercial REIT • Overview – Key Strategies • Strategy • The Formation and Structure of Elite Commercial REIT – The Trust Deed – Operational Structure

No.	Article 23 ¹ reference	Summary of Disclosure Requirement	Cross-reference to Section(s) in the Prospectus/Additional Disclosure
6.	(1)(a)	All associated risks with those investment techniques	Section in the Prospectus • Risk Factors
7.	(1)(a)	Any applicable investment restrictions	Section in the Prospectus • The Formation and Structure of Elite Commercial REIT – The Trust Deed – Operational Structure • Overview – Key Strategies
8.	(1)(b)	A description of the procedures by which the AIF may change its investment strategy or investment policy, or both	Section in the Prospectus • Strategy – Investment Strategy • The Formation and Structure of Elite Commercial REIT – The Trust Deed – Amendments of the Trust Deed • Risk Factors – Possible change of investment strategies may adversely affect Unitholders' investments in Elite Commercial REIT
9.	(1)(a)	The circumstances in which the AIF may use leverage	Sections in the Prospectus • Capitalisation and Indebtedness • Strategy – Key Strategies – Prudent Capital Management Strategy Pursuant to paragraph 9.1 of the Property Funds Appendix, Elite Commercial REIT may use borrowings for investment or redemption purposes. Elite Commercial REIT may also use borrowings to fund its distributions to Unitholders. It may mortgage its assets to secure such borrowings.
10.	(1)(a)	The types and sources of leverage permitted	Sections in the Prospectus • Capitalisation and Indebtedness • Strategy – Key Strategies – Prudent Capital Management Strategy • The Trust Deed – Operational Structure Under Guidance Note 1 of paragraph 9.1 of the Property Funds Appendix, “borrowings” is explained to include guarantees, bonds, notes, syndicated loans, bilateral loans or other debt. Derivatives may be used for hedging and efficient portfolio management purposes without creating leverage.

No.	Article 23 ¹ reference	Summary of Disclosure Requirement	Cross-reference to Section(s) in the Prospectus/Additional Disclosure
11.	(1)(a)	Associated risks of the types and sources of leverage permitted	Sections in the Prospectus • Risk Factors – The amount the Elite Commercial REIT may borrow is limited, which may affect the operations of the Elite Commercial REIT • Risk Factors – Elite Commercial REIT may face risks associated with debt financing and the Facilities and the debt covenants could limit or affect Elite Commercial REIT's operations
12.	(1)(a)	Any restrictions on the use of leverage	There are no definitive restrictions on the use of leverage other than the percentage limitations set out in item 14 below. Derivatives are used for hedging and efficient portfolio management purposes without creating leverage.
13.	(1)(a)	Any restrictions on the use of collateral and asset reuse arrangements	Pursuant to paragraph 9.1 of the Property Funds Appendix, Elite Commercial REIT may mortgage its assets to secure borrowings which are used for investment or redemption purposes. In connection with such collateral, the assets are given in security only and are appropriated to the satisfaction of payment of the borrowings by Elite Commercial REIT to the relevant chargees/mortgagees, and not by way of transfer of title or possession of the assets to such chargees/mortgagees (as opposed to, for example, a prime broker to whom securities are pledged and who can use them for securities lending purposes).
14.	(1)(a)	The maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	Sections in the Prospectus • Capitalisation and Indebtedness • Strategy – Key Strategies – Prudent Capital Management Strategy AIFMD defines “leverage” as any method by which an AIFM increases the exposure of an AIF it manages whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

No.	Article 23 ¹ reference	Summary of Disclosure Requirement	Cross-reference to Section(s) in the Prospectus/Additional Disclosure
			Elite Commercial REIT will not use leverage created by the use of derivatives. However, leverage will be created through borrowing. In accordance with paragraph 9.2 of the Property Funds Appendix, the total borrowings and deferred payments (collectively, the “aggregate leverage”) of Elite Commercial REIT should not exceed 45% of Elite Commercial REIT’s deposited property. Under Guidance Note 1 of paragraph 9.1 of the Property Funds Appendix, “borrowings” is explained to include guarantees, bonds, notes, syndicated loans, bilateral loans or other debt. Under Guidance Note 1 of paragraph 9.2 of the Property Funds Appendix, “deferred payments” include deferred payments for assets whether to be settled in cash or in units in the property fund. Notwithstanding the above, there is no maximum level of leverage (within the meaning of the AIFMD) which the Manager may use for Elite Commercial REIT.
15.	(1)(d)	Identity of the AIFM	Sections in the Prospectus • Cover Page • The Manager and Corporate Governance – The Manager of Elite Commercial REIT
16.	(1)(d)	Description of the duties of the AIFM	Section in the Prospectus • The Manager and Corporate Governance – Roles and Responsibilities of the Manager
17.	(1)(d)	Description of investors’ rights against the AIFM	Sections in the Prospectus • The Formation and Structure of Elite Commercial REIT – The Units and Unitholders • The Formation and Structure of Elite Commercial REIT – Rights and Liabilities of Unitholders • The Formation and Structure of Elite Commercial REIT – The Units and the Unitholders – Meeting of Unitholders

No.	Article 23 ¹ reference	Summary of Disclosure Requirement	Cross-reference to Section(s) in the Prospectus/Additional Disclosure
18.	(1)(d)	Identity of the depositary	Elite Commercial REIT's depositary and clearing organisation is The Central Depository (Pte) Limited. For the avoidance of doubt, investors are expressly notified that this entity does not constitute a depositary within the meaning of the AIFMD; Elite Commercial REIT is not obliged to appoint an AIFMD depositary and The Central Depository (Pte) Limited is not obliged to comply with the requirements of the AIFMD. The contact details of The Central Depository (Pte) Limited are as follows: Address: 9 North Buona Vista Drive, #01-19/20, The Metropolis Singapore 138588 Telephone No.: +65 6535 7511 Facsimile No.: +65 6535 0775
19.	(1)(d)	Description of the duties of the depositary	Not applicable
20.	(1)(d)	Description of investors' rights against the depositary	Not applicable
21.	(1)(d)	Identity of the auditor	Sections in the Prospectus • Reporting Auditors • Back Cover
22.	(1)(d)	Description of the duties of the auditor	Section in the Prospectus • Experts
23.	(1)(d)	Description of investors' rights against the auditor	Without prejudice to any potential right of action in tort or any potential derivative action, investors in Elite Commercial REIT may have a cause of action against the Reporting Auditors under Section 254 of the Securities and Futures Act, Chapter 289 of Singapore, for false or misleading statements in or omissions from this Prospectus, if the investors in Elite Commercial REIT suffer loss or damage as a result of the false or misleading statements in or omissions from this Prospectus. In the event that an investor in Elite Commercial REIT considers that it may have a claim against the Reporting Auditors in connection with its investment in Elite Commercial REIT, such investor should consult its own legal advisers.

No.	Article 23 ¹ reference	Summary of Disclosure Requirement	Cross-reference to Section(s) in the Prospectus/Additional Disclosure
24.	(1)(d)	Identity of other service providers	Sections in the Prospectus • Market and Industry Information • Experts • The Formation and Structure of Elite Commercial REIT – The Trustee • The Manager and Corporate Governance – Corporate Governance of the Manager – Compliance Function” • Certain Agreements relating to Elite Commercial REIT and the Properties – Property Management Agreement
25.	(1)(d)	Description of other service providers	Sections in the Prospectus • Market and Industry Information • Experts • The Formation and Structure of Elite Commercial REIT – The Trustee • The Manager and Corporate Governance – Corporate Governance of the Manager – Compliance Function • Certain Agreements relating to Elite Commercial REIT and the Properties – Property Management Agreement
26.	(1)(d)	Description of investors’ rights against other service providers	Without prejudice to any potential right of action in tort or any potential derivative action, investors in Elite Commercial REIT may not have a direct right of recourse against the Property Manager or EPH appointed by Elite Commercial REIT as such a right of recourse will lie with the relevant contracting counterparty rather than the investors. Further, in circumstances where an affiliate or third party delegate is appointed by the Manager or the Trustee, any contractual claim, demand or action against such delegate may, in the absence of any derivative action, be brought only by the Manager and/or the Trustee. In the event that an investor in Elite Commercial REIT considers that it may have a claim against Elite Commercial REIT, the Manager, the Trustee, the Property Manager or EPH in connection with its investment in Elite Commercial REIT, such investor should consult its own legal advisers.

No.	Article 23 ¹ reference	Summary of Disclosure Requirement	Cross-reference to Section(s) in the Prospectus/Additional Disclosure
27.	(1)(i)	A description of all fees, charges and expenses, and the maximum amounts directly or indirectly borne by investors	Section in the Prospectus • Overview – Certain fees and charges • The Manager and Corporate Governance – Fees Payable to the Manager • Plan of Distribution - Issue Expenses
28.	(1)(f)	A description of any AIFM management function delegated by the AIFM	Pursuant to the Trust Deed, the Manager may, with the written consent of the Trustee, delegate certain of its duties in performing its functions in relation to Elite Commercial REIT, provided that the Manager shall be liable for all acts and omissions of such persons as if such acts or omissions were its own acts or omissions. As of the date of the Prospectus, the Manager has outsourced certain compliance functions to EPH, as disclosed in the section entitled “The Manager and Corporate Governance – Corporate Governance of the Manager – Compliance Function” of this Prospectus.
29.	(1)(f)	A description of the identity of the delegates described above	Section in the Prospectus • The Manager and Corporate Governance – Corporate Governance of the Manager – Compliance Function
30.	(1)(f)	A description of any conflicts of interest arising from delegated management function	It is not envisaged that any conflicts of interest will arise as a result of these delegations. In any event, as disclosed in the section entitled “The Manager and Corporate Governance – Corporate Governance of the Manager – Potential Conflicts of Interest” of this Prospectus, the Manager has instituted certain procedures to deal with potential conflicts of interest issues.
31.	(1)(f)	A description of any safekeeping function delegated by the depositary	Not applicable
32.	(1)(f)	A description of the identity of the delegates described above	Not applicable
33.	(1)(f)	A description of any conflicts of interest arising from delegated safekeeping function	Not applicable

No.	Article 23 ¹ reference	Summary of Disclosure Requirement	Cross-reference to Section(s) in the Prospectus/Additional Disclosure
34.	(2)	Any arrangements by depositary to discharge liability pursuant to Article 21(13)	Not applicable
35.	Art. 21(11)	Where the law of a third country requires that certain financial instruments owed by a fund to be held in custody by a local entity and there are no local entities which are subject to effective prudential regulation, the investors must be informed that such delegation is required due to legal constraints in the law of the third country and of the circumstances justifying the delegation.	Not applicable
36.	Art. 21(14)(b)	Any arrangements by depositary to discharge liability pursuant to Art. 21(14) AIFMD	Not applicable
37.	Art. 21(14)(b)	Circumstances justifying discharge of liability pursuant to Art. 21(14) AIFMD	Not applicable
38.	(1)(e)	A description of how the AIFM complies with the requirements (professional negligence) relating to professional liability risk	The Manager is required to satisfy the base capital requirement of S\$1.0 million for its regulated activity of REIT management as per the Securities and Futures (Financial and Margin Requirements for Holders of Capital Markets Services Licences) Regulations, Chapter 289 Regulation 13 of Singapore. The issued share capital of the Manager is S\$1,000,000. In addition, the Manager maintains professional indemnity insurance coverage for the liability of its directors ("Directors") and officers.

No.	Article 23 ¹ reference	Summary of Disclosure Requirement	Cross-reference to Section(s) in the Prospectus/Additional Disclosure
39.	(1)(g)	A description of the AIF's valuation procedure and of the pricing methodology for valuing assets	Paragraph 8.1 of the Property Funds Appendix requires Elite Commercial REIT to conduct a full valuation of its real estate assets at least once per financial year, in accordance with any applicable code of practice for such valuations. Generally, where the Manager proposes to issue new Units (except in the case where new Units are being issued in payment of the Manager's management fees) or to redeem existing Units, a valuation of the real properties held by Elite Commercial REIT must be carried out in accordance with the Property Funds Appendix. The Manager or the Trustee may at any other time arrange for the valuation of any of the real properties held by Elite Commercial REIT if it is of the opinion that it is in the best interest of Unitholders to do so. Elite Commercial REIT engages independent professional valuers with the appropriate professional qualifications and experience in the location and category of the real estate assets being valued.
40.	(1)(g)	A description of the methods used in valuing any hard-to-value assets	Elite Commercial REIT's real estate assets are stated at fair value, with changes in fair values being recognised in the Statement of Total Return. The Elite Commercial REIT group engages independent professional valuers with the appropriate professional qualifications and experience in the location and category of the real estate assets being valued to determine the fair value of its real estate assets. The fair value of the Elite Commercial REIT group's real estate assets (including those held through its associates and joint ventures) is determined by independent real estate valuation experts using approved valuation methodologies. In determining the fair value of Elite Commercial REIT's real estate assets, the valuers have used valuation methods which involve estimates and discount rates applicable to those real estate assets.

No.	Article 23 ¹ reference	Summary of Disclosure Requirement	Cross-reference to Section(s) in the Prospectus/Additional Disclosure
41.	(1)(h)	A description of the AIF's liquidity risk management	Section in the Prospectus The Formation and Structure of the Elite Commercial REIT – Repurchase and Redemption of Units Elite Commercial REIT's cash flow position and working capital will be monitored closely to ensure that there are adequate liquid reserves in terms of cash and credit facilities to meet its short-term obligations. Steps have been taken to plan early for funding and expense requirements so as to manage the cash position at any point in time. For so long as the Units are listed and traded on the SGX-ST, the Unitholders have no right to request the Manager to repurchase or redeem their Units. Unitholders may only deal in their listed Units through trading on the SGX-ST.
42.	(1)(h)	A description of the redemption rights in normal circumstances	Sections in the Prospectus - Overview – The Offering – No Redemption by Unitholders - Risk Factors – Risks Relating to an Investment in the Units – The Manager is not obliged to redeem Units - The Formation and Structure of the Elite Commercial REIT – Repurchase and Redemption of Units
43.	(1)(h)	A description of the redemption rights in existing circumstances	Sections in the Prospectus - Overview – The Offering – No Redemption by Unitholders - Risk Factors – Risks Relating to an Investment in the Units – The Manager is not obliged to redeem Units - The Formation and Structure of the Elite Commercial REIT – Repurchase and Redemption of Units
44.	(1)(h)	A description of existing redemption arrangements with investors	Sections in the Prospectus - Overview – The Offering – No Redemption by Unitholders - Risk Factors – Risks Relating to an Investment in the Units – The Manager is not obliged to redeem Units - The Formation and Structure of the Elite Commercial REIT – Repurchase and Redemption of Units

No.	Article 23 ¹ reference	Summary of Disclosure Requirement	Cross-reference to Section(s) in the Prospectus/Additional Disclosure
45.	(1)(j)	A description of how the AIFM ensures fair of investors	No unfair or preferential treatment is afforded to any Unitholder. Under the Trust Deed, every Unit carries the same voting rights. Elite Commercial REIT has only issued one class of Units, and as a result will treat all Unitholders equally.
46.	(1)(j)	Whenever an investor obtains preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment, the type of investors who obtain such treatment preferential treatment; and where relevant, their legal or economic links with the AIF or AIFM	No unfair or preferential treatment is afforded to any Unitholder. Under the Trust Deed, every Unit carries the same voting rights. Elite Commercial REIT has only issued one class of Units, and as a result will treat all Unitholders equally.
47.	(1)(c)	A description of the main legal implications of the contractual relationship entered into for the purpose of investment (i.e. the documents governing the investors' rights such as subscription agreement, the AIF's constitutional documents and any side letters)	An investor who has acquired or subscribed for units in Elite Commercial REIT ("Units") shall be a Unitholder. The rights and interests of Unitholders are provided for in the Trust Deed which is governed by the laws of Singapore. The terms and conditions of the Trust Deed shall be binding on each Unitholder as if such Unitholder has been a party to the Trust Deed and as if the Trust Deed contains covenants by such Unitholder to observe and be bound by the provisions of the Trust Deed. A Unitholder has no equitable or proprietary interest in the underlying assets of Elite Commercial REIT. A Unitholder is not entitled to the transfer to him of any asset (or any part thereof), any real estate or any interest in any asset and real estate-related assets (or any part thereof) of Elite Commercial REIT. The Trust Deed is available for inspection by investors and prospective investors at the registered office of the Manager for as long as Elite Commercial REIT is in existence.
48.	(1)(c)	Information on the jurisdiction and applicable law of the subscription agreements	The Trust Deed is governed by the laws of Singapore and under the non-exclusive jurisdiction of the courts of Singapore.

No.	Article 23 ¹ reference	Summary of Disclosure Requirement	Cross-reference to Section(s) in the Prospectus/Additional Disclosure
49.	(1)(c)	Information on the existence or absence of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established	There is no single legal regime in Singapore governing the recognition and enforcement of foreign judgments in Singapore. Rather, under Singapore law, there exists common law, and statute mechanisms for the recognition and enforcement of foreign judgments in Singapore. Each of these is subject to its own procedures and qualifications and whether a judgment given in a foreign court will be enforced in Singapore must be considered in light of the relevant factors in each case, including the applicable regime, the specific jurisdiction where such judgment was given and whether the requirements for recognition and enforcement of the foreign judgment have been satisfied.
50.	(1)(k)	The latest annual report	Section in the Prospectus • The Manager and Corporate Governance – Annual Reports
51.	(1)(l)	The procedure and conditions for the issue and sale of units or shares	Sections in the Prospectus • Overview – The Offering • Plan of Distribution • The Formation and Structure of Elite Commercial REIT – The Trust Deed – Issue of Units • The Formation and Structure of Elite Commercial REIT – The Trust Deed – Suspension of Issue of Units
52.	(1)(o)	Identity of the prime brokerage firm	Not applicable
53.	(1)(o)	Description of any material arrangements of the AIF with its prime brokerage firm	Not applicable

No.	Article 23 ¹ reference	Summary of Disclosure Requirement	Cross-reference to Section(s) in the Prospectus/Additional Disclosure
54.	(1)(o)	Description of the way any conflicts of interest are managed	Sections in the Prospectus • The Manager and Corporate Governance – Corporate Governance of the Manager – Audit and Risk Committee • The Manager and Corporate Governance – Corporate Governance of the Manager – Potential Conflicts of Interest • The Manager and Corporate Governance – Related Party Transactions
55.	(1)(o)	Details of the provision in the contract with the depositary on the possibility of transfer and reuse of assets	Not applicable
56.	(1)(o)	Information about any transfer of liability to the prime brokerage firm from the depositary	Not applicable

¹ Unless otherwise indicated.

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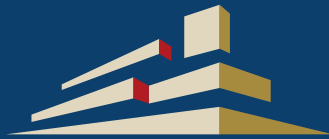
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ELITE COMMERCIAL REIT

**FIRST UK-FOCUSED SINGAPORE REIT,
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